

# Duplin County, North Carolina

## Comprehensive Annual Financial Report



For the Year Ended June 30, 2013

Prepared by the Duplin County Finance Office

Teresa Lanier  
Finance Officer

## Table of Contents

<u>Exhibit</u>		<u>Page</u>
	<b>Introductory Section:</b>	
	Letter of Transmittal	10-13
	Organizational Chart	14
	Principal Officials	15
	<b>Financial Section:</b>	
	Independent Auditor's Report	17-19
	Management's Discussion and Analysis	20-28
	<b>Basic Financial Statements:</b>	
1	Statement of Net Position	30-31
2	Statement of Activities	32-33
3	Balance Sheet - Governmental Funds	34-35
4	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	36-37
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	38-39
6	Statement of Fund Net Position - Proprietary Funds	40-41
7	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	42-43
8	Statement of Cash Flows - Proprietary Funds	44-47
9	Statement of Fiduciary Net Position - Fiduciary Funds	48
	Notes to Financial Statements	49-88
	<b>Required Supplementary Information:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress	90

Table of Contents

<u>Exhibit</u>		<u>Page</u>
A-2	Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions	91
A-3	Postemployment Health Benefit Obligation - Schedules of Funding Progress and Employer Contributions	92
<b>Combining and Individual Fund Statements and Schedules:</b>		
<b>General Fund:</b>		
B-1	Combining Balance Sheet - General Fund	95
B-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund	96
B-3	General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	97-115
B-4	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
<b>Nonmajor Governmental Funds:</b>		
C-1	Combining Balance Sheet - Nonmajor Governmental Funds	118
C-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	119
<b>Special Revenue Funds:</b>		
D-1	Combining Balance Sheet - Special Revenue Funds	121-122
D-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds	123-124
D-3	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	125
D-4	Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	126
D-5	Community Development Revolving Loan Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	127

## Table of Contents

<u>Exhibit</u>	<u>Page</u>	
D-6	School Planning Allocationt Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	128
D-7	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	129
D-8	Community Development Block Grant (SSH09C1989) Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	130
D-9	Community Development Block Grant (11-C-2292) Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	131
D-10	Automation Enhancement and Preservation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	132
<b>Capital Project Funds:</b>		
E-1	Combining Balance Sheet - Capital Project Funds	134
E-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Capital Project Funds	135
E-3	Industrial Expansion Capital Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	136-137
E-4	Capital Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	138-139
E-5	Capital Project Fund - School Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	140
E-6	Capital Project Fund - JSCC - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	141

## Table of Contents

Exhibit		Page
	<b>Enterprise Funds:</b>	
F-1	Combining Statement of Fund Net Position - Nonmajor Proprietary Funds - Enterprise Funds	143-144
F-2	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds - Enterprise Funds	145-146
F-3	Combining Statement of Cash Flows - Nonmajor Proprietary Funds - Enterprise Funds	147-148
F-4	Airport Commission Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	149-150
F-5	Airport Commission Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	151
F-6	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	152-153
F-7	Transportation Development Plan Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	154-155
F-8	County Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	156-157
F-9	Albertson Water and Sewer Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	158-159
F-10	Water Fund - District B - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	160-161
F-11	Water Fund - District D - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	162-163
F-12	Water Fund - District E - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	164-165
F-13	Water Fund - District F - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	166-167
F-14	Water Fund - District G - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	168-169

## Table of Contents

<u>Exhibit</u>	<u>Page</u>
F-15	Water District D ARRA Water Improvements Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non- GAAP) 170
F-16	Water District G Clean Water (GHSRGW99063) Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non- GAAP) 171
F-17	Water District G 2009 DWSRF Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 172
F-18	Water District E 2006 Clean Water Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 173
F-19	Albertson Water District NC Rural 2008 Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 174
F-20	Water District E 2009 DWSRF Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 175
F-21	Water District G and E I-40-373 Sewer Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 176
F-22	Water District F 2009 DWSRF Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 177
F-23	Water Debt Service 2012 Limited Obligation Bond Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) 178
<b>Debt Service Fund:</b>	
G-1	Debt Service Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 180
<b>Trust and Agency Funds:</b>	
H-1	County Trust Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 182
H-2	Combining Statement of Fiduciary Net Position - Agency Funds 183

## Table of Contents

Exhibit		Page
H-3	Combining Statement of Changes in Assets and Liabilities - Agency Funds	184-185
	<b>Internal Service Fund:</b>	
I-1	Hospital Insurance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	187
	<b>Component Unit - Duplin County Tourism Development Authority:</b>	
J-1	Supplemental Statement of Net Position	189
J-2	Supplemental Statement of Activities	190
J-3	Supplemental Balance Sheet	191
J-4	Supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance	192
J-5	Supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	193
	<b>Other Schedules:</b>	
K-1	General Fund - Schedule of Ad Valorem Taxes Receivable	195
K-2	Analysis of Current Tax Levy - County-Wide Levy	196
K-3	Analysis of Current Tax Levy - Secondary Market Disclosures	197
K-4	Computation of Legal Debt Margin	198
	<b>Statistical Section:</b>	
Table 1	Net Position by Component	200-201
Table 2	Changes in Net Position	202-205
Table 3	Fund Balances - Governmental Funds	206-207
Table 4	Changes in Fund Balances - Governmental Funds	208-209
Table 5	Assessed Value and Actual Value of Taxable Property	210
Table 6	Property Tax Rates - Direct and Overlapping Governments	211

## Table of Contents

Exhibit		Page
Table 7	Principal Taxpayers	212
Table 8	Property Tax Levies and Collections	213
Table 9	Ratios of Outstanding Debt by Type	214
Table 10	Ratio of General Bonded Debt Outstanding and Legal Debt Margin Information	215-216
Table 11	Demographic and Economic Statistics	217
Table 12	Principal Employers	218
Table 13	Full-time County Government Employees by Function/Program	219-221
Table 14	Operating Indicators by Function/Program	222-225
Table 15	Capital Asset Statistics by Function/Program	226-227
<b>Compliance Section:</b>		
	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	229-230
	Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the State Single Audit Implementation Act	231-233
	Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the State Single Audit Implementation Act	234-235
	Schedule of Findings and Questioned Costs	236-239
	Corrective Action Plan	240
	Summary Schedule of Prior Year Audit Findings	241
	Schedule of Expenditures of Federal and State Awards	242-250
	Notes to Schedule of Expenditures of Federal and State Awards	251



## Introductory Section



December 31, 2013

To the Board of Commissioners, County Manager, and Citizens of Duplin County:

State law requires that all general purpose local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Carr, Riggs & Ingram, LLC, a firm of Certified Public Accountants, have issued an unqualified ("clean") opinion on Duplin County's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the Government**

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

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

Duplin County experiences a mild climate with an average temperature of 63 degrees and an average annual rainfall of approximately 53 inches, with most precipitation occurring during the summer months. The average frost-free season is from mid-April to mid-November, slightly more than 200 days. The County has a wide range of soil types that contribute to a highly productive agricultural industry. According to the 2007 Census of Agriculture, Duplin County was ranked 9<sup>th</sup> in the state and 12<sup>th</sup> in the nation for tobacco production and ranked 1<sup>st</sup> in the state for corn for grain production. The County also is a huge producer of livestock, poultry and their by-products – ranking 1<sup>st</sup> in the state and 5<sup>th</sup> in the nation for market value of livestock, poultry and by-products and also 1<sup>st</sup> in the state and nation for hogs and pigs sold according to the same 2007 Census of Agriculture. Duplin County is home to the world's largest turkey processing plant at 675,000 square feet owned by Butterball LLC. Because agriculture is such an integral part of Duplin County's economy, an Agriculture Protection Plan was developed in 2010 to help improve and protect current and future agriculture owners' land and enhance programs.

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

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

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

## **Local Economy**

Duplin County is a rural county situated in the eastern coastal plain region of North Carolina and is located on the southwestern border of North Carolina's Eastern Region, an economic development partnership for 13 counties in Eastern North Carolina. Kenansville, the county seat, is intersected by three highways: NC 24, NC 11 and NC 50. The County includes major highways such as Interstate 40, US 117 and NC 24. The County also offers a rail system that runs along US 117 which offers businesses both rail and major interstate access. Interstate 40 continues to have a positive economic impact on the County as can be seen directly by the business activity along the exits and indirectly by the business the interstate brings into the County.

Duplin County has an estimated population of 60,033 and labor force of almost 26,000 per the North Carolina Employment Security Commission. The unadjusted unemployment rate at June 2013 was 9.4%. The County's economy has historically been based on agriculture, agriculture related processing and manufacturing. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced row crops as the primary source of production. The County has diversified its economic base by attracting a local technology company and a plastics molding company.

The primary agricultural products produced in the County are poultry, tobacco, grain, produce and livestock. The County is a national leader in poultry and swine production with one of the nation's largest hog producers and the world's largest turkey processing plant located in the County.

The County considers the production of alternative energy fuel crops as a future agribusiness growth opportunity, and research into such crops is being conducted in the County. Research is being conducted locally on alternative crops for the production of ethanol and biodiesel fuels that would not compete with Midwestern corn supplies which are critical for local livestock production. Other fuel crops, such as industrial sweet potatoes and canola are being evaluated at the North Carolina State University Williamsdale Research farm located in the County.

Due to the County's geographic proximity to the military installations of Marine Corps Base Camp Lejeune (45 miles), Marine Corps Air Station New River (40 miles), Fort Bragg U.S. Army Base (65 miles), Marine Corps Air Station Cherry Point (85 miles) and Seymour Johnson Air Force Base (40 miles), the County is strategically positioned to support projected military growth in the area. Initiatives of growth to attract military population or business include civic and community efforts to attract military families. The Town of Warsaw maintains a Veterans Museum and hosts the longest running Veteran's Day parade in the United States.

Duplin County is also home to a growing wine industry which contributes to the local economy through wine production and tourism. Duplin Winery, which is located in Rose Hill, is the County's largest tourist attraction. It has a tank capacity of over 1.4 million gallons, is the largest winery in the South and produces the best-selling wine in North Carolina. Over 100,000 visitors visit the winery and production facility each year. With the growth of the industry, many farmers have replaced tobacco with grapes as a cash crop. In addition to jobs in the vineyard, wineries are an increasing source of employment in the County.

## **Long-term financial planning and major initiatives**

Duplin County has to be in a continued state of planning to keep up with the ever-changing environment of local government. This is an ongoing charge to the elected officials as well as County staff. The Board of Commissioners had a planning retreat in February 2013 to discuss and develop strategies to help plan current and future needs of the County.

The County continues to have low-cost access to the debt markets to finance the acquisition, renovation or construction of various long-term assets. With the most recent Limited Obligation Bonds' issuance in 2012, the County received a bond rating of "A" with Standard & Poor's and "A2" with Moody's. It is management's objective to adequately plan to meet the County's ongoing demands for essential capital improvement projects and equipment without overburdening taxpayers with bonds payable from ad valorem taxes.

Duplin County annually reviews and updates the County Capital Needs Assessment, for "pay as you go" capital as well as long term capital projects and needs for county government and the education system. The County has been successful in utilizing the North Carolina Lottery funds for renovations and improvements of several schools throughout the County which prevents impact to local budgets.

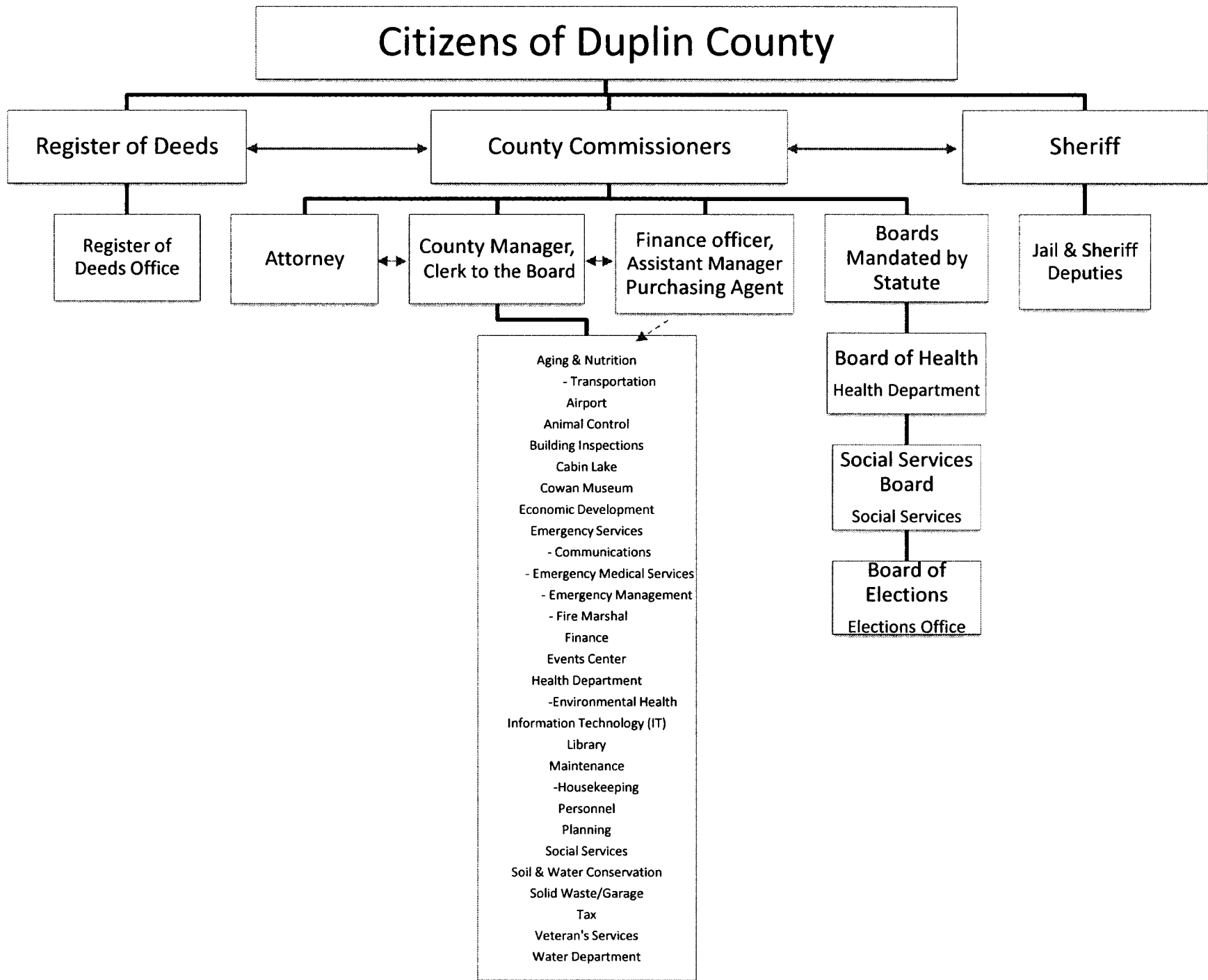
The County continues to add to and improve the water system to reach as many households as possible. A sewer system project located at Interstate 40, exit 373 is projected to be completed by March 2014, which will allow potential business growth in this area of the County as well as serve residents in that area. In 2012, the County collaborated with five granting agencies and existing industry, Lear Corporation, formally known as Guilford Mills, to construct a ten mile gas pipeline to help retain 500 existing jobs, leverage new investment and create 88 new jobs.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Office. I would like to express my appreciation to all government departments for their assistance in providing the data necessary to prepare this report. Credit also must be given to the County Manager and Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of Duplin County's finances.

Respectfully submitted,



Teresa Lanier  
Finance Officer



# Duplin County, North Carolina

## Principal Officials

### Board of County Commissioners

Frances S. Parks	District I
Tim Smith	District II
Harold Raynor	District III
Kennedy Thompson, Chairman	District IV
Albert R. Brown, Vice Chairman	District V
Anita R. Powers	District VI

Mike Aldridge	County Manager
Teresa Lanier	Finance Officer
Gary Rose	Tax Administrator
Wendy Sivori	County Attorney

Financial Section





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## INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners  
Duplin County, North Carolina

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 ended June 30, 2013, 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows 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.

## **Prior Period Adjustment**

As discussed in Note 26 to the financial statements, Duplin County had not recorded accrued interest payables and receivables in prior years. In the current year the County recorded these amounts and corresponding adjustments have been made to beginning net position in the Statement of Activities (Exhibit 2) and the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit 7).

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Law Enforcement Officers' Special Separation Allowance and Other Postemployment Benefits schedules of funding progress and employer contributions on pages 89–92, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Duplin County, North Carolina's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

In our opinion, 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013 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 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.

**Change in Accounting Principle**

As discussed in Note 25 to the financial statements, in 2013 the County adopted new accounting guidance, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and 34*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

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

La Grange, North Carolina  
December 27, 2013

## Management's Discussion and Analysis

As management of Duplin County, we offer readers of Duplin County's financial statements this narrative overview and analysis of the financial activities of Duplin County for the year ended June 30, 2013. 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 \$75,304,967, an increase of \$5,709,947 over the prior year. (Exhibit 1)
- The governmental activities total net position increased by \$3,757,010, primarily due to increased public safety revenues. (Exhibit 2)
- As of the close of the current year, Duplin County's governmental funds reported combined ending fund balances of \$19,449,533, a decrease of \$432,639 in comparison with the prior year. (Exhibit 4). Approximately 32.21 percent of the total fund balance, or \$6,264,894, is available for spending at the government's discretion (*unassigned fund balance*). (Exhibit 3)
- At the end of the current year, unassigned fund balance for the General Fund was \$6,267,563, or 12.10 percent of total general fund expenditures and transfers for the year. (Exhibit 3 and 5)
- The County issued general obligation bonds in order to refund the current general obligations bonds in the water districts. As a result of this transaction the County was able to reduce its total debt payments over the next 25 years.
- Duplin County held the following bond ratings:

Moody's	A2
Standard & Poor's	A

### Overview of the Financial Statements

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

## **Basic Financial Statements**

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

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

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

### **Government-wide Financial Statements**

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

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

The government-wide statements are divided into two categories: governmental activities and business-type activities. The governmental activities include most of the County's basic services such as general government, public safety, human services, cultural and recreational, and economic and physical development. Property taxes, motor vehicle 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 government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

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

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between 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.

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

**Proprietary Funds** – Duplin County has one kind of proprietary fund. *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 Funds' operations, 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.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Duplin County has one fiduciary fund - County Trust Fund.

**Agency Funds** – Agency funds are used to account for assets the County holds on behalf of others. The County has six agency funds - County Agency Fund, the Board of Education Fines and Forfeitures Fund, the Motor Vehicle Tax Fund, the Motor Vehicle 3% Interest Fund, the Social Services Fund, and the Register of Deeds Fund.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 49-88 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Duplin County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found in Exhibit's A-1 and A-2 of this report.

### Duplin County's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current assets	\$ 27,792,091	\$ 24,458,535	\$ 9,342,129	\$ 7,909,842	\$ 37,134,220	\$ 32,368,377
Capital assets	22,942,526	23,179,068	54,346,722	53,326,594	77,289,248	76,505,662
Restricted assets	3,723,235	4,041,422	1,556,484	1,069,259	5,279,719	5,110,681
Other assets	-	-	16,367,679	-	16,367,679	-
<b>Total assets</b>	<b>54,457,852</b>	<b>51,679,025</b>	<b>81,613,014</b>	<b>62,305,695</b>	<b>136,070,866</b>	<b>113,984,720</b>
<b>Deferred outflows of resources</b>						
	-	-	257,546	-	257,546	-
<b>Liabilities</b>						
Current liabilities	\$ 3,061,743	\$ 3,342,741	\$ 3,209,416	\$ 1,055,238	\$ 6,271,159	\$ 4,397,979
Long-term liabilities	21,268,024	21,240,973	33,246,865	17,717,539	54,514,889	38,958,512
<b>Total liabilities</b>	<b>24,329,767</b>	<b>24,583,714</b>	<b>36,456,281</b>	<b>18,772,777</b>	<b>60,786,048</b>	<b>43,356,491</b>
<b>Deferred inflows of resources</b>						
	237,397	194,506	-	-	237,397	194,506
<b>Net Position:</b>						
Net investment in capital assets	9,963,445	11,798,823	36,267,466	35,552,070	46,230,911	47,350,893
Restricted	8,512,963	9,542,550	1,556,484	1,069,259	10,069,447	10,611,809
Unrestricted	11,414,280	5,559,432	7,590,329	6,911,589	19,004,609	12,471,021
<b>Total net position</b>	<b>\$ 29,890,688</b>	<b>\$ 26,900,805</b>	<b>\$ 45,414,279</b>	<b>\$ 43,532,918</b>	<b>\$ 75,304,967</b>	<b>\$ 70,433,723</b>

As noted earlier, net position may serve as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Duplin County exceeded its liabilities and deferred inflows of resources by \$75,304,967 as of June 30, 2013. The larger portion of Duplin County's net position reflect the County's investment in capital assets (e.g. land, buildings, equipment, and water systems), less any related debt still outstanding that was issued to acquire those items. Duplin County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Duplin County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

Property taxes are a major source of revenue for the County. The overall collection rate for the current year taxes was 94.85 percent. The fiscal year 2013 tax rate was \$0.710 cents per \$100 valuation, which is well below the state legal limit of \$1.50.

### Duplin County's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 15,384,506	\$ 9,498,281	\$ 8,311,271	\$ 7,988,307	\$ 23,695,777	\$ 17,486,588
Operating grants and contributions	10,831,435	9,940,908	500,262	-	11,331,697	9,940,908
Capital grants and contributions	2,217,868	4,308,980	2,298,916	1,080,859	4,516,784	5,389,839
General revenues:						
Property taxes	28,484,431	27,863,938	-	-	28,484,431	27,863,938
Sales tax	7,774,019	7,285,383	-	-	7,774,019	7,285,383
Other	283,368	830,658	689,264	186,067	972,632	1,016,725
<b>Total revenues</b>	<b>64,975,627</b>	<b>59,728,148</b>	<b>11,799,713</b>	<b>9,255,233</b>	<b>76,775,340</b>	<b>68,983,381</b>
<b>Expenses:</b>						
General government	6,215,976	6,613,472	-	-	6,215,976	6,613,472
Public safety	18,488,567	18,267,162	-	-	18,488,567	18,267,162
Economic development	3,107,600	5,088,488	-	-	3,107,600	5,088,488
Human services	17,199,716	17,806,856	-	-	17,199,716	17,806,856
Environmental protection	792,256	728,522	-	-	792,256	728,522
Cultural and recreation	1,239,294	864,163	-	-	1,239,294	864,163
Education	13,238,503	11,933,998	-	-	13,238,503	11,933,998
Non-departmental	281,301	273,150	-	-	281,301	273,150
Interest on long-term debt	527,820	660,077	-	-	527,820	660,077
Airport	-	-	1,138,106	1,214,843	1,138,106	1,214,843
Water & sewer	-	-	4,568,959	4,095,462	4,568,959	4,095,462
Transportation	-	-	993,244	1,073,935	993,244	1,073,935
Solid waste	-	-	3,274,051	3,299,368	3,274,051	3,299,368
<b>Total expenses</b>	<b>61,091,033</b>	<b>62,235,888</b>	<b>9,974,360</b>	<b>9,683,608</b>	<b>71,065,393</b>	<b>71,919,496</b>
Change in net position before transfers	3,884,594	(2,507,740)	1,825,353	(428,375)	5,709,947	(2,936,115)
Transfers	(127,584)	(200,000)	127,584	200,000	-	-
Increase in net position	3,757,010	(2,707,740)	1,952,937	(228,375)	5,709,947	(2,936,115)
Net position, beginning	26,900,805	29,608,545	43,532,918	43,761,293	70,433,723	73,369,838
Restatement/Prior Period Adjustment	(767,127)	-	(71,576)	-	(838,703)	-
<b>Net position, ending</b>	<b>\$ 29,890,688</b>	<b>\$ 26,900,805</b>	<b>\$ 45,414,279</b>	<b>\$ 43,532,918</b>	<b>\$ 75,304,967</b>	<b>\$ 70,433,723</b>

**Governmental activities.** Governmental activities increased the County's net position by \$3,757,010 thereby accounting for most of the total increase to the net position of Duplin County.

Operating grants funded \$10.83 million of Duplin County's governmental activities. Only property and motor vehicle taxes provided a higher source of revenue at \$28.48 million, while sales tax provided \$ 7.77 million in revenues.

**Business-type activities:** Business-type activities increased Duplin County's net position by \$1,952,937.

Charges for services have increased for most of the business-type activities. The County also continues to invest in the expansion of the water system with the goal of becoming a countywide system.



## Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Duplin County. At the end of the current year, unassigned fund balance of the General Fund was \$6,267,563, while total fund balance was \$13,204,337 (Exhibit 3). As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.70 percent of total General Fund expenditures, while total fund balance represents 26.76 percent of that same amount.

At June 30, 2013, the governmental funds of Duplin County reported a combined fund balance of \$19,449,533, a 2.17 percent decrease over June 30, 2012 (Exhibit 4).

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenues by \$5.52 million. The largest increases were ad valorem tax revenue and sales and service revenues.

The actual operating revenues for the General Fund were more than the budgeted amounts by \$1,340,848, most of which is attributed to sales and service revenues. (Exhibit 5)

**Proprietary Funds.** Duplin County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, several funds had unrestricted net position. The Airport Commission Fund amounted to \$267,295, and those for the major Water Funds equaled \$4,079,856. The non-major funds of the Solid Waste Fund, County Water Fund, Albertson Water Fund, and the Transportation Development Fund had a combined total of unrestricted net position of \$3,243,178. (Exhibit 6)

The total increase in net position for the funds was Airport Commission Fund - \$607,153 and the major combined Water Funds of \$1,637,373 (Exhibit 7). The non-major funds had a combined decrease in net position totaling \$291,589. The majority of the non-major fund's loss was in the Solid Waste Fund with a total loss of \$317,351 (Exhibit F-2). Other factors concerning the finances of these funds have already been addressed in the discussion of Duplin County's business-type activities.

## Capital Asset and Debt Administration

**Capital assets.** Duplin County's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals \$77,289,248 (net of accumulated depreciation) (Exhibit 1). Some of these assets include buildings, land, land improvements, machinery and equipment, park facilities, water systems, and vehicles.

Major capital asset transactions during the year include:

- Increase in construction in progress for several Water Districts, such as District E, District G, and Albertson.
- Increase in construction in progress for the new airport terminal.
- Purchase of public safety and solid waste vehicles and equipment.

	Duplin County's Capital Assets					
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,443,908	\$ 2,428,819	\$ 1,160,197	\$ 1,138,369	\$ 3,604,105	\$ 3,567,188
Construction in progress	-	81,825	3,636,390	1,186,102	3,636,390	1,267,927
Buildings	25,571,528	24,832,505	6,188,854	6,167,592	31,760,382	31,000,097
Distribution systems	-	-	50,777,161	50,575,053	50,777,161	50,575,053
Airport	-	-	10,681,139	10,681,139	10,681,139	10,681,139
Equipment	6,733,886	6,710,587	3,880,542	3,880,542	10,614,428	10,591,129
Vehicles	4,591,803	4,327,110	2,072,769	1,961,305	6,664,572	6,288,415
Subtotal	\$ 39,341,125	\$ 38,380,846	78,397,052	75,590,102	\$ 117,738,177	\$ 113,970,948
Less accumulated depreciation	16,398,599	15,201,778	24,050,330	22,263,508	40,448,929	37,465,286
<b>Total</b>	<b>\$ 22,942,526</b>	<b>\$ 23,179,068</b>	<b>\$ 54,346,722</b>	<b>\$ 53,326,594</b>	<b>\$ 77,289,248</b>	<b>\$ 76,505,662</b>

Additional information on the County's capital assets can be found in Note 8 of the Notes to the Financial Statements.

**Long-term Debt.** As of June 30, 2013, Duplin County had total bonded debt outstanding of \$15,915,000, all of which is debt backed by the full faith, credit, and taxing power of the County.

	Duplin County's General Obligation Indebtedness					
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General Obligation Indebtedness	\$ -	\$ 450,000	\$ 15,915,000	\$ 16,593,300	\$ 15,915,000	\$ 17,043,300

Duplin County's total bonded debt has decreased by \$1,128,300 (6.62 percent) during the past fiscal year. This decrease is due to scheduled principal payments of \$450,000 on hospital bonds, \$475,200 on water bonds. The remaining decrease was the result of the refunding of USDA general obligation bonds. See Note 17 regarding information about the advance refunding transaction that took place during the year ended June 30, 2013.

As mentioned in the financial highlights section of this document, Duplin County maintains an A2 bond rating from Moody's Investor Service and maintains an A rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Duplin County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Duplin County is \$300,821,838.

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

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

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

- The unemployment rate for the county is 9.4% which is above the state average of 8.8%.
- The assessed value of real and personal property increased by \$122,728,452 or 3.23%.
- Our population of 60,033 has grown over the past few years mainly due to the growth of the Hispanic population being permanently located in Duplin as compared to being a seasonal workforce.

### **Budget Highlights for the Fiscal Year Ending June 30, 2014**

**Governmental Activities:** The County approved an original \$51.8 million general fund budget. This represents a slight increase over the final budget for FY 2013. The property rate for tax year FY 2014 has increased to \$0.720 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 2013-2014 remained at a flat rate fee per trip of \$8.00.

### **Economic Forecast**

Duplin County's economy has historically been based on agriculture. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced traditional row crops as the primary "cash crop". According to the North Carolina Department of Agriculture's 2012 statistics, Duplin County ranked number 1 in the state in cash receipts from the sale of crops and livestock with total sales of just over \$1 billion. Duplin County is also recognized as an important agricultural producer nationally. According to the most recent (2007) Census of Agriculture, Duplin County is ranked 15<sup>th</sup> of 3,079 U.S. counties in market value of Agricultural products sold.

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

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

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

Duplin County partnered with James Sprunt Community College to offer workforce development training in support of the local agricultural economy by establishing a Diesel Mechanics School in the county's industrial park near Warsaw. Construction of the facility is being funded in part, by a \$1 million grant from the Golden Leaf Foundation.

Duplin County continues to take advantage of low-interest loans and grant opportunities to finance investment in infrastructure to attract and support economic growth. Currently, Duplin County has \$4.8 million of water expansion contracts awarded and under construction. The county, in conjunction with the town of Magnolia, is investing \$2.2 million to extend sewer to the I-40 / NC 11-903 interchange at Exit 373.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Duplin County Finance Office, PO Box 950, Kenansville, N.C. 28349.

## Basic Financial Statements

Duplin County, North Carolina  
Statement of Net Position  
June 30, 2013  
Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 15,979,507	\$ 7,380,566	\$ 23,360,073	\$ 304,817
Receivables, net	11,439,401	2,017,952	13,457,353	19,007
Internal balances	120,376	(120,376)	-	-
Due from agency funds	3,238	-	3,238	-
Due from component unit	674	-	674	-
Inventory	248,895	63,987	312,882	-
<b>Total current assets</b>	<b>27,792,091</b>	<b>9,342,129</b>	<b>37,134,220</b>	<b>323,824</b>
Noncurrent assets:				
Restricted cash and cash equivalents	3,723,235	1,556,484	5,279,719	-
Investment in water district refunding bonds	-	16,367,679	16,367,679	-
Capital assets:				
Land, improvements, and construction in progress	2,443,908	4,796,589	7,240,497	-
Other capital assets, net of depreciation	20,498,618	49,550,133	70,048,751	-
<b>Total capital assets</b>	<b>22,942,526</b>	<b>54,346,722</b>	<b>77,289,248</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>26,665,761</b>	<b>72,270,885</b>	<b>98,936,646</b>	<b>-</b>
<b>Total assets</b>	<b>54,457,852</b>	<b>81,613,014</b>	<b>136,070,866</b>	<b>323,824</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>257,546</b>	<b>257,546</b>	<b>-</b>

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Net Position  
June 30, 2013  
Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,677,258	1,084,657	2,761,915	804
Due to agency funds	2,075	-	2,075	-
Due to primary government	-	-	-	674
Customer deposits	-	352,640	352,640	-
Current portion of long-term liabilities	1,382,410	1,772,119	3,154,529	-
<b>Total current liabilities</b>	<b>3,061,743</b>	<b>3,209,416</b>	<b>6,271,159</b>	<b>1,478</b>
Long-term liabilities:				
Due in more than one year:				
Compensated absences	1,091,008	126,200	1,217,208	3,224
Other postemployment benefits	8,160,728	445,849	8,606,577	-
Law enforcement officers separation allowance	419,617	-	419,617	-
Refunding certificates of participation	1,425,657	-	1,425,657	-
Notes payable	10,171,014	949,458	11,120,472	-
General obligation bonds	-	15,862,679	15,862,679	-
Limited obligation bonds	-	15,862,679	15,862,679	-
<b>Total long-term liabilities</b>	<b>21,268,024</b>	<b>33,246,865</b>	<b>54,514,889</b>	<b>3,224</b>
<b>Total liabilities</b>	<b>24,329,767</b>	<b>36,456,281</b>	<b>60,786,048</b>	<b>4,702</b>
<b>Deferred Inflows of Resources</b>	<b>237,397</b>	<b>-</b>	<b>237,397</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	9,963,445	36,267,466	46,230,911	-
Restricted	8,512,963	1,556,484	10,069,447	19,007
Unrestricted	11,414,280	7,590,329	19,004,609	300,115
<b>Total net position</b>	<b>\$ 29,890,688</b>	<b>\$ 45,414,279</b>	<b>\$ 75,304,967</b>	<b>\$ 319,122</b>

See accompanying notes to financial statements.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 6,215,976	\$ 2,431,141	\$ 104,586	\$ -
Public safety	18,488,567	9,156,791	419,931	-
Economic and physical development	3,107,600	82,813	335,498	1,567,649
Human services	17,199,716	3,368,702	9,760,636	-
Environmental protection	792,256	44,857	56,352	27,999
Cultural and recreational	1,239,294	275,133	153,691	-
Education	13,238,503	-	-	622,220
Non-departmental	281,301	25,069	741	-
Interest on long-term debt	527,820	-	-	-
<b>Total governmental activities</b>	<b>61,091,033</b>	<b>15,384,506</b>	<b>10,831,435</b>	<b>2,217,868</b>
Business-type activities:				
Airport	1,138,106	536,690	-	1,073,097
Water and sewer	4,568,959	4,449,982	-	1,225,819
Transportation	993,244	570,637	371,852	-
Solid waste	3,274,051	2,753,962	128,410	-
<b>Total business-type activities</b>	<b>9,974,360</b>	<b>8,311,271</b>	<b>500,262</b>	<b>2,298,916</b>
<b>Total primary government</b>	<b>\$ 71,065,393</b>	<b>\$ 23,695,777</b>	<b>\$ 11,331,697</b>	<b>\$ 4,516,784</b>
Component unit:				
Tourism development authority	\$ 181,239	\$ -	\$ -	\$ -

General revenues:

Property taxes, levied for general purposes  
Local option sales taxes  
Other taxes and licenses  
Investment earnings, unrestricted  
Miscellaneous, unrestricted

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning, as previously reported

Prior period adjustment (Note 26)

Restatement (Note 25)

Net position, beginning, as restated

Net position, end of year



Duplin County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2013  
Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Duplin County Tourism Development Authority
\$ (3,680,249)	\$ -	\$ (3,680,249)	
(8,911,845)	-	(8,911,845)	
(1,121,640)	-	(1,121,640)	
(4,070,378)	-	(4,070,378)	
(663,048)	-	(663,048)	
(810,470)	-	(810,470)	
(12,616,283)	-	(12,616,283)	
(255,491)	-	(255,491)	
(527,820)	-	(527,820)	
<u>(32,657,224)</u>	<u>-</u>	<u>(32,657,224)</u>	
-	471,681	471,681	
-	1,106,842	1,106,842	
-	(50,755)	(50,755)	
-	(391,679)	(391,679)	
-	<u>1,136,089</u>	<u>1,136,089</u>	
<u>(32,657,224)</u>	<u>1,136,089</u>	<u>(31,521,135)</u>	
		\$	(181,239)
28,484,431	-	28,484,431	-
7,774,019	-	7,774,019	-
107,583	-	107,583	203,582
48,818	603,100	651,918	134
126,967	86,164	213,131	-
(127,584)	127,584	-	-
<u>36,414,234</u>	<u>816,848</u>	<u>37,231,082</u>	<u>203,716</u>
3,757,010	1,952,937	5,709,947	22,477
26,900,805	43,532,918	70,433,723	-
(375,674)	(71,576)	(447,250)	-
(391,453)	-	(391,453)	296,645
<u>26,133,678</u>	<u>43,461,342</u>	<u>69,595,020</u>	<u>296,645</u>
\$ 29,890,688	\$ 45,414,279	\$ 75,304,967	\$ 319,122

See accompanying notes to financial statements.

Duplin County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2013  
Exhibit 3

	Major		Non-Major		Total
	General Fund		Debt Service Fund	Other Governmental Funds	
<b>Assets</b>					
Cash and investments	\$ 11,368,399		\$ 448,749	\$ 1,448,086	\$ 13,265,234
Receivables, net	9,405,363		-	2,033,246	11,438,609
Due from other funds	124,343		-	29,994	154,337
Due from component unit	674		-	-	674
Inventory	248,895		-	-	248,895
Restricted cash and investments	-		-	3,723,235	3,723,235
<b>Total assets</b>	<b>\$ 21,147,674</b>		<b>\$ 448,749</b>	<b>\$ 7,234,561</b>	<b>\$ 28,830,984</b>
<b>Liabilities</b>					
Accounts payable	\$ 585,895		-	\$ 641,112	\$ 1,227,007
Due to other funds	34,696		-	199	34,895
<b>Total liabilities</b>	<b>620,591</b>		<b>-</b>	<b>641,311</b>	<b>1,261,902</b>
<b>Deferred Inflows of Resources</b>	<b>7,322,746</b>		<b>-</b>	<b>796,803</b>	<b>8,119,549</b>
<b>Fund Balances</b>					
Nonspendable - inventories	248,895		-	-	248,895
Restricted:					
Stabilization by state statute	2,742,092		-	1,268,573	4,010,665
Register of deeds	-		-	8,005	8,005
Federally seized assets	263,148		-	-	263,148
Grants and projects	67,386		-	-	67,386
Health	516,943		-	-	516,943
Sheriff	77,809		-	-	77,809
Daycare	1,234		-	-	1,234
Schools	-		-	2,682,606	2,682,606
E-911	-		-	122,911	122,911
Tax revaluation	-		-	762,256	762,256
Committed:					
Capital improvements	1,049,178		-	(162,559)	886,619
Debt service	-		448,749	-	448,749
Economic development	-		-	853,475	853,475
Assigned:					
Subsequent year's expenditures	1,970,089		-	263,849	2,233,938
Unassigned	6,267,563		-	(2,669)	6,264,894
<b>Total fund balances</b>	<b>13,204,337</b>		<b>448,749</b>	<b>5,796,447</b>	<b>19,449,533</b>
<b>Total liabilities, deferred inflows of resource, and fund balances</b>	<b>\$ 21,147,674</b>		<b>\$ 448,749</b>	<b>\$ 7,234,561</b>	

See accompanying notes to financial statements.

Duplin County, North Carolina  
 Balance Sheet  
 Governmental Funds  
 June 30, 2013  
 Exhibit 3

	Total Governmental Funds
<hr/>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balance - governmental funds	\$ 19,449,533
Internal service fund activities to benefit governmental activities	2,628,306
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements.	22,942,526
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide statements.	7,882,152
Some liabilities, including bonds payable, other postemployment benefits, and compensated absences are not due and payable in the current period and therefore are not reported in the fund statements.	(23,011,829)
<hr/>	
<b>Net position of governmental activities</b>	<b>\$ 29,890,688</b>
<hr/>	

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013  
Exhibit 4

	Major		Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	Other Governmental Funds	
<b>Revenues</b>					
Ad valorem taxes	\$ 27,505,851	\$ -	\$ 840,428		\$ 28,346,279
Local option sales taxes	6,213,070	-	1,560,949		7,774,019
Other taxes and licenses	97,104	-	-		97,104
Unrestricted intergovernmental	73,019	-	-		73,019
Restricted intergovernmental	10,355,058	-	1,497,838		11,852,896
Restricted grants	127,028	-	-		127,028
Permits and fees	566,950	-	-		566,950
Restricted revenue	68,696	-	-		68,696
Sales and services	7,641,452	-	-		7,641,452
Investment earnings	8,687	2,732	36,430		47,849
Contributions	48,753	-	946,866		995,619
Miscellaneous	52,799	-	72,656		125,455
<b>Total revenues</b>	<b>52,758,467</b>	<b>2,732</b>	<b>4,955,167</b>		<b>57,716,366</b>
<b>Expenditures</b>					
Current:					
General government	5,386,904	-	39,345		5,426,249
Public safety	14,781,556	-	962,167		15,743,723
Economic and physical development	815,248	-	135,701		950,949
Human services	15,182,432	-	-		15,182,432
Cultural and recreational	1,147,418	-	-		1,147,418
Environmental protection	663,609	-	-		663,609
Capital projects	-	-	3,278,940		3,278,940
Non-departmental	198,446	-	-		198,446
Intergovernmental:					
Education	11,174,397	-	1,160,808		12,335,205
Debt service:					
Principal retirement	-	1,956,821	-		1,956,821
Interest and fees	-	609,929	-		609,929
<b>Total expenditures</b>	<b>49,350,010</b>	<b>2,566,750</b>	<b>5,576,961</b>		<b>57,493,721</b>
Excess (deficiency) of revenues over expenditures	3,408,457	(2,564,018)	(621,794)		222,645
<b>Other financing sources (uses)</b>					
Proceeds from sale of capital assets	72,300	-	-		72,300
Transfers from other funds	-	2,101,449	829,709		2,931,158
Transfers to other funds	(2,426,921)	-	(1,231,821)		(3,658,742)
<b>Total other financing sources (uses)</b>	<b>(2,354,621)</b>	<b>2,101,449</b>	<b>(402,112)</b>		<b>(655,284)</b>

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013  
Exhibit 4

	Major		Non-Major		Total
	General Fund	Debt Service Fund	Other Governmental Funds	Total	
Net change in fund balances	1,053,836	(462,569)	(1,023,906)	(432,639)	
Fund balances, beginning, as previously reported	12,203,158	911,318	7,116,999	20,231,475	
Restatement (Note 25)	-	-	(296,646)	(296,646)	
Fund balances, beginning, as restated	12,203,158	911,318	6,820,353	19,934,829	
Increase in inventory	(52,657)	-	-	(52,657)	
Fund balances, end of year	\$ 13,204,337	\$ 448,749	\$ 5,796,447	\$ 19,449,533	

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

Net changes in fund balances - governmental funds	\$ (432,639)
Change in fund balance due to change in reserve for inventory	(52,657)
Internal service fund activities to benefit governmental activities	568,215

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which depreciation exceeded capital outlays in the current period. (238,410)

Cost of capital assets disposed of during the year, not recognized on the modified accrual basis of accounting. 1,869

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 3,350,189

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 2,024,651

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,464,208)

**Total changes in net position of governmental activities \$ 3,757,010**

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2013  
Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 26,566,450	\$ 27,346,450	\$ 27,505,851	\$ 159,401
Local option sales taxes	5,284,059	5,919,517	6,213,070	293,553
Other taxes and licenses	143,050	78,590	97,104	18,514
Unrestricted intergovernmental	65,000	57,000	73,019	16,019
Restricted intergovernmental	8,525,048	10,312,769	10,355,058	42,289
Restricted grants	20,900	129,578	127,028	(2,550)
Permits and fees	505,000	516,400	566,950	50,550
Restricted revenue	80,000	81,360	68,696	(12,664)
Sales and services	4,659,979	6,898,764	7,641,452	742,688
Investment earnings	7,500	7,500	8,227	727
Contributions	6,240	44,978	48,753	3,775
Miscellaneous	30,000	24,253	52,799	28,546
<b>Total revenues</b>	<b>45,893,226</b>	<b>51,417,159</b>	<b>52,758,007</b>	<b>1,340,848</b>
<b>Expenditures</b>				
Current:				
General government	4,304,025	5,787,594	5,386,904	400,690
Public safety	13,916,259	15,431,171	14,781,556	649,615
Environmental protection	631,388	868,800	663,609	205,191
Economic and physical development	1,832,892	906,081	815,248	90,833
Human services	14,661,983	15,889,590	15,182,432	707,158
Cultural and recreational	704,208	1,308,901	1,147,418	161,483
Non-departmental	518,000	265,106	198,446	66,660
Intergovernmental:				
Education	11,774,251	11,211,241	11,174,397	36,844
<b>Total expenditures</b>	<b>48,343,006</b>	<b>51,668,484</b>	<b>49,350,010</b>	<b>2,318,474</b>
<b>Revenues over (under) expenditures</b>	<b>(2,449,780)</b>	<b>(251,325)</b>	<b>3,407,997</b>	<b>3,659,322</b>

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2013  
Exhibit 5

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	44,557	72,300	27,743
Transfers to other funds	(638,718)	(2,395,882)	(2,333,453)	62,429
<b>Total other financing uses</b>	<b>(638,718)</b>	<b>(2,351,325)</b>	<b>(2,261,153)</b>	<b>90,172</b>
<b>Appropriated fund balance</b>	<b>3,088,498</b>	<b>2,602,650</b>	<b>-</b>	<b>(2,602,650)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,146,844</b>	<b>\$ 1,146,844</b>
Fund balance, beginning of year			11,060,972	
Increase in inventory			(52,657)	
<b>Fund balance, end of year</b>			<b>\$ 12,155,159</b>	

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

Investment earnings	\$ 460
Transfers from General Fund	(93,468)
<b>Fund balance, beginning of year</b>	<b>1,142,186</b>
<b>Fund balance, end of year (Exhibit 4)</b>	<b>\$ 13,204,337</b>

See accompanying notes to financial statements.

	Major		
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District D
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 236,354	\$ -	\$ 66,679
Receivables, net	31,686	50,428	66,733
Inventory	42,427	-	-
Due from other funds	-	-	-
<b>Total current assets</b>	<b>310,467</b>	<b>50,428</b>	<b>133,412</b>
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	-
Investment in water district refunding bonds	-	16,367,679	-
Capital assets:			
Land, improvements, and construction in progress	2,112,334	-	50,600
Other capital assets, net of depreciation	7,645,504	-	8,610,314
<b>Total capital assets</b>	<b>9,757,838</b>	<b>-</b>	<b>8,660,914</b>
<b>Total noncurrent assets</b>	<b>9,757,838</b>	<b>16,367,679</b>	<b>8,660,914</b>
<b>Total assets</b>	<b>10,068,305</b>	<b>16,418,107</b>	<b>8,794,326</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>55,992</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	6,101	50,428	14,757
Customer deposits	-	-	58,775
Due to other funds	10	-	364,962
Current portion of notes payable	42,528	-	23,175
Current portion of general obligation bonds	-	-	110,000
Current portion of limited obligation bonds	-	505,000	-
<b>Total current liabilities</b>	<b>48,639</b>	<b>555,428</b>	<b>571,669</b>
Long-term liabilities:			
Compensated absences	8,488	-	-
Other postemployment benefits	28,573	-	-
Notes payable	236,037	-	370,712
General obligation bonds	-	-	3,645,912
Limited obligations bonds	-	15,862,679	-
<b>Total long-term liabilities</b>	<b>273,098</b>	<b>15,862,679</b>	<b>4,016,624</b>
<b>Total liabilities</b>	<b>321,737</b>	<b>16,418,107</b>	<b>4,588,293</b>
<b>Net Position</b>			
Net investment in capital assets	9,479,273	-	4,511,115
Restricted	-	-	-
Unrestricted	267,295	-	(249,090)
<b>Total net position</b>	<b>\$ 9,746,568</b>	<b>\$ -</b>	<b>\$ 4,262,025</b>



Duplin County, North Carolina  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2013  
Exhibit 6

Major				Nonmajor		
Water Fund- District E	Water Fund- District F	Water Fund- District B	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 1,276,070	\$ 895,028	\$ 1,078,397	\$ 1,098,893	\$ 2,729,145	\$ 7,380,566	\$ 2,714,273
112,325	717,141	58,263	126,565	854,811	2,017,952	792
-	-	-	-	21,560	63,987	-
-	-	1,080	3,195	311,773	316,048	2,669
1,388,395	1,612,169	1,137,740	1,228,653	3,917,289	9,778,553	2,717,734
146,020	-	-	340,713	1,069,751	1,556,484	-
-	-	-	-	-	16,367,679	-
11,686	1,201,465	56,500	195,366	1,168,638	4,796,589	-
5,645,604	7,847,117	5,307,407	5,658,442	8,835,745	49,550,133	-
5,657,290	9,048,582	5,363,907	5,853,808	10,004,383	54,346,722	-
5,803,310	9,048,582	5,363,907	6,194,521	11,074,134	72,270,885	-
7,191,705	10,660,751	6,501,647	7,423,174	14,991,423	82,049,438	2,717,734
57,096	65,520	32,533	46,405	-	257,546	-
92,435	638,884	5,494	190,492	86,066	1,084,657	88,854
63,045	71,600	56,675	58,430	44,115	352,640	-
16,988	19,468	13,583	12,471	8,942	436,424	574
193,800	32,010	-	452,200	18,406	762,119	-
105,000	130,000	75,000	85,000	-	505,000	-
-	-	-	-	-	505,000	-
471,268	891,962	150,752	798,593	157,529	3,645,840	89,428
-	-	-	-	117,712	126,200	-
-	-	-	-	417,276	445,849	-
-	177,060	-	-	165,649	949,458	-
3,504,416	4,144,568	1,813,738	2,754,045	-	15,862,679	-
-	-	-	-	-	15,862,679	-
3,504,416	4,321,628	1,813,738	2,754,045	700,637	33,246,865	-
3,975,684	5,213,590	1,964,490	3,552,638	858,166	36,892,705	89,428
1,854,074	4,564,944	3,475,169	2,562,563	9,820,328	36,267,466	-
146,020	-	-	340,713	1,069,751	1,556,484	-
1,273,023	947,737	1,094,521	1,013,665	3,243,178	7,590,329	2,060,091
<b>\$ 3,273,117</b>	<b>\$ 5,512,681</b>	<b>\$ 4,569,690</b>	<b>\$ 3,916,941</b>	<b>\$ 14,133,257</b>	<b>\$ 45,414,279</b>	<b>\$ 2,628,306</b>

See accompanying notes to financial statements.

	Major			
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District D	Water Fund- District E
<b>Operating revenues</b>				
Water sales	\$ -	\$ -	\$ 526,300	\$ 661,592
Administration fees	-	-	1,064	429
Sales and rentals	536,690	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
<b>Total operating revenues</b>	<b>536,690</b>	<b>-</b>	<b>527,364</b>	<b>662,021</b>
<b>Operating expenses</b>				
Operating expenses	633,851	-	202,202	251,247
Depreciation	493,787	-	219,752	156,277
<b>Total operating expenses</b>	<b>1,127,638</b>	<b>-</b>	<b>421,954</b>	<b>407,524</b>
Operating income (loss)	(590,948)	-	105,410	254,497
<b>Non-operating revenues (expenses)</b>				
Investment earnings	158	595,060	57	579
State grants	-	-	-	-
Disposal tax revenues	-	-	-	-
Interest expense	(10,468)	(595,060)	(136,833)	(136,479)
Gain (loss) on disposal of capital assets	976	-	(1,400)	-
Miscellaneous	6,753	-	479	68
<b>Total non-operating revenue (expense)</b>	<b>(2,581)</b>	<b>-</b>	<b>(137,697)</b>	<b>(135,832)</b>
Income (loss) before transfers and capital contributions	(593,529)	-	(32,287)	118,665
Transfers in (out)	127,584	-	-	-
Capital contributions	1,073,097	-	119,028	15,262
Change in net position	607,153	-	86,741	133,927
Net position, beginning of year, as previously reported	9,140,293	-	4,193,100	3,151,026
Prior period adjustment (Note 26)	(878)	-	(17,816)	(11,836)
<b>Net position, beginning of year, as restated</b>	<b>9,139,415</b>	<b>-</b>	<b>4,175,284</b>	<b>3,139,190</b>
<b>Net position, end of year</b>	<b>\$ 9,746,568</b>	<b>\$ -</b>	<b>\$ 4,262,025</b>	<b>\$ 3,273,117</b>

Duplin County, North Carolina  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2013  
Exhibit 7

Major			Nonmajor		
Water Fund- District F	Water Fund- District B	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 961,862	\$ 571,912	\$ 535,263	\$ 434,049	\$ 3,690,978	\$ -
-	-	-	711,592	713,085	-
-	-	-	-	536,690	-
-	-	-	45,919	45,919	-
-	-	-	3,324,599	3,324,599	3,833,934
<u>961,862</u>	<u>571,912</u>	<u>535,263</u>	<u>4,516,159</u>	<u>8,311,271</u>	<u>3,833,934</u>
388,672	250,210	217,904	4,856,175	6,800,260	3,866,688
212,722	144,201	148,611	583,293	1,958,643	-
<u>601,394</u>	<u>394,411</u>	<u>366,515</u>	<u>5,439,468</u>	<u>8,758,903</u>	<u>3,866,688</u>
360,468	177,501	168,748	(923,309)	(447,632)	(32,754)
418	483	382	5,963	603,100	969
-	-	-	378,520	378,520	-
-	-	-	121,742	121,742	-
(166,871)	(64,740)	(99,283)	(5,723)	(1,215,457)	-
-	-	-	73,417	72,993	-
647	1,062	864	3,298	13,171	-
<u>(165,806)</u>	<u>(63,195)</u>	<u>(98,037)</u>	<u>577,217</u>	<u>(25,931)</u>	<u>969</u>
194,662	114,306	70,711	(346,092)	(473,563)	(31,785)
-	-	-	-	127,584	600,000
<u>1,037,026</u>	<u>-</u>	<u>-</u>	<u>54,503</u>	<u>2,298,916</u>	<u>-</u>
1,231,688	114,306	70,711	(291,589)	1,952,937	568,215
4,297,545	4,463,812	3,861,328	14,425,814	43,532,918	2,060,091
(16,552)	(8,428)	(15,098)	(968)	(71,576)	-
<u>4,280,993</u>	<u>4,455,384</u>	<u>3,846,230</u>	<u>14,424,846</u>	<u>43,461,342</u>	<u>2,060,091</u>
<u>\$ 5,512,681</u>	<u>\$ 4,569,690</u>	<u>\$ 3,916,941</u>	<u>\$ 14,133,257</u>	<u>\$ 45,414,279</u>	<u>\$ 2,628,306</u>

See accompanying notes to financial statements.

	Major		
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District D
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 658,585	\$ -	\$ 498,574
Cash paid for goods and services	(604,216)	-	(201,919)
Cash paid to employees for services	(151,584)	-	-
Customer deposits received, net	-	-	4,376
Net cash provided (used) by operating activities	(97,215)	-	301,031
<b>Cash flows from non-capital financing activities</b>			
Transfers in (out)	127,584	-	-
Miscellaneous	6,753	-	479
Net cash provided by non-capital financing activities	134,337	-	479
<b>Cash flows from capital and related financing activities</b>			
Capital contributions	1,073,097	-	119,028
Advances from (to) other funds, net	664	-	1,510
Proceeds from sale of capital assets	976	-	-
Acquisition and construction of capital assets	(1,232,956)	-	(118,080)
Proceeds from notes payable	-	-	-
General obligation refunding bonds issued	-	-	3,870,325
Limited obligation bonds issued	-	16,861,772	-
Payment to refunded bond escrow agent	-	-	(3,812,000)
Refunding bond issuance costs paid	-	-	(58,325)
Principal paid on bond maturities and notes payable	(41,068)	(475,000)	(134,163)
Interest paid on bond maturities and notes payable	(10,533)	(544,632)	(145,081)
Net cash provided (used) by capital and related financing activities	(209,820)	15,842,140	(276,786)

Duplin County, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013  
Exhibit 8

Major				Nonmajor		
Water Fund- District E	Water Fund- District F	Water Fund- District B	Water Fund- District G	Other Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 609,357 (221,559)	\$ 891,577 (397,227)	\$ 529,085 (254,500)	\$ 498,639 (153,785)	\$ 4,438,250 (2,791,254)	\$ 8,124,067 (4,624,460)	\$ 3,833,892 (3,822,295)
-	-	-	-	(1,937,766)	(2,089,350)	-
4,750	4,925	3,725	3,315	4,040	25,131	-
392,548	499,275	278,310	348,169	(286,730)	1,435,388	11,597
-	-	-	-	-	127,584	600,000
68	647	1,062	864	503,560	513,433	-
68	647	1,062	864	503,560	641,017	600,000
37,421	1,037,026	-	51,704	54,503	2,372,779	-
993	(688)	911	(658)	(1,324)	1,408	(2,095)
-	-	-	-	73,417	74,393	-
(93,393)	(1,062,026)	-	(138,488)	(335,228)	(2,980,171)	-
193,800	-	-	452,200	-	646,000	-
3,708,975	4,399,550	1,960,582	2,922,339	-	16,861,771	-
-	-	-	-	-	16,861,772	-
(3,649,500)	(4,331,300)	(1,926,500)	(2,874,000)	-	(16,593,300)	-
(59,475)	(68,250)	(34,082)	(48,339)	-	(268,471)	-
(95,000)	(152,010)	(70,000)	(80,000)	(18,406)	(1,065,647)	-
(139,100)	(171,548)	(67,969)	(106,766)	(5,811)	(1,191,440)	-
(95,279)	(349,246)	(137,058)	177,992	(232,849)	14,719,094	(2,095)

(continued)

See accompanying notes to financial statements.

	Major		
	Airport Commission Fund	Water Debt Service 2012 Limited Obligation Bond Fund	Water Fund- District D
(Continued)			
<b>Cash flows from investing activities</b>			
Interest on investments	158	544,632	57
Purchase of water district bonds	-	(16,861,772)	-
Principal received on water district bonds	-	475,000	-
<b>Net cash provided (used) by investing activities</b>	<b>158</b>	<b>(15,842,140)</b>	<b>57</b>
Net increase (decrease) in cash and cash equivalents	(172,540)	-	24,781
Cash and cash equivalents, beginning of year	408,894	-	41,898
Cash and cash equivalents, end of year	\$ 236,354	\$ -	\$ 66,679

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

Operating income (loss)	\$ (590,948)	\$ -	\$ 105,410
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	493,787	-	219,752
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	121,896	-	(28,790)
(Increase) decrease in inventory	(9,881)	-	-
Increase (decrease) in accounts payable	(121,721)	-	283
Increase (decrease) in customer deposits	-	-	4,376
Increase (decrease) in OPEB obligation	9,296	-	-
Increase (decrease) in compensated absences	356	-	-
<b>Total adjustments</b>	<b>493,733</b>	<b>-</b>	<b>195,621</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (97,215)</b>	<b>\$ -</b>	<b>\$ 301,031</b>

Duplin County, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013  
Exhibit 8

Major				Nonmajor		
Water Fund- District E	Water Fund- District F	Water Fund- District B	Water Fund- District G	Other Proprietary Funds	Total Proprietary Funds	Internal Service Fund
579	418	483	382	5,963	552,672	969
-	-	-		-	(16,861,772)	-
-	-	-		-	475,000	-
579	418	483	382	5,963	(15,834,100)	969
297,916	151,094	142,797	527,407	(10,056)	961,399	610,471
1,124,174	743,934	935,600	912,199	3,808,952	7,975,651	2,103,802
\$ 1,422,090	\$ 895,028	\$ 1,078,397	\$ 1,439,606	\$ 3,798,896	\$ 8,937,050	\$ 2,714,273
\$ 254,497	\$ 360,468	\$ 177,501	\$ 168,748	\$ (923,309)	\$ (447,633)	\$ (32,754)
156,277	212,722	144,201	148,611	583,293	1,958,643	-
(52,664)	(70,285)	(42,827)	(36,624)	(77,911)	(187,205)	(42)
-	-	-	-	6,532	(3,349)	-
29,688	(8,555)	(4,290)	64,119	(1,849)	(42,325)	44,393
4,750	4,925	3,725	3,315	4,040	25,131	-
-	-	-		121,406	130,702	-
-	-	-		1,068	1,424	-
138,051	138,807	100,809	179,421	636,579	1,883,021	44,351
\$ 392,548	\$ 499,275	\$ 278,310	\$ 348,169	\$ (286,730)	\$ 1,435,388	\$ 11,597

See accompanying notes to financial statements.

Duplin County, North Carolina  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013  
Exhibit 9

	Agency Funds
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 172,696
Miscellaneous receivables	2,847
Due from other funds	2,075
<b>Total assets</b>	<b>\$ 177,618</b>
<hr/>	
<b>Liabilities</b>	
Miscellaneous liabilities	\$ 174,380
Due to other funds	3,238
<b>Total liabilities</b>	<b>\$ 177,618</b>
<hr/>	

See accompanying notes to financial statements.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Duplin County, North Carolina and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

***Reporting Entity***

The County, which is governed by a six-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The Duplin County Water Districts (the “Districts”), which have a June 30<sup>th</sup> year-end, are presented as if they were a separate proprietary fund of the County (blended presentation). The Districts do not issue separate financial statements. Duplin County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Duplin County Tourism Development Authority has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County’s Comprehensive Annual Financial Report.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Duplin County Water Districts as follows: Albertson District B District D District E District F District G	Blended	Under State law [NCGS 162A-89], the County’s board of commissioners also serve as the governing board for the Districts.	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

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

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

*General Fund:* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

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

The County reports the following major enterprise funds:

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

*Water Debt Service 2012 Limited Obligation Bond Fund:* This fund is used to account for the County's investment in the water district's refunding bonds and the limited obligation bond debt that was issued to finance the purchase of the water district refunding bonds.

*Water Fund – District B:* This fund is used to account for the operations of the County water for District B.

*Water Fund – District D:* This fund is used to account for the operations of the County water for District D.

*Water Fund – District E:* This fund is used to account for the operations of the County water for District E.

*Water Fund – District F:* This fund is used to account for the operations of the County water for District F.

*Water Fund – District G:* This fund is used to account for the operations of the County water for District G.

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 and sheriff execution monies collected from individuals and businesses; the Motor Vehicle 3% Interest Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the Counties required to remit to the North Carolina Department of Motor Vehicles; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within 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 Fire District Fund, Revaluation Fund, Community Development Revolving Loan Fund, School Planning Allocation Fund, Emergency Telephone System Fund, CDBG 11-C-2292 Fund, CDBG SSH09C1989, County Trust Fund, and Automated Enhancement & Preservation 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, County Water Fund, Albertson Water and Sewer Fund, Solid Waste Fund, are reported as non-major enterprise funds.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Measurement Focus, Basis of Accounting***

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements:* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30<sup>th</sup>, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Duplin County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due.

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

Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

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

***Budgetary Data***

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

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

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

***Deposits and Investments***

All deposits of the County 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 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 to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

The County's investment in the water district refunding bonds is carried at its adjusted cost basis. The investment was initially recorded at its original cost plus the premium paid on the purchase of the bonds. The premium is being amortized using the straight-line method over the life of the bonds.

***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.

***Restricted Assets***

The unexpended bond proceeds are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. 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 be used 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 and Capital Project School Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

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

***Ad Valorem Taxes Receivable***

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012.

***Allowance for Doubtful Accounts***

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

***Inventory and Prepaid Items***

The inventories of the County are valued at average cost, which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed or sold. Occasionally, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

***Capital Assets***

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The County's minimum capitalization amount for capital assets is \$5,000. Certain items acquired before July 1, 1970, are recorded at an estimated historical cost. The total of such estimates is not considered large enough that errors would be material when the capital assets are considered as a whole. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Useful Life</u>
Water systems	50 years
Airport runways, navigation equipment, fuel pumps	20 years
Furniture and office equipment	10 years
Maintenance and construction equipment	5-10 years
Building and improvements	10-50 years
Automobiles and trucks	5 years

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****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 one item that meets this criterion – a deferred loss on refunding of debt.

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 and acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category – taxes receivable, accounts receivable, and prepaid taxes.

***Long-term Obligations***

In the government-wide financial statements (Exhibits 1 and 2) and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

***Compensated Absences***

The vacation policy of the County 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 provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

***Net Position***

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



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

***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.

State law [G.S.159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred inflows of resources arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

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

Inventories - portion of fund balance is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

**Restricted Fund Balance** – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

Restricted for Register of Deeds – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

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

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

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

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

Restricted for Daycare – portion of fund balance that is restricted by revenue source for daycare services.

Restricted for Schools – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for E-911 – portion of fund balance that is restricted by revenue source for emergency services.

Restricted for Tax Revaluation – portion of fund balance that can only be used for tax revaluation.

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

Committed Fund Balance – portion of fund balance that can only be used for specific purpose imposed by Duplin County's governing body.

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

Committed for Debt Service – portion of fund balance that can only be used for debt service.

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

Assigned Fund Balance – portion of fund balance that Duplin County's governing body has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Deficit Fund Balance in an Individual Fund***

As of June 30, 2013, the Fire District Fund had a deficit fund balance of \$2,134. This is a result of the County remitting all prepaid tax collections to the fire districts prior to the tax collections being recognized as revenue. This will be remedied during the year ending June 30, 2014.

**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*****Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position***

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$10,433,834 consists of several elements as follows:

Description	Amount
Total fund balances – governmental funds	\$ 19,449,533
Internal service fund activities to benefit governmental activities	2,628,306
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund statements.	
Historical cost of capital assets	39,341,125
Accumulated depreciation	(16,398,599)
	22,942,526
Deferred inflows of resources reported in the fund statements but not the government-wide statements.	7,882,152
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements.	
Compensated absences	(1,091,008)
Other postemployment benefits	(8,160,728)
Law enforcement officers' special separation allowance	(419,617)
Refunding certificates of participation	(2,655,657)
Notes payable	(10,323,424)
Accrued interest payable	(361,395)
	(23,011,829)
Total adjustment	10,433,834
Net position of governmental activities	\$ 29,890,688

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(continued)**
***Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$ 4,189,649 is comprised of the following:

Description	Amount
Net changes in fund balances – governmental funds	(432,639)
Internal service fund activities to benefit governmental activities	568,215
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the government-wide statements	1,209,031
Depreciation expense, the allocation of those assets over their useful lives, that is recorded in the Statement of Activities but not in the fund statements	(1,447,441)
Cost of disposed capital assets not recorded in the fund statements	1,869
Principal payments on debt owed are recorded as a use of funds in the fund statements but only affect the Statement of Net Position in the government-wide statements	1,956,821
Decrease in inventory on hand	(52,657)
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Compensated absences	(82,855)
Other postemployment benefits	(1,344,939)
Law enforcement officers' special separation allowance	(50,693)
Difference in interest expense	14,279
Amortization of premiums received on certificates of participation	67,830
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements	
Changes in deferred inflows of resources:	
Unavailable ad valorem tax revenue	138,152
Unavailable ambulance revenue	3,223,984
Unavailable other revenue	(11,947)
<b>Total adjustments</b>	<b>4,189,649</b>
<b>Total changes in net position of governmental activities</b>	<b>3,757,010</b>

**NOTE 4 - DEPOSITS**

All of the County deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the County. 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, 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 or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no policy regarding custodial credit risk for deposits.

At June 30, 2013 the carrying amount of the County's deposits was \$4,087,272 and the bank balance was \$4,909,911. Of the bank balance, \$500,000 was covered by federal depository insurance and \$4,409,911 was covered by collateral held under the Pooling Method.

At June 30, 2013 the County had \$8,640 cash on hand.

**NOTE 5 – INVESTMENTS**

The County's investments in the North Carolina Capital Management Trust are exempt from risk categorization because the County does not own any identifiable securities in these mutual funds. At June 30, 2013, the County's investment balances consisted of \$24,716,576 held in the North Carolina Capital Management Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

At June 30, 2013, the Tourism Development Authority's investments consisted of \$304,817 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.

The adjusted cost basis of the County's investment in water district refunding bonds is \$16,367,679 at June 30, 2013. See Note 17 for additional information regarding this investment.

**NOTE 5 – INVESTMENTS (continued)**

The County's investment in water district refunding bonds has the following maturities:

<i>Year Ending June 30,</i>	Annual Amount Maturing
2014	\$ 524,092
2015	529,092
2016	539,092
2017	554,092
2018	589,092
2019	604,092
2020	604,092
2021	619,092
2022	639,092
2023	664,092
2024	694,092
2025	709,092
2026	729,092
2027	749,092
2028	759,092
2029	789,092
2030	794,092
2031	804,092
2032	789,092
2033	789,092
2034	794,093
2035	707,248
2036	702,249
2037	692,249
<b>Total investment</b>	<b>\$ 16,367,679</b>

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

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

Year Levied	Tax	Interest	Total
2012	3,456,431	198,753	3,655,184
2009-2011	10,015,388	2,361,968	12,377,356
<b>Totals</b>	<b>13,471,819</b>	<b>2,560,721</b>	<b>16,032,540</b>

**NOTE 7 – RECEIVABLES**

Receivables at the government-wide level at June 30, 2013, were as follows:

	Accounts	Taxes	Due From Other Governments	Other	Total
<b>Governmental Activities:</b>					
General	\$ 6,881,857	\$ 3,226,484	\$ 2,264,846	\$ -	\$ 12,373,187
Other funds	838,395	61,394	400,976	733,273	2,034,038
Total receivables	7,720,252	3,287,878	2,665,822	733,273	14,407,225
Allowance for doubtful accounts	(2,017,326)	(950,498)	-	-	(2,967,824)
Net receivables	\$ 5,702,926	\$ 2,337,380	\$ 2,665,822	\$ 733,273	\$ 11,439,401

	Accounts	Taxes	Due From Other Governments	Accrued Interest	Total
<b>Business-type Activities:</b>					
Airport	\$ 31,686	\$ -	\$ -	\$ -	\$ 31,686
Water Debt LOB	-	-	-	50,428	50,428
Solid Waste	791,357	-	-	-	791,357
County Water	2,660	-	-	-	2,660
Albertson Water	40,386	-	-	-	40,386
Water District B	58,263	-	-	-	58,263
Water District D	66,733	-	-	-	66,733
Water District E	112,325	-	-	-	112,325
Water District F	92,384	-	624,757	-	717,141
Water District G	126,565	-	-	-	126,565
Transportation	20,408	-	-	-	20,408
Allowance for doubtful accounts	-	-	-	-	-
Net receivables	\$ 1,342,767	\$ -	\$ 624,757	\$ 50,428	\$ 2,017,952

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

Due from other governments at June 30, 2013 consists of the following:

	Governmental Activities	Business-type Activities
Sales tax refunds	\$ 246,506	\$ -
Local option sales taxes	2,413,138	-
Video programming distribution	6,178	-
Grants	-	624,757
Totals	\$ 2,665,822	\$ 624,757

## Notes to Financial Statements

**NOTE 8 – CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,428,819	\$ 16,225	\$ 1,136	\$ 2,443,908
Construction in progress	81,825	-	81,825	-
Total capital assets not being depreciated	2,510,644	16,225	82,961	2,443,908
Capital assets being depreciated:				
Buildings	24,832,505	739,023	-	25,571,528
Equipment	6,710,587	73,740	50,441	6,733,886
Vehicles and motor equipment	4,327,110	461,868	197,175	4,591,803
Total capital assets being depreciated	35,870,202	1,274,631	247,616	36,897,217
Less accumulated depreciation for:				
Buildings	7,590,002	535,012	-	8,125,014
Equipment	4,572,899	449,131	45,580	4,976,450
Vehicles and motor equipment	3,038,877	463,298	205,040	3,297,135
Total accumulated depreciation	15,201,778	\$ 1,447,441	\$ 250,620	16,398,599
Total capital assets being depreciated, net	20,668,424			20,498,618
Governmental activity capital assets, net	\$ 23,179,068			\$ 22,942,526

**Primary Government Depreciation Expense**

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

General government	\$ 71,873
Public safety	855,810
Economic and physical development	353,569
Human services	140,910
Environmental protection	6,058
Cultural and recreational	19,221
Total depreciation expense	\$ 1,447,441



## Notes to Financial Statements

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

Business-type capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water activities:</b>				
Capital assets not being depreciated:				
Land	\$ 365,570	\$ 24,228	\$ 2,400	\$ 387,398
Construction in progress	841,914	1,238,593	-	2,080,507
<b>Total capital assets not being depreciated</b>	<b>1,207,484</b>	<b>1,262,821</b>	<b>2,400</b>	<b>2,467,905</b>
Capital assets being depreciated:				
Buildings	1,220,269	-	-	1,220,269
Plants and distributions systems	49,722,224	202,109	-	49,924,333
Furniture and equipment	2,077,274	-	-	2,077,274
Vehicles	140,374	15,285	10,800	144,859
<b>Total capital assets being depreciated</b>	<b>53,160,141</b>	<b>217,394</b>	<b>10,800</b>	<b>53,366,735</b>
Less accumulated depreciation for:				
Buildings	477,950	24,405	-	502,355
Plants and distributions systems	12,049,874	995,232	-	13,045,106
Furniture and equipment	884,615	38,462	-	923,077
Vehicles	117,137	12,072	10,800	118,409
<b>Total accumulated depreciation</b>	<b>13,529,576</b>	<b>\$ 1,070,171</b>	<b>\$ 10,800</b>	<b>14,588,947</b>
<b>Total capital assets being depreciated, net</b>	<b>39,630,565</b>			<b>38,777,788</b>
<b>Water activities capital assets, net</b>	<b>\$ 40,838,049</b>			<b>\$ 41,245,693</b>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Transportation activities:</b>				
Capital assets being depreciated:				
Furniture & maintenance equip.	\$ 96,724	\$ -	\$ -	\$ 96,724
Vehicles	606,395	47,060	868	652,587
<b>Total capital assets being depreciated</b>	<b>703,119</b>	<b>47,060</b>	<b>868</b>	<b>749,311</b>
Less accumulated depreciation for:				
Furniture & maintenance equip.	50,387	9,672	-	60,059
Vehicles	348,646	112,195	868	459,973
<b>Total accumulated depreciation</b>	<b>399,033</b>	<b>\$ 121,867</b>	<b>\$ 868</b>	<b>520,032</b>
<b>Transportation activities, net</b>	<b>\$ 304,086</b>			<b>\$ 229,279</b>

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Airport activities:</b>				
Capital assets not being depreciated:				
Land	\$ 556,451	\$ -	\$ -	\$ 556,451
Construction in progress	344,188	1,211,695	-	1,555,883
Total capital assets not being depreciated	900,639	1,211,695	-	2,112,334
Capital assets being depreciated:				
Buildings	2,284,832	21,262	-	2,306,094
Terminal and runways	10,681,139	-	-	10,681,139
Furniture & maintenance equip.	401,367	-	-	401,367
Vehicles	29,787	-	-	29,787
Total capital assets being depreciated	13,397,125	21,262	-	13,418,387
Less accumulated depreciation for:				
Buildings	533,967	63,067	-	597,034
Terminal and runways	4,349,722	415,061	-	4,764,783
Furniture & maintenance equip.	374,512	9,702	-	384,214
Vehicles	20,894	5,957	-	26,851
Total accumulated depreciation	5,279,095	\$ 493,787	\$ -	5,772,882
Total capital assets being depreciated, net	8,118,030			7,645,505
Airport capital assets, net	\$ 9,018,669			\$ 9,757,839
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid waste activities:</b>				
Capital assets not being depreciated:				
Land	\$ 216,348	\$ -	\$ -	\$ 216,348
Capital assets being depreciated:				
Buildings	2,662,491	-	-	2,662,491
Plant and distribution systems	852,829	-	-	852,829
Furniture & maintenance equip.	1,305,177	-	-	1,305,177
Vehicles	1,184,749	220,940	160,153	1,245,536
Total capital assets being depreciated	6,005,246	220,940	160,153	6,066,033
Less accumulated depreciation for:				
Buildings	462,604	53,287	-	515,891
Plant and distribution systems	753,573	34,550	-	788,123
Furniture & maintenance equip.	784,969	90,650	-	875,619
Vehicles	1,054,658	94,331	160,153	988,836
Total accumulated depreciation	3,055,804	272,818	160,153	3,168,469
Total capital assets being depreciated, net	2,949,442			2,897,564
Solid waste activities, net	\$ 3,165,790			\$ 3,113,912

**NOTE 9 – CONSTRUCTION COMMITMENTS**

The County has active construction projects at June 30, 2013. These projects include airport runway projects, water line expansion, and other capital improvements.

At year-end, the County's commitments with contractors are as follows:

Project	Contract Amount	Remaining Commitment
I-40 Sewer Project:		
Water District E – T.A. Loving Company	\$ 380,000	\$ 365,608
Water District G – T.A. Loving Company	886,669	853,086
I-40 sewer project total	1,266,669	1,218,694
Water District D – Herring-Rivenbark	755,616	77,459
Water District E – Herring-Rivenbark	618,625	618,625
Water District F – Caldwell Tanks	1,998,000	1,256,904
Water District G – Herring-Rivenbark	749,050	749,050
Airport Terminal – United Builders Group	1,488,557	81,052

**NOTE 10 - PAYABLES**

Payables at the government-wide level at June 30, 2013, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental activities:				
General	\$ 577,084	8,811	361,395	947,290
Other Governmental	729,968	-	-	729,968
<b>Total governmental activities</b>	<b>\$ 1,307,052</b>	<b>8,811</b>	<b>361,395</b>	<b>1,677,258</b>
Business-type activities:				
Airport Commission Fund	\$ 6,101	-	-	\$ 6,101
Water Debt LOB	-	-	50,428	50,428
Solid Waste Fund	82,399	-	-	82,399
County Water	1,476	-	-	1,476
Transportation	1,311	-	-	1,311
Albertson Water and Sewer	880	-	-	880
Water Fund – District B	5,494	-	-	5,494
Water Fund – District D	14,757	-	-	14,757
Water Fund – District E	92,435	-	-	92,435
Water Fund – District F	638,884	-	-	638,884
Water Fund – District G	190,492	-	-	190,492
<b>Total business-type activities</b>	<b>\$ 1,034,229</b>	<b>\$ -</b>	<b>\$ 50,428</b>	<b>\$ 1,084,657</b>

**NOTE 11 – PENSION PLAN OBLIGATIONS**

***Local Governmental Employee's Retirement System***

*Plan Description:* Duplin County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multi-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27669-1410, or by calling (919) 981-5454.

*Funding Policy:* Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, respectively, of annual covered payroll. The contribution requirements of members and of Duplin County are established and may be amended by the North Carolina General Assembly. The Plan members' contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,209,740, \$1,117,273, and \$890,591, respectively. The contributions made by the County equaled the required contributions for each year.

***Law Enforcement Officers' Special Separation Allowance***

***Plan Description:***

Duplin County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits and terminated plan members	6
Members entitled to but not yet receiving benefits	-
Active plan members	69
	<u>75</u>

***Summary of Significant Accounting Policies:***

*Basis of Accounting.* Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

*Method Used to Value Investments.* Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

**Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund benefit payments when due with appropriations from the General Fund. For the current year, the County contributed \$56,443 or 2.00% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are not charged to the proceeds but are covered through normal operations.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increase ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected pay on a closed basis. The remaining amortization period at December 31, 2012 was 18 years. The County has chosen to fund this benefit on a pay-as-you go basis.

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

Employer annual required contribution	\$	111,649
Interest on net pension obligation		18,446
Adjustment to annual required contribution		(22,959)
<hr/>		
Annual pension cost		107,136
Employer contributions made		56,443
<hr/>		
Increase in net pension obligation		50,693
Net pension obligation, beginning of year		368,924
<hr/>		
Net pension obligation, end of year	\$	419,617

**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	\$ 99,040	65.23%	\$ 336,295
June 30, 2012	96,673	66.25%	368,924
June 30, 2013	107,136	52.68%	419,617

**NOTE 11 – PENSION PLAN OBLIGATIONS (continued)*****Funded Status and Funding Progress***

As of December 31, 2012, the most recent valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$853,112, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$853,112.

The covered payroll (annual payroll of active employees covered by the plan) was \$2,482,976, and the ratio of the UAAL to the covered payroll was 34.36%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

***Supplemental Retirement Income Plan for Law Enforcement Officers***

*Plan Description.* The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were \$273,624, which includes \$133,424 from the County and \$49,725 from the law enforcement officers. In addition, \$90,475 was contributed to the plan by employees who were not law enforcement officers and were ineligible for the County's five percent contribution.

***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.

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

***Registers of Deeds' Supplemental Pension Fund***

*Plan Description.* Duplin County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds that is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2013, the County's required and actual contributions were \$3,630.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT**

***Healthcare Benefits***

*Plan Description.* Under County policy, Duplin County provides post-employment healthcare benefits through a single-employer defined benefit Healthcare Benefits Plan (HCB Plan) to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and participated in the health insurance plan for twelve months and have at least twenty-five years (or ten years if hired before August 18, 2008) of non-continuous full-time employment with Duplin County Government immediately preceding retirement, twelve months of which may be represented by accumulated sick leave as calculated by the System. Also, the County retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	67
Active plan members – general	431
Active plan members – law enforcement officers	67
	<hr/>
Total	565
	<hr/>

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT (continued)**

*Funding Policy.* The Board of Commissioners established and may amend the contribution requirements of plan members. The County members pay an average of \$558 per month for coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.68% of annual covered payroll. For the current year, the County contributed \$192,154 or 1.00% of annual covered payroll. The County is self-insured for healthcare coverage with stop loss claims over \$75,000 through private insurers. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting, and the Solid Waste Fund, Airport Commission Fund, County Water Fund, and Transportation Development Plan Fund, which are maintained on an accrual basis. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$	1,628,644
Interest on net OPEB obligation		285,237
Adjustment to annual required contribution		<u>(246,086)</u>
Annual OPEB cost (expense)		1,667,795
Contributions made		<u>192,154</u>
Increase in net OPEB obligation		1,475,641
Net OPEB obligation, beginning of year		<u>7,130,936</u>
Net OPEB obligation, end of year	\$	<u>8,606,577</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three years follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$1,667,795	12.0%	\$8,606,577
2012	\$1,660,579	20.8%	\$7,130,936
2011	\$2,149,031	8.0%	\$5,816,467

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$15,824,727. The covered payroll (annual payroll of active employees covered by the plan) was \$17,478,497 and the ratio of the UAAL to the covered payroll was 90.5%.



**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT (continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.5% and 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of assets, of any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected pay on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

**NOTE 13 – OTHER EMPLOYMENT BENEFIT**

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

**NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The balance in deferred outflows of resources includes the deferred loss on refunding of debt in the amount of \$257,546. This deferred charge is the result of the advance refunding of the water district's general obligation debt.

The balance in deferred inflows of resources at June 30, 2013 is comprised of the following:

	Unavailable Revenue	Unearned Revenue
Taxes receivable, net (General)	\$ 2,275,986	\$ -
Taxes receivable, net (Special Revenue)	61,394	-
Accounts receivable, net (General)	4,811,499	-
Accounts receivable, net (Special Revenue)	733,273	-
Prepaid taxes not yet earned (General)	-	235,261
Prepaid taxes not yet earned (Special Revenue)	-	2,136
<b>Total</b>	<b>\$ 7,882,152</b>	<b>\$ 237,397</b>

**NOTE 15 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County obtains property insurance coverage and general liability coverage for these risks through commercial carriers. The County also obtains health insurance for County employees through a self-insured plan. Based on past experience, management believes that the County's coverage's are sufficient.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County carries commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the last three fiscal years. The County does not carry flood insurance as there doesn't appear to be any exposure to County-owned properties.

**NOTE 16 – CONTINGENT LIABILITIES**

At June 30, 2013, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**NOTE 17 – LONG-TERM OBLIGATIONS*****Refunding Certificates of Participation***

During fiscal year 2003, the County issued refunding certificates of participation indebtedness to retire certificates of participation issued in 1991 and 1993 to finance various major projects. The transactions require annual principal payments and semi-annual interest payments by the County at rates between 2.5% and 5.0% maturing in 2015.

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

For Duplin County, annual debt service requirements to maturity for these certificates of participation including interest of \$127,500 for governmental activities are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 1,230,000	\$ 95,250
2015	1,290,000	32,250
Totals	2,520,000	\$ 127,500
Unamortized premium on refunding	135,657	
Total carrying amount of debt	\$ 2,655,657	

**General Obligation Indebtedness**

All general obligation bonds serviced by the County's Water Districts are collateralized by the full faith, credit and taxing power of the County. Duplin County Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water District Fund, are collateralized by the full faith, credit, and taxing power of the Districts. Principal and interest payments are appropriated when due.

These bonds were sold to Duplin County. See the limited obligation bonds issued for a complete description of this transaction.

The County's general obligation bonds payable at June 30, 2013 are comprised of the following individual issues:

General obligation bonds serviced by the Water Districts:

\$1,920,000 – Water District B – 2012 advance refunding bonds due in annual principal installments ranging from 70,000 to 100,000 plus semi-annual interest payments at 3.68% through June 1, 2034.	\$ 1,850,000
\$3,760,000 – Water District D – 2012 advance refunding bonds due in annual principal installments ranging from 110,000 to 185,000 plus semi-annual interest payments at 3.98% through June 1, 2037.	3,650,000
\$3,595,000 – Water District E – 2012 advance refunding bonds due in annual principal installments ranging from 95,000 to 190,000 plus semi-annual interest payments at 4.02% through June 1, 2037.	3,500,000
\$4,275,000 – Water District F – 2012 advance refunding bonds due in annual principal installments ranging from 120,000 to 205,000 plus semi-annual interest payments at 3.97% through June 1, 2037.	4,155,000
\$2,840,000 – Water District G – 2012 advance refunding bonds due in annual principal installments ranging from 80,000 to 135,000 plus semi-annual interest payments at 3.97% through June 1, 2037.	2,760,000
<b>Total general obligation debt</b>	<b>\$ 15,915,000</b>

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

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

<i>Year Ending June 30,</i>	<i>Business-type Activities</i>	
	<i>Principal</i>	<i>Interest</i>
2014	\$ 505,000	\$ 605,131
2015	510,000	589,981
2016	520,000	574,681
2017	535,000	559,081
2018	570,000	537,681
2019-2023	3,035,000	2,431,126
2024-2028	3,545,000	1,896,688
2029-2033	3,870,000	1,208,950
2034-2037	2,825,000	345,500
<b>Totals</b>	<b>15,915,000</b>	<b>\$ 8,748,819</b>
Unamortized bond premiums	452,679	
<b>Total carrying amount of debt</b>	<b>\$ 16,367,679</b>	

As June 30, 2013, Duplin County had a legal debt margin of \$300,821,838.

**Notes Payable**

The County has incurred various notes payable to assist in industrial expansion and economic development. The County has one outstanding revolving loan that was obtained from the Global Transpark Development Commission requiring principal and interest payments through 2019. Interest is payable at 3.5% per annum.. Terms of the USDA loan require annual payments for 40 years, including interest at 4.125%. The County has also incurred North Carolina clean water revolving loans to assist in county-wide water system improvements. These loans require principal and interest payments through 2019. Interest is computed at rates varying from 2.6% to 2.88%. During 2009, the County incurred a North Carolina clean water revolving loan in the amount of \$929,000, of which one-half was forgiven leaving a balance due of \$464,500 to assist with District D water system improvements. This loan requires principal payment through 2030 with a zero percent interest rate.

A summary of notes payable Included under governmental activities is as follows:

\$11,000,000 USDA loan issued in 2005 for Duplin Commons facility, annual payments through 2045, including interest at 4.125% per annum.	\$	10,323,424
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**NOTE 17 – LONG-TERM OBLIGATIONS (continued)**

A summary of notes payable included under business-type activities is as follows:

\$600,000 Global Transpark Development Commission loan issued in 2004 for airport hangar project, annual payments through 2019, including interest at 3.5% per annum	\$ 278,565
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\$150,000 North Carolina clean water revolving loan for Water District F system improvements, issued in 1997, annual payments through 2018, including interest at 2.88%	37,500
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\$490,199 North Carolina clean water revolving loan for Water District F system improvements, issued in 1998, annual payments through 2020, including interest at 2.6%	171,570
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\$368,110 North Carolina clean water revolving loan for Albertson Water District system improvements, issued in 2001, annual payments through 2023, including interest at 2.87%	184,055
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\$464,500 ARRA revolving loan for Water District D system improvements, issued in 2010, annual payments through 2030, including interest at 0.0%	393,887
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\$646,000 Branch Banking & Trust Co loan to serve as interim financing for the I-40 Sewer Project in Water Districts E and G. The entire balance, plus interest in the amount of \$7,020 is due on May 30, 2014. This loan will be repaid with USDA loan proceeds that will be received upon completion of the project.	646,000
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<b>Total business-type activities notes payable</b>	<b>\$ 1,711,577</b>
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**NOTE 17 – LONG-TERM OBLIGATIONS (continued)**

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$8,752,613 for governmental activities and \$87,794 for business-type activities:

<i>Year Ending June 30,</i>	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	152,410	425,860	762,119	26,915
2015	158,697	419,573	117,631	17,001
2016	165,244	413,026	119,198	14,053
2017	172,060	406,210	120,820	11,049
2018	179,157	399,113	122,499	7,988
2019-2023	1,012,928	1,878,422	307,173	10,788
2024-2028	1,239,805	1,651,545	115,875	-
2029-2033	1,513,500	1,373,850	46,262	-
2034-2038	1,857,394	1,033,956	-	-
2039-2043	2,273,417	617,933	-	-
2044-2046	1,598,812	133,125	-	-
<b>Total</b>	<b>\$ 10,323,424</b>	<b>\$ 8,752,613</b>	<b>\$ 1,711,577</b>	<b>\$ 87,794</b>

**Limited Obligation Bonds**

During July 2012, the County issued limited obligation bonds to provide funds to the County for the purchase of general obligation refunding bonds being issued by five water districts within the County. These bonds are not considered a general obligation of the County, and the taxing power of the County is not pledged directly or indirectly to secure any monies due to the owners of these bonds. The general obligation bonds issued by the five water districts and the payments received thereon are pledged to secure the payment of these bonds. The bonds are due in annual principal payments ranging from \$475,000 to \$785,000, plus semi-annual interest payments at a net interest rate of 3.95% through June 1, 2037. See Note 5 for a description of the County's investment in the water district refunding bonds.

For Duplin County, annual debt service requirements to maturity for these limited obligation bonds including interest of \$8,748,819 for business-type activities are as follows:

<i>Year Ending June 30,</i>	Business-type Activities	
	Principal	Interest
2014	\$ 505,000	\$ 605,131
2015	510,000	589,981
2016	520,000	574,681
2017	535,000	559,081
2018	570,000	537,681
2019-2023	3,035,000	2,431,125
2024-2028	3,545,000	1,896,688
2029-2033	3,870,000	1,208,950
2034-2037	2,825,000	345,500
<b>Totals</b>	<b>15,915,000</b>	<b>\$ 8,748,819</b>
Unamortized premium on refunding	452,679	
<b>Total carrying amount of debt</b>	<b>\$ 16,367,679</b>	

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

***Advance Refunding***

On July 12, 2012, the County issued \$16,861,772 in general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$16,593,300 of general obligation bonds in all of the County's water districts. As a result, the refunded bonds are considered to be defeased and the liability will be removed from the business-type activities column of the statement of net position beginning with the fiscal year that began on July 1, 2012. The reacquisition price exceeded the net carrying amount of the old debt by \$268,471. This amount is being netted against the new debt and amortized over the life of the refunded debt which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 25 years by \$3,137,797 and resulted in an economic gain of \$1,853,412.

***Long-Term Obligation Activity***

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2013:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion of Balance
Governmental activities:					
General obligation debt	\$ 450,000	\$ -	\$ 450,000	\$ -	\$ -
Certificates of participation	4,083,487		1,427,830	2,655,657	1,230,000
Notes Payable	10,470,244	-	146,820	10,323,424	152,410
OPEB obligations	6,815,789	1,520,073	175,134	8,160,728	-
Compensated absences	1,008,900	82,108	-	1,091,008	-
Net pension obligation (LEO)	368,924	107,136	56,443	419,617	-
<b>Total governmental</b>	<b>\$ 23,197,344</b>	<b>\$ 1,709,317</b>	<b>\$ 2,256,227</b>	<b>\$ 22,650,434</b>	<b>\$ 1,382,410</b>

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

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion of Balance
<b>Water activities:</b>					
General obligation debt	\$ 16,593,300	16,861,772	17,087,393	16,367,679	505,000
Limited obligation bonds	-	16,861,772	494,093	16,367,679	505,000
Notes payable	861,590	646,000	74,578	1,433,012	719,591
OPEB obligation	99,880	36,975	4,260	132,595	-
Compensated absences	34,855	-	71	34,784	-
<b>Total water activities</b>	<b>\$ 17,589,625</b>	<b>34,406,519</b>	<b>17,660,395</b>	<b>34,335,749</b>	<b>1,729,591</b>
<b>Airport activities:</b>					
Notes payable	\$ 319,633	-	41,068	278,565	42,528
OPEB obligation	19,277	10,507	1,211	28,573	-
Compensated absences	8,132	356	-	8,488	-
<b>Total airport activities</b>	<b>\$ 347,042</b>	<b>10,863</b>	<b>42,279</b>	<b>315,626</b>	<b>42,528</b>
<b>Solid Waste activities:</b>					
OPEB obligation	\$ 136,990	70,792	8,156	199,626	-
Compensated absences	53,796	2,160	-	55,956	-
<b>Total solid waste activities</b>	<b>\$ 190,786</b>	<b>72,952</b>	<b>8,156</b>	<b>255,582</b>	<b>-</b>
<b>Transportation activities:</b>					
OPEB	\$ 59,000	29,448	3,393	85,055	-
Compensated absences	27,993	-	1,021	26,972	-
<b>Total transportation activities</b>	<b>\$ 86,993</b>	<b>29,448</b>	<b>4,414</b>	<b>112,027</b>	<b>-</b>



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

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

**NOTE 18 – CONDUIT DEBT OBLIGATIONS**

Duplin County Industrial Facility and Pollution Control Financing Authority have issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses served by the bond issuance. The County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, there were no industrial revenue bonds outstanding.

**NOTE 19 – INTERFUND BALANCES AND ACTIVITY**

Transfers to/from other funds during the year ended June 30, 2013, consist of the following:

From/To	From	To
General Fund		
Airport Commission Fund	\$ -	\$ 127,584
Debt Service Fund	-	869,628
Capital Project School Fund	-	701,370
Automation Enhancement and Preservation Fund	-	19,371
Capital Project Fund	-	15,500
Hospital Insurance Fund	-	600,000
Capital Reserve Fund		
Capital Project Fund	-	93,468
Automation Enhancement and Preservation Fund		
General Fund	19,371	-
Capital Project Fund		
General Fund	15,500	-
Capital Reserve Fund	93,468	-
Capital Project School Fund		
General Fund	701,370	-
Debt Service Fund	-	1,231,821
Airport Commission Fund		
General Fund	127,584	-
Debt Service Fund	-	51,600
Airport Commission Capital Project Fund	-	146,215
Airport Commission Capital Project Fund		
Airport Commission Fund	146,215	-

**NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)**

From/To	From	To
Water Fund – District E		
Water District E 2006 Clean Water Project Fund	-	1
Water District G and E I40-373 Sewer Project	-	29,616
Water Fund – District F		
Water District F 2009 SWSRF Project Fund	-	25,000
Water Fund – District G		
Water District G and E I40-373 Sewer Project	-	64,166
Water District E 2006 Clean Water Project Fund		
Water Fund – District E	1	-
Water District G and E I40-373 Sewer Project		
Water Fund – District E	29,616	-
Water Fund – District G	64,166	-
Water District F 2009 SWSRF Project Fund		
Water Fund – District F	25,000	-
Debt Service Fund		
General Fund	869,628	-
Capital Project Fund – School Fund	1,231,821	-
Airport Commission Fund	51,600	-
Hospital Insurance Fund		
General Fund	600,000	-
<b>Total</b>	<b>\$ 3,975,340</b>	<b>\$ 3,975,340</b>

Amounts due to/from other funds in the governmental activities column of the Statement of Net Position at June 30, 2013 consist of the following:

From/To	From	To	Net Receivable
General Fund			
Fire District Fund	\$ 157	\$ -	
County Water Fund	67	-	
Transportation Development Plan Fund	4	-	
Airport Commission Fund	10	-	
Water Fund – District D	120,000	-	
Solid Waste Fund	295	-	
Hospital Insurance Fund	574	-	

**NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)**

From/To	From	To	Net Receivable
Emergency Telephone System Fund			
General Fund	613	-	
Industrial Expansion Capital Project Fund			
General Fund	29,381	-	
Hospital Insurance Fund			
General Fund	2,669	-	
General Fund			
Emergency Telephone System Fund	-	613	
Industrial Expansion Capital Project Fund	-	29,381	
Hospital Insurance Fund	-	2,669	
Fire District Fund			
General Fund	-	157	
Hospital Insurance Fund			
General Fund	-	574	
<b>Totals</b>	<b>\$ 153,770</b>	<b>\$ 33,394</b>	<b>\$ 120,376</b>

Amounts due to/from other funds in the business-type activities column of the Statement of Net Position at June 30, 2013 consist of the following:

From/To	From	To	Net Payable
Water Fund – District B			
Albertson Water and Sewer Fund	\$ 475	\$ -	
Water Fund – District D	173	-	
Water Fund District E	432	-	
Water Fund – District G			
Water Fund – District E	2,020	-	
Water Fund – District F	1,175	-	
County Water Fund			
Albertson Water and Sewer Fund	8,103	-	
Water Fund – District B	13,583	-	
Water Fund – District D	12,789	-	
Water Fund – District D	232,000	-	
Water Fund – District E	14,536	-	
Water Fund – District F	18,293	-	
Water Fund – District G	12,471	-	

**NOTE 19 – INTERFUND BALANCES AND ACTIVITY (continued)**

From/To	From	To	Net Payable
<b>Albertson Water and Sewer Fund</b>			
Water Fund – District B	-	475	
County Water Fund	-	8,103	
<b>Water Fund – District B</b>			
County Water Fund	-	13,583	
<b>Water Fund – District D</b>			
General Fund	-	120,000	
Water Fund – District B	-	173	
Water Fund – District G	-	12,789	
County Water Fund	-	232,000	
<b>Water Fund – District E</b>			
Water Fund – District B	-	432	
Water Fund – District G	-	2,020	
County Water Fund	-	14,536	
<b>Water Fund – District F</b>			
Water Fund – District G	-	1,175	
County Water Fund	-	18,293	
<b>Water Fund – District G</b>			
County Water Fund	-	12,471	
<b>County Water Fund</b>			
General Fund	-	67	
<b>Transportation Development Plan Fund</b>			
General Fund	-	4	
<b>Airport Commission Fund</b>			
General Fund	-	10	
<b>Solid Waste Fund</b>			
General Fund	-	295	
<b>Totals</b>	<b>\$ 316,050</b>	<b>\$ 436,426</b>	<b>\$ (120,376)</b>

**NOTE 20 – FUND BALANCE**

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

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

Total fund balance – General Fund	\$ 13,204,337
Less:	
Inventories	248,895
Stabilization by State Statute	2,742,089
Appropriated Fund Balance in 2013 budget	1,970,089
Federally Seized Assets	263,148
Grants/Projects	67,386
Health Programs	516,943
Sheriff	77,809
Daycare	1,234
Capital Improvements	1,049,178
<u>Remaining Fund Balance</u>	<u>\$ 6,267,566</u>

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

<u>June 30,</u>	<u>2013</u>
Encumbrances:	
General Fund	\$ 298,604

**NOTE 21 – RELATED ORGANIZATION**

The County's governing board is responsible for appointing the members of the board of the Industrial Revenue Bond Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Authority and the Authority's debt is not included in determining the County's legal debt limit.

**NOTE 22 – JOINT VENTURES**

The County in conjunction with Sampson, Lenoir, and Wayne Counties, participate in a joint venture to operate Eastpointe, an area human services organization. Each participating government appoints three board members to the twelve member 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, 2013. 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, 2012. Complete financial statements for Eastpointe can be obtained from their office in Beulaville, North Carolina.

The County in conjunction with the State of North Carolina and the Duplin County Board of Education participates in a joint venture to operate James Sprunt Community College. Each of the three participants appoints four members of the thirteen member board of trustees of the community college. The president of the community college's student government serves as an ex officio non-voting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,362,585 and \$243,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2013. 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, 2013. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 11 South, Kenansville, North Carolina.

**NOTE 23 – BENEFIT PAYMENTS ISSUED BY THE STATE**

The amounts listed below were paid directly to individual recipients by the State from federal and state moneys. Duplin County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the state. These amounts disclose the additional aid to County recipients that do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

Program	Federal	State
Medicaid	\$ 47,424,057	\$ 26,770,776
Food stamps	15,390,717	-
WIC	1,609,844	-
IV-E Adopt Subsidy & Vendor	12,769	3,361
IV-E Admin County Paid to CCI	1,916	958
IV-E Foster Care	2,605	686
TANF Payments & Penalties	35,897	-
CWS Adopt Subsidy & Vendor	-	5,269
SC/SA Domiciliary Care Payment	-	46,184
SFHF Maximization	-	4,887
State Foster Home	-	3,349
<b>Total</b>	<b>\$ 64,477,805</b>	<b>\$ 26,835,470</b>

**NOTE 24 – SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES*****Federal and State Assisted Programs***

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

**NOTE 25 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT**

The County implemented Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and 34*, Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the year ending June 30, 2013.

In accordance with GASB Statement 61, the County has changed its presentation of the Duplin County Tourism Development Authority from a blended presentation to a discretely presented presentation. As a result beginning net position and fund balances decreased \$296,645 and 296,646, respectively.

In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bonds issuance costs, which were previously deferred and amortized, must be included in current expenses in the year they are incurred. Previously deferred issuance costs totaling \$94,808 were recognized as an expense in the current year.

A summary of the restatements described above follows.

Restatement Description	Governmental Activities Net Position (Exhibit 2)	Fund Balances (Exhibit 4)
Previously deferred bond issuance costs	\$ (94,808)	\$ -
Reclassify Tourism Development Authority as a discretely presented component unit	(296,645)	(296,646)
Total restatement	\$ (391,453)	\$ (296,646)

**NOTE 26 – PRIOR PERIOD ADJUSTMENT**

In prior years the County has not recorded accrued interest payables and receivables on its investment in bonds and long-term liabilities. As of June 30, 2013 the County has recorded accrued interest payable of \$465,155 and accrued interest receivable of \$50,428. As a result of this transaction an adjustment to beginning net position has been included in the Statement of Activities (Exhibit 2) and Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit 7) in the amount of 375,674 and 71,576, respectively.



## Required Supplementary Information

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This section contains additional information 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 appropriate operational, economic, or historical context.

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### Law Enforcement Officers' Special Separation Allowance:

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

### Postemployment Health Benefit Obligation:

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

Duplin County, North Carolina  
 Law Enforcement Officers' Special Separation Allowance  
 Required Supplementary Information  
 Schedule of Funding Progress  
 Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
December 31, 2000	\$ -	\$ 298,806	\$ 298,806	0.00%	\$ 1,210,673	24.68%
December 31, 2001	-	341,711	341,711	0.00%	1,475,552	23.16%
December 31, 2002	-	374,811	374,811	0.00%	1,600,004	23.43%
December 31, 2003	-	389,820	389,820	0.00%	1,629,259	23.93%
December 31, 2004	-	509,105	509,105	0.00%	1,894,047	26.88%
December 31, 2005	-	571,196	571,196	0.00%	1,960,407	29.14%
December 31, 2006	-	647,268	647,268	0.00%	2,166,292	29.88%
December 31, 2007	-	645,188	645,188	0.00%	2,270,503	28.42%
December 31, 2008	-	671,035	671,035	0.00%	2,457,408	27.31%
December 31, 2009	-	857,488	857,488	0.00%	2,468,019	34.74%
December 31, 2010	-	844,755	844,755	0.00%	2,498,560	33.81%
December 31, 2011	-	901,590	901,590	0.00%	2,694,757	33.46%
December 31, 2012	-	853,112	853,112	0.00%	2,482,976	34.36%

Duplin County, North Carolina  
 Law Enforcement Officers' Special Separation Allowance  
 Required Supplementary Information  
 Schedule of Employer Contributions  
 Exhibit A-2

Year Ended June 30,	Annual Required Contribution*	Percentage Contributed*
2002	\$ 35,151	35.73%
2003	42,090	31.99%
2004	46,944	32.19%
2005	49,960	29.05%
2006	63,482	58.88%
2007	61,798	91.86%
2008	69,933	95.47%
2009	70,481	89.51%
2010	77,710	81.19%
2011	100,107	64.53%
2012	99,920	64.10%
2013	111,649	50.55%

\* Presented for all years for which data is available.

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	December 31, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% - 7.85%
*Includes inflation at	3.00%
Cost of living adjustments	N/A

Duplin County, North Carolina  
 Postemployment Health Benefit Obligation  
 Required Supplementary Information  
 Exhibit A-3

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
December 31, 2007	\$ -	\$17,816,843	\$17,816,843	0.00%	\$16,326,767	109.10%
December 31, 2009	-	15,354,246	15,354,246	0.00%	16,355,315	93.90%
December 31, 2011	-	15,824,727	15,824,727	0.00%	17,478,497	90.50%

**Schedule of Employer Contributions**

Year Ended June 30,	Annual Required Contribution *	Percentage Contributed *
2010	\$ 2,069,253	11.41%
2011	2,069,253	8.27%
2012	1,628,644	21.25%
2013	1,628,644	11.80%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of projected pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	4.00%
Annual medical cost trend increase*	9.50% - 5.00%
* Includes inflation at	3.00%

Combining and Individual Fund Statements and Schedules

## General Fund

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

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Duplin County, North Carolina  
 General Fund  
 Combining Balance Sheet  
 June 30, 2013  
 Exhibit B-1

	General Fund	Capital Reserve Fund	Total
<b>Assets</b>			
Cash and investments	\$ 10,319,221	\$ 1,049,178	\$ 11,368,399
Receivables, net	9,405,363	-	9,405,363
Due from other funds	124,343	-	124,343
Due from component unit	674	-	674
Inventories	248,895	-	248,895
<b>Total assets</b>	<b>\$ 20,098,496</b>	<b>\$ 1,049,178</b>	<b>\$ 21,147,674</b>
<b>Liabilities</b>			
Accounts payable	\$ 585,895	\$ -	\$ 585,895
Due to other funds	34,696	-	34,696
<b>Total liabilities</b>	<b>620,591</b>	<b>-</b>	<b>620,591</b>
<b>Deferred Inflows of Resources</b>	<b>7,322,746</b>	<b>-</b>	<b>7,322,746</b>
<b>Fund Balances</b>			
Nonspendable - inventories	248,895	-	248,895
Restricted by state statute	2,742,092	-	2,742,092
Restricted for federally seized assets	263,148	-	263,148
Restricted for health	516,943	-	516,943
Restricted for grants	67,386	-	67,386
Restricted for sheriff	77,809	-	77,809
Restricted for daycare	1,234	-	1,234
Committed for capital improvements	-	1,049,178	1,049,178
Assigned for subsequent year's expenditures	1,970,089	-	1,970,089
Unassigned	6,267,563	-	6,267,563
<b>Total fund balances</b>	<b>12,155,159</b>	<b>1,049,178</b>	<b>13,204,337</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 20,098,496</b>	<b>\$ 1,049,178</b>	<b>\$ 21,147,674</b>

Duplin County, North Carolina  
 General Fund  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2013  
 Exhibit B-2

	General Fund	Capital Reserve Fund	Total
<b>Revenues</b>			
Ad valorem taxes	\$ 27,505,851	\$ -	\$ 27,505,851
Local option sales taxes	6,213,070	-	6,213,070
Other taxes and licenses	97,104	-	97,104
Unrestricted intergovernmental	73,019	-	73,019
Restricted intergovernmental	10,355,058	-	10,355,058
Restricted grants	127,028	-	127,028
Permits and fees	566,950	-	566,950
Restricted revenue	68,696	-	68,696
Sales and services	7,641,452	-	7,641,452
Investment earnings	8,227	460	8,687
Contributions	48,753	-	48,753
Miscellaneous	52,799	-	52,799
<b>Total revenues</b>	<b>52,758,007</b>	<b>460</b>	<b>52,758,467</b>
<b>Expenditures</b>			
General government	5,386,904	-	5,386,904
Public safety	14,781,556	-	14,781,556
Environmental protection	663,609	-	663,609
Economic and physical development	815,248	-	815,248
Human services	15,182,432	-	15,182,432
Cultural and recreational	1,147,418	-	1,147,418
Education	11,174,397	-	11,174,397
Non-departmental	198,446	-	198,446
<b>Total expenditures</b>	<b>49,350,010</b>	<b>-</b>	<b>49,350,010</b>
Excess (deficiency) of revenues over expenditures	3,407,997	460	3,408,457
<b>Other financing sources (uses)</b>			
Transfers to other funds	(2,333,453)	(93,468)	(2,426,921)
Proceeds from sale of capital assets	72,300	-	72,300
<b>Total other financing sources (uses)</b>	<b>(2,261,153)</b>	<b>(93,468)</b>	<b>(2,354,621)</b>
Net change in fund balance	1,146,844	(93,008)	1,053,836
Fund balances, beginning of year	11,060,972	1,142,186	12,203,158
Decrease in inventory	(52,657)	-	(52,657)
<b>Fund balances, end of year</b>	<b>\$ 12,155,159</b>	<b>\$ 1,049,178</b>	<b>\$ 13,204,337</b>



Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 1 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Ad Valorem Taxes:</b>			
Taxes		\$ 27,094,561	
Penalties and interest		411,290	
Total	\$ 27,346,450	27,505,851	\$ 159,401
<b>Local Option Sales Taxes:</b>			
Article 39 and 44		2,450,910	
Article 40 one-half of one percent		2,079,302	
Article 42 one-half of one percent		872,671	
Article 46 one-quarter of one percent		810,187	
Total	5,919,517	6,213,070	293,553
<b>Other Taxes and Licenses:</b>			
Deed stamp excise tax		75,834	
Privilege licenses		4,650	
Other taxes and licenses		16,620	
Total	78,590	97,104	18,514
<b>Unrestricted Intergovernmental:</b>			
ABC profits (35%)		48,863	48,863
Video programing distribution		24,156	24,156
Total	57,000	73,019	16,019
<b>Restricted Intergovernmental:</b>			
State grants		9,925,831	
Federal grants		257,129	
Court facility fees		118,641	
Grants-Other		39,748	
ABC profits (10%)		13,709	
Total	10,312,769	10,355,058	42,289
<b>Restricted Grants:</b>			
Vidant Duplin Foundation grant		20,000	
One North Carolina Fund grant		23,000	
NC Foundation for Soil and Water Conservation grant		1,125	
Delta Dental grant		3,500	
Cape Fear Obesity Clinic grant		28,000	
Vidant - Diabetic Management grant		9,000	
Healthy Weight Clinic grant		17,420	
Interpreter grant		20,900	
BCBS Fitness grant		333	
State Employees' Credit Union Intern grant		3,750	
Total	129,578	127,028	(2,550)

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 2 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Permits and Fees:</b>			
Building permit fees		169,544	
Building inspection fees		152,789	
Fire inspection fees		31,225	
Marriage license fees		20,220	
Register of deeds fees		193,172	
Total	516,400	566,950	50,550
<b>Restricted Revenue:</b>			
Social services fraud collections	81,360	68,696	(12,664)
<b>Sales and Services:</b>			
Ambulance and rescue squad fees		2,576,080	
Health department fees		1,696,325	
Nutrition fees		106,904	
Police protection/School resource officers		881,586	
Sheriff and jail fees		420,293	
Animal control fees		28,638	
Cabin Lake fees		49,541	
Library fees		12,067	
Event Center revenue		106,012	
Rents		144,355	
Social services fees		36,901	
Aging department fees		58,375	
Other fees and services		1,524,375	
Total	6,898,764	7,641,452	742,688
Investment Earnings	7,500	8,227	727
<b>Miscellaneous:</b>			
Various contributions		48,753	
In-kind		24,114	
Other revenues		28,685	
Total	69,231	101,552	32,321
Total revenues	51,417,159	52,758,007	1,340,848

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 3 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
<u>General Government:</u>			
Governing Body:			
Salaries and employee benefits		70,945	
Other operating expenditures		149,666	
Capital outlay		17,293	
Total		237,904	
County Manager:			
Salaries and employee benefits		155,652	
Other operating expenditures		3,133	
Total		158,785	
Personnel:			
Salaries and employee benefits		181,227	
Other operating expenditures		15,365	
Total		196,592	
Finance:			
Salaries and employee benefits		362,251	
Other operating expenditures		23,410	
Capital outlay		22,182	
Total		407,843	
Information Technology:			
Salaries and employee benefits		305,040	
Other operating expenditures		26,934	
Total		331,974	
Elections:			
Salaries and employee benefits		217,711	
Other operating expenditures		79,500	
Total		297,211	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 4 of 19

	Final Budget	Actual	Variance Positive (Negative)
HAVA Grant Title I:			
Other operating expenditures		24,060	
HAVA Grant Title II:			
Other operating expenditures		7,507	
Tax Administration:			
Salaries and employee benefits		657,234	
Other operating expenditures		213,027	
Capital outlay		16,801	
Total		887,062	
Central Supply :			
Purchases		1,353,980	
Register of Deeds:			
Salaries and employee benefits		289,796	
Other operating expenditures		59,589	
Total		349,385	
Housekeeping:			
Salaries and employee benefits		197,345	
Other operating expenditures		10,472	
Capital outlay		600	
Total		208,417	
Building Maintenance:			
Salaries and employee benefits		375,840	
Other operating expenditures		114,936	
Capital outlay		15,470	
Total		506,246	
Garage:			
Salaries and employee benefits		184,717	
Other operating expenditures		19,322	
Total		204,039	
Attorney:			
Salaries and employee benefits		185,650	
Other operating expenditures		27,809	
Capital outlay		2,440	
Total		215,899	
<b>Total general government</b>	<b>5,787,594</b>	<b>5,386,904</b>	<b>400,690</b>

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 5 of 19

	Final Budget	Actual	Variance Positive (Negative)
<hr/> <b>Public Safety:</b>			
Sheriff:			
Salaries and employee benefits		2,850,366	
Other operating expenditures		643,246	
Capital outlay		68,149	
Total		3,561,761	
<hr/>			
Court Facilities:			
Salaries and employee benefits		59,089	
Other operating expenditures		146,494	
Total		205,583	
<hr/>			
Jury Commission:			
Other operating expenditures		1,415	
<hr/>			
Adult Probation:			
Other operating expenditures		3,657	
<hr/>			
Mental Health Transportation:			
Salaries and employee benefits		24,657	
<hr/>			
Special Separation Allowance:			
Salaries and employee benefits		60,883	
<hr/>			
Fingerprinting:			
Other operating expenditures		7,765	
<hr/>			
Communications:			
Salaries and employee benefits		964,633	
Other operating expenditures		102,602	
Total		1,067,235	
<hr/>			
Special Response Team:			
Other operating expenditures		9,000	
<hr/>			

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 6 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>School Resource Officer:</b>			
Salaries and employee benefits		583,549	
Other operating expenditures		40,257	
Total		623,806	
<b>Federally Seized Assets - Treasury Department:</b>			
Other operating expenditures		4,544	
<b>Federally Seized Assets - Customs:</b>			
Other operating expenditures		93,297	
Capital outlay		39,892	
Total		133,189	
<b>Federally Seized Assets - IRS:</b>			
Other operating expenditures		118	
<b>Federally Seized Assets - Justice Department:</b>			
Other operating expenditures		16,950	
Capital outlay		144,722	
Total		161,672	
<b>Federally Seized Assets - ATF</b>			
Other operating expenditures		329	
<b>GIS-911 Functions:</b>			
Salaries and employee benefits		8,232	
<b>Addressing-911 Functions:</b>			
Salaries and employee benefits		11,596	
<b>Jail:</b>			
Salaries and employee benefits		1,385,468	
Other operating expenditures		784,512	
Capital outlay		6,186	
Total		2,176,166	
<b>Asset Recovery Drug Seizure Arizona:</b>			
Capital outlay		24,358	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 7 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Emergency Management:</b>			
Salaries and employee benefits		127,358	
Other operating expenditures		46,447	
Capital outlay		1,672	
Total		175,477	
<b>Emergency Management Training Grant:</b>			
Operating expenditures		14,000	
<b>State Public Safety Grant-Mobile Generators:</b>			
Capital outlay		-	
<b>State Public Safety Grant 2010-SS-TO-007:</b>			
Capital outlay		-	
<b>Department of Justice 2012 Alien Grant:</b>			
Salaries and employee benefits		-	
Other operating expenditures		5,713	
Total		5,713	
<b>Department of Justice 2011 Alien Grant:</b>			
Other operating expenditures		20,939	
<b>Department of Justice 2010 Alien Grant:</b>			
Other operating expenditures		9,755	
<b>Department of Justice 2009 Alien Grant</b>			
Other operating expenditures		840	
<b>Homeland Security Grant 2010:</b>			
Operating expenditures		-	
<b>Emergency Medical Services:</b>			
Salaries and employee benefits		3,714,311	
Other operating expenditures		597,872	
Capital outlay		141,523	
Total		4,453,706	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 8 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Fire Marshall:</b>			
Salaries and employee benefits		58,037	
Contracted services		1,366,195	
Operating expenditures		15,703	
Capital outlay		832	
<b>Total</b>		<b>1,440,767</b>	
<b>Faison Substation:</b>			
Salaries and employee benefits		94,459	
Operating expenditures		17,506	
<b>Total</b>		<b>111,965</b>	
<b>Building Inspections:</b>			
Salaries and employee benefits		195,302	
Other operating expenditures		21,582	
<b>Total</b>		<b>216,884</b>	
<b>Medical Examiner:</b>			
Contracted services		27,300	
<b>Animal Control:</b>			
Salaries and employee benefits		127,055	
Other operating expenditures		66,348	
Capital outlay		24,841	
<b>Total</b>		<b>218,244</b>	
<b>Total public safety</b>	<b>15,431,171</b>	<b>14,781,556</b>	<b>649,615</b>
<b>Environmental Protection:</b>			
<b>Soil Conservation</b>			
Salaries and employee benefits		269,563	
Watershed maintenance		236,756	
Other operating expenditures		45,990	
<b>Total</b>		<b>552,309</b>	
<b>North Carolina Foundation for Soil and Water Grant:</b>			
Operating expenditures		380	



Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 9 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Contributions:</b>			
Forestry service		110,920	
<b>Total Environmental Protection</b>	<b>868,800</b>	<b>663,609</b>	<b>205,191</b>
<b><u>Economic and Physical Development:</u></b>			
<b>Planning:</b>			
Salaries and employee benefits		73,375	
Other operating expenditures		4,094	
<b>Total</b>		<b>77,469</b>	
<b>Central Plant - Duplin Commons:</b>			
Other operating expenditures		20,423	
<b>Westpark Business Technology Center:</b>			
Other operating expenditures		32,923	
<b>Regional Community Health Grant:</b>			
Operating expenditures		4,460	
<b>Economic Development :</b>			
Salaries and employee benefits		106,891	
Other operating expenditures		102,594	
<b>Total</b>		<b>209,485</b>	
<b>N.C. Cooperative Extension Service:</b>			
Salaries and employee benefits		316	
Other operating expenditures		289,042	
<b>Total</b>		<b>289,358</b>	
<b>N.C. Cooperative Extension 4-H Prevention Program:</b>			
Salaries and employee benefits		28,620	
Other operating expenditures		11,127	
<b>Total</b>		<b>39,747</b>	
<b>State Employees' Credit Union Intern Grant:</b>			
Salaries and employee benefits		708	
Other operating expenditures		253	
<b>Total</b>		<b>961</b>	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 10 of 19

	Final Budget	Actual	Variance Positive (Negative)
One North Carolina Fund Grant:			
Operating expenditures		23,000	
Industrial Park:			
Other operating expenditures		2,679	
JCPC- Duplin Parenting:			
Salaries and employee benefits		31,046	
Other operating expenditures		6,248	
Total		37,294	
JCPC - 4-H Outreach:			
Salaries and employee benefits		37,361	
Other operating expenditures		10,060	
Total		47,421	
Vidant 4-H EFNET Grant:			
Operating expenditures		15,787	
Livestock Facility:			
Operating expenditures		2,878	
Farm Services Agency:			
Other operating expenditures		11,363	
<b>Total economic and physical development</b>	<b>906,081</b>	<b>815,248</b>	<b>90,833</b>
<u>Human Services:</u>			
Health:			
Salaries and employee benefits		12,910	
Other operating expenditures		96,629	
Total		109,539	
UHS - Healthy Weight Clinic Grant:			
Salaries and employee benefits		13,222	
Other operating expenditures		12,785	
Total		26,007	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 11 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Health &amp; Wellness Grant:</b>			
Other operating expenditures		3,138	
<b>Healthy Beginnings:</b>			
Salaries and employee benefits		62,873	
Other operating expenditures		4,035	
Total		66,908	
<b>Environmental Health:</b>			
Salaries and employee benefits		334,279	
Other operating expenditures		29,572	
Total		363,851	
<b>Food &amp; Lodging</b>			
Other operating expenditures		8,988	
<b>Communicable Disease:</b>			
Salaries and employee benefits		108,176	
Other operating expenditures		25,366	
Total		133,542	
<b>Immunization Action Plan:</b>			
Salaries and employee benefits		78,278	
Other operating expenditures		71,467	
Total		149,745	
<b>WIC - General Administration:</b>			
Salaries and employee benefits		18,799	
<b>WIC - Nutrition Education:</b>			
Salaries and employee benefits		105,363	
<b>WIC - Breastfeeding Promotion:</b>			
Salaries and employee benefits		8,251	
<b>WIC - Client Services:</b>			
Salaries and employee benefits		315,919	
Other operating expenditures		53,053	
Total		368,972	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 12 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Dental Program:</b>			
Salaries and employee benefits		84,335	
Other operating expenditures		144,338	
<b>Total</b>		<b>228,673</b>	
<b>Bioterrorism:</b>			
Salaries and employee benefits		25,427	
Other operating expenditures		26,097	
<b>Total</b>		<b>51,524</b>	
<b>Tuberculosis:</b>			
Salaries and employee benefits		44,050	
Other operating expenditures		11,973	
<b>Total</b>		<b>56,023</b>	
<b>CDC Tuberculosis:</b>			
Salaries and employee benefits		32,720	
<b>March of Dimes - Centering Pregnancy:</b>			
Other operating expenditures		268	
<b>Primary Care:</b>			
Salaries and employee benefits		406,512	
Other operating expenditures		68,467	
<b>Total</b>		<b>474,979</b>	
<b>Community Health Promotion:</b>			
Salaries and employee benefits		14,749	
Other operating expenditures		6,852	
<b>Total</b>		<b>21,601</b>	
<b>Pregnancy Care Management:</b>			
Salaries and employee benefits		94,773	
Other operating expenditures		4,759	
<b>Total</b>		<b>99,532</b>	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 13 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Pregnancy Care Management - Non Medicaid:</b>			
Salaries and employee benefits		35,988	
Other operating expenditures		4	
<b>Total</b>		<b>35,992</b>	
<b>Maternal Health:</b>			
Salaries and employee benefits		236,625	
Other operating expenditures		46,624	
<b>Total</b>		<b>283,249</b>	
<b>Family Planning:</b>			
Salaries and employee benefits		218,638	
Other operating expenditures		79,508	
<b>Total</b>		<b>298,146</b>	
<b>Child Health:</b>			
Salaries and employee benefits		252,642	
Other operating expenditures		15,036	
<b>Total</b>		<b>267,678</b>	
<b>Interpreter Grant:</b>			
Salaries and employee benefits		24,464	
<b>CC4C:</b>			
Salaries and employee benefits		168,537	
Other operating expenditures		7,304	
<b>Total</b>		<b>175,841</b>	
<b>Social Services Administration:</b>			
Salaries and employee benefits		4,765,064	
Other operating expenditures		453,376	
Capital outlay		18,202	
<b>Total</b>		<b>5,236,642</b>	
<b>Social Services Building Expense:</b>			
Salaries and employee benefits		31,813	
Other operating expenditures		160,544	
<b>Total</b>		<b>192,357</b>	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 14 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Work First/TANF:</b>			
Assistance payments		685	
Other operating expenditures		12,053	
<b>Total</b>		<b>12,738</b>	
<b>Title - IV D:</b>			
Other operating expenditures		125,599	
<b>Special Assistance for Adults:</b>			
Assistance payments		597,566	
<b>Foster Children:</b>			
Assistance payments		427,298	
<b>Medicaid Program:</b>			
Assistance payments		299,152	
<b>Aid to the Blind Program:</b>			
Assistance payments		5,584	
<b>Adoption Assistance:</b>			
Assistance payments		12,023	
<b>Crisis Intervention Program:</b>			
Assistance payments		391,005	
<b>Progress Energy Assistance:</b>			
Assistance payments		5,599	
Low Income Home Energy Assistance		178,800	
<b>General Assistance:</b>			
Assistance payments		13,994	
<b>Daycare:</b>			
Assistance payments		2,354,076	
<b>Seniors' Health Insurance Information Program:</b>			
Other operating expenditures		4,804	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 15 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Aging Program:</b>			
Salaries and employee benefits		298,519	
Other operating expenditures		118,836	
<b>Total</b>		<b>417,355</b>	
<b>Aging - Fan Program:</b>			
Other operating expenditures		466	
<b>Aging - In-Home Aid Services:</b>			
Salaries and employee benefits		83,120	
Other operating expenditures		13,673	
<b>Total</b>		<b>96,793</b>	
<b>Aging - Title III Transportation:</b>			
Other operating expenditures		91,702	
<b>Aging - Title III-F Health Promotion:</b>			
Salaries and employee benefits		2,766	
Other operating expenditures		3,285	
<b>Total</b>		<b>6,051</b>	
<b>Aging - In-Home Aid II:</b>			
Salaries and employee benefits		2,376	
Other operating expenditures		1,088	
<b>Total</b>		<b>3,464</b>	
<b>UHS Diabetes Management Grant:</b>			
Other operating expenditures		12,172	
<b>Aging - Housing &amp; Home Improvements:</b>			
Other operating expenditures		5,816	
<b>Senior Center Operations:</b>			
Other operating expenditures		5,223	
<b>Family Caregiver:</b>			
Salaries and employee benefits		5,406	
Other operating expenditures		1,615	
<b>Total</b>		<b>7,021</b>	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 16 of 19

	Final Budget	Actual	Variance Positive (Negative)
<hr/>			
Peer Breastfeeding:			
Salaries and employee benefits		22,974	
<hr/>			
Nutrition - Home Bound Meals			
Salaries and employee benefits		24,100	
Other operating expenditures		88,390	
Total		112,490	
<hr/>			
Nutrition :			
Salaries and employee benefits		146,646	
Other operating expenditures		210,520	
Capital outlay		14,999	
Total		372,165	
<hr/>			
JCPC Restitution/Teen Court:			
Other operating expenditures		69,150	
<hr/>			
JCPC - Juvenile Court Psychological Service:			
Other operating expenditures		7,500	
<hr/>			
JCPC - Administration:			
Other operating expenditures		6,771	
<hr/>			
JCPC - Gang Awareness:			
Other operating expenditures		9,808	
<hr/>			
Veteran's Service Officer:			
Salaries and employee benefits		88,452	
Other operating expenditures		5,746	
Total		94,198	
<hr/>			
County Wellness Program:			
Salaries and employee benefits		190,772	
Other operating expenditures		115,555	
Total		306,327	
<hr/>			
American Lung Association Grant:			
Operating expenditures		1,439	
<hr/>			



Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 17 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Eastern Area Health Grant:</b>			
Other operating expenditures		2,078	
<b>Cape Fear Obesity Clinic Grant:</b>			
Salaries and employee benefits		15,031	
Other operating expenditures		12,267	
Total		27,298	
<b>Delta Dental Grant:</b>			
Operating expenditures		63	
<b>Vital Records:</b>			
Salaries and employee benefits		7,060	
Other operating expenditures		567	
Total		7,627	
<b>ECU Diabetic Grant Project:</b>			
Other operating expenditures		242	
<b>BCBS Fitness Grant:</b>			
Salaries and employee benefits		268	
Other operating expenditures		65	
Total		333	
<b>ECU IPIP Project Grant</b>			
Other operating expenditures		3	
<b>LICC Mini Grant</b>			
		399	
<b>Contributions:</b>			
Mental Health - Eastpointe		224,474	
<b>Total human services</b>	<b>15,889,590</b>	<b>15,182,432</b>	<b>707,158</b>
<b><u>Cultural and Recreational</u></b>			
<b>Museum:</b>			
Salaries and employee benefits		20,595	
Other operating expenditures		8,104	
Total		28,699	

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 18 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b>Library:</b>			
Salaries and employee benefits		338,985	
Other operating expenditures		89,093	
Capital outlay-books		127,723	
<b>Total</b>		<b>555,801</b>	
<b>Law library-Capital Outlay</b>		<b>4,375</b>	
<b>Library LSTA Grant:</b>			
Operating expenditures		14,346	
<b>Gates Staying Connected Grant</b>		<b>3,711</b>	
<b>Event Center:</b>			
Salaries and employee benefits		112,669	
Other operating expenditures		295,052	
<b>Total</b>		<b>407,721</b>	
<b>Parks and Recreation:</b>			
Salaries and employee benefits		91,898	
Other operating expenditures		40,867	
<b>Total</b>		<b>132,765</b>	
<b>Total cultural and recreational</b>	<b>1,308,901</b>	<b>1,147,418</b>	<b>161,483</b>
<b>Education</b>			
Public schools - current expenditures		9,287,444	
Public schools - capital outlay		281,368	
Community colleges - current expenditures		1,362,585	
Community colleges - capital outlay		243,000	
<b>Total education</b>	<b>11,211,241</b>	<b>11,174,397</b>	<b>36,844</b>

Duplin County, North Carolina  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013

Exhibit B-3  
Page 19 of 19

	Final Budget	Actual	Variance Positive (Negative)
<b><u>Non-Departmental</u></b>			
Post-employment healthcare benefits	200,000	192,154	7,846
Other expenditures	45,331	6,292	39,039
Contingency	6,616	-	6,616
Capital outlay	13,159	-	13,159
<b>Total non-departmental</b>	<b>265,106</b>	<b>198,446</b>	<b>66,660</b>
<b>Total expenditures</b>	<b>51,668,484</b>	<b>49,350,010</b>	<b>2,318,474</b>
Revenues over (under) expenditures	(251,325)	3,407,997	3,659,322
<b>Other financing sources (uses)</b>			
Transfers to other funds:			
To Airport Commission Fund	(127,584)	(127,584)	-
To Debt Service Fund	(869,629)	(869,628)	1
To Capital Project School Fund	(701,222)	(701,370)	(148)
To Automation Enhancement & Preservation Fund	(21,400)	(19,371)	2,029
To Transportation Development Plan Fund	(60,547)	-	60,547
To Capital Project Fund	(15,500)	(15,500)	-
To Hospital Insurance Fund	(600,000)	(600,000)	-
<b>Total transfers to other funds</b>	<b>(2,395,882)</b>	<b>(2,333,453)</b>	<b>62,429</b>
Proceeds from sale of capital assets	44,557	72,300	27,743
<b>Total other financing sources (uses)</b>	<b>(2,351,325)</b>	<b>(2,261,153)</b>	<b>90,172</b>
<b>Appropriated fund balance</b>	<b>2,602,650</b>	<b>-</b>	<b>(2,602,650)</b>
Net change in fund balance	<u>\$ -</u>	1,146,844	<u>\$ 1,146,844</u>
Fund balance, beginning of year		11,060,972	
Decrease in inventory		(52,657)	
<b>Fund balance, end of year</b>		<b>\$ 12,155,159</b>	

Duplin County, North Carolina  
Capital Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2013  
Exhibit B-4

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Investment earnings	\$ 47,398	\$ 219,837	\$ 460	\$ 220,297	\$ 172,899
<b>Expenditures</b>					
Capital reserve	838,497	-	-	-	838,497
Revenues over (under) expenditures	(791,099)	219,837	460	220,297	1,011,396
<b>Other financing sources (uses)</b>					
Transfers in (out):					
From (to) General Fund	1,160,467	1,160,467	-	1,160,467	-
From Emergency Telephone System Fund	602,472	602,472	-	602,472	-
To Capital Project Fund	(821,840)	(725,590)	(93,468)	(819,058)	2,782
To Industrial Expansion Capital Project	(150,000)	(115,000)	-	(115,000)	35,000
Total other financing sources (uses)	791,099	922,349	(93,468)	828,881	37,782
Net change in fund balance	\$ -	\$ 1,142,186	(93,008)	\$ 1,049,178	\$ 1,049,178
Fund balance, beginning of year			1,142,186		
Fund balance, end of year			\$ 1,049,178		

Nonmajor Governmental Funds

Duplin County, North Carolina  
 Non-Major Governmental Funds  
 Combining Balance Sheet  
 June 30, 2013  
 Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
<b>Assets</b>			
Cash and investments	\$ 1,054,828	\$ 393,258	\$ 1,448,086
Restricted cash and investments	2,706,884	1,016,351	3,723,235
Receivables, net	833,008	1,200,238	2,033,246
Due from other funds	613	29,381	29,994
<b>Total assets</b>	<b>\$ 4,595,333</b>	<b>\$ 2,639,228</b>	<b>\$ 7,234,561</b>
<b>Liabilities</b>			
Accounts payable	\$ 7,617	\$ 633,495	\$ 641,112
Due to other funds	199	-	199
<b>Total liabilities</b>	<b>7,816</b>	<b>633,495</b>	<b>641,311</b>
<b>Deferred Inflows of Resources</b>	<b>796,803</b>	<b>-</b>	<b>796,803</b>
<b>Fund Balances</b>			
Restricted by state statute	38,749	1,229,619	1,268,368
Restricted by schools	1,944,628	737,978	2,682,606
Restricted for E-911	122,911	-	122,911
Restricted for register of deeds	8,005	-	8,005
Restricted for tax revaluation	762,256	-	762,256
Committed for economic development	853,475	-	853,475
Committed for capital projects	-	(162,559)	(162,559)
Assigned for subsequent year's expenditures	63,154	200,695	263,849
Unassigned	(2,464)	-	(2,464)
<b>Total fund balances</b>	<b>3,790,714</b>	<b>2,005,733</b>	<b>5,796,447</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,595,333</b>	<b>\$ 2,639,228</b>	<b>\$ 7,234,561</b>

Duplin County, North Carolina  
 Non-Major Governmental Funds  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2013  
 Exhibit C-2

	Special Revenue Funds	Capital Project Funds	Total
<b>Revenues</b>			
Ad valorem taxes	\$ 840,428	\$ -	\$ 840,428
Investment earnings	35,942	488	36,430
Local option sales taxes	-	1,560,949	1,560,949
Restricted intergovernmental Contributions	957,839	539,999	1,497,838
Miscellaneous revenues	72,656	-	72,656
<b>Total revenues</b>	<b>1,906,865</b>	<b>3,048,302</b>	<b>4,955,167</b>
<b>Expenditures</b>			
General government	39,345	-	39,345
Public safety	962,167	-	962,167
Environmental protection	-	27,999	27,999
Economic and Physical Development	135,701	2,347,643	2,483,344
Education	1,160,808	903,298	2,064,106
<b>Total expenditures</b>	<b>2,298,021</b>	<b>3,278,940</b>	<b>5,576,961</b>
Revenues over (under) expenditures	(391,156)	(230,638)	(621,794)
<b>Other financing sources (uses)</b>			
Transfers from other funds	19,371	810,338	829,709
Transfers to other funds	-	(1,231,821)	(1,231,821)
<b>Total other financing sources (uses)</b>	<b>19,371</b>	<b>(421,483)</b>	<b>(402,112)</b>
Net change in fund balances	(371,785)	(652,121)	(1,023,906)
Fund balances, beginning of year	4,162,499	2,657,854	6,820,353
<b>Fund balances, end of year</b>	<b>\$ 3,790,714</b>	<b>\$ 2,005,733</b>	<b>\$ 5,796,447</b>

## Special Revenue Funds

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

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

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

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

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

*Grant Project Funds* - These funds account for sundry projects funded by federal grants, state grants, or a combination of both federal and state grants. Separate funds account for the revenues and expenditures associated with each grant's intended purpose.

*School Planning Allocation Fund* - This fund accounts for lottery revenues designated for public school capital expenditures.

*Automation Enhancement and Preservation Fund* - This fund accounts for funds to be used for computer and imaging technology in the register of deeds office.



	Fire District Fund	Revaluation Fund	Community Development Revolving Loan Fund
<b>Assets</b>			
Cash and investments	\$ 6,822	\$ -	\$ 853,475
Restricted cash and investments	-	762,256	-
Receivables, net	61,929	-	733,273
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 68,751</b>	<b>\$ 762,256</b>	<b>\$ 1,586,748</b>
<b>Liabilities</b>			
Accounts payable	\$ 7,156	\$ -	\$ -
Due to other funds	199	-	-
<b>Total liabilities</b>	<b>7,355</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>	<b>63,530</b>	<b>-</b>	<b>733,273</b>
<b>Fund Balances</b>			
Restricted by state statute	535	-	-
Restricted for schools	-	-	-
Restricted for E-911	-	-	-
Restricted for register of deeds	-	-	-
Restricted for tax revaluation	-	762,256	-
Committed for economic development	-	-	853,475
Assigned for subsequent year's expenditures	-	-	-
Unassigned	(2,669)	-	-
<b>Total fund balances</b>	<b>(2,134)</b>	<b>762,256</b>	<b>853,475</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 68,751</b>	<b>\$ 762,256</b>	<b>\$ 1,586,748</b>

Duplin County, North Carolina  
 Non-Major Governmental Funds  
 Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2013  
 Exhibit D-1

School Planning Allocation Fund	Emergency Telephone System Fund	County Trust Fund	Automated Enhancement & Preservation Fund	Total
\$ -	\$ 123,372	\$ 63,154	\$ 8,005	\$ 1,054,828
1,944,628	-	-	-	2,706,884
-	37,806	-	-	833,008
-	613	-	-	613
<hr/>				
<u>\$ 1,944,628</u>	<u>\$ 161,791</u>	<u>\$ 63,154</u>	<u>\$ 8,005</u>	<u>\$ 4,595,333</u>
<hr/>				
\$ -	\$ 461	\$ -	\$ -	\$ 7,617
-	-	-	-	199
-	461	-	-	7,816
<hr/>				
-	-	-	-	796,803
<hr/>				
-	38,419	-	-	38,954
1,944,628	-	-	-	1,944,628
-	122,911	-	-	122,911
-	-	-	8,005	8,005
-	-	-	-	762,256
-	-	-	-	853,475
-	-	63,154	-	63,154
-	-	-	-	(2,669)
<u>1,944,628</u>	<u>161,330</u>	<u>63,154</u>	<u>8,005</u>	<u>3,790,714</u>
<hr/>				
<u>\$ 1,944,628</u>	<u>\$ 161,791</u>	<u>\$ 63,154</u>	<u>\$ 8,005</u>	<u>\$ 4,595,333</u>

	Fire District Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund
<b>Revenues</b>				
Ad valorem taxes	\$ 725,428	\$ 115,000	\$ -	\$ -
Investment earnings	-	351	27,289	8,197
Restricted intergovernmental	-	-	-	622,220
Miscellaneous revenues	-	-	36,367	-
<b>Total revenues</b>	<b>725,428</b>	<b>115,351</b>	<b>63,656</b>	<b>630,417</b>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	725,307	-	-	-
Economic and physical development	-	26,918	-	-
Education - capital outlay	-	-	-	1,160,808
<b>Total expenditures</b>	<b>725,307</b>	<b>26,918</b>	<b>-</b>	<b>1,160,808</b>
Revenues over (under) expenditures	121	88,433	63,656	(530,391)
<b>Other financing sources (uses)</b>				
Transfers in (out):				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	121	88,433	63,656	(530,391)
Fund balances, beginning of year	(2,255)	673,823	789,819	2,475,019
<b>Fund balances, end of year</b>	<b>\$ (2,134)</b>	<b>\$ 762,256</b>	<b>\$ 853,475</b>	<b>\$ 1,944,628</b>

Duplin County, North Carolina  
 Non-Major Governmental Funds  
 Special Revenue Funds  
 Combining Schedule of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2013  
 Exhibit D-2

Emergency Telephone System Fund	Community Development Block Grant (SSH09C1989)	Community Development Block Grant (11-C-2292)	County Trust Fund	Automation Enhancement & Preservation Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 840,428
74	-	-	27	4	35,942
226,836	89,118	19,665	-	-	957,839
-	-	-	36,289	-	72,656
<u>226,910</u>	<u>89,118</u>	<u>19,665</u>	<u>36,316</u>	<u>4</u>	<u>1,906,865</u>
-	-	-	24,885	14,460	39,345
236,860	-	-	-	-	962,167
-	89,118	19,665	-	-	135,701
-	-	-	-	-	1,160,808
<u>236,860</u>	<u>89,118</u>	<u>19,665</u>	<u>24,885</u>	<u>14,460</u>	<u>2,298,021</u>
(9,950)	-	-	11,431	(14,456)	(391,156)
-	-	-	-	19,371	19,371
-	-	-	-	-	-
-	-	-	-	<u>19,371</u>	<u>19,371</u>
(9,950)	-	-	11,431	4,915	(371,785)
<u>171,280</u>	<u>-</u>	<u>-</u>	<u>51,723</u>	<u>3,090</u>	<u>4,162,499</u>
<u>\$ 161,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,154</u>	<u>\$ 8,005</u>	<u>\$ 3,790,714</u>

Duplin County, North Carolina  
 Fire District Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit D-3

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 752,529	\$ 725,428	\$ (27,101)
<b>Expenditures</b>			
Public Safety:			
Commission to General Fund	21,515	20,790	725
Oak Wolfe Fire District	54,333	52,783	1,550
Glisson Fire District	100,776	96,630	4,146
Sarecta Fire District	93,603	88,984	4,619
East Duplin Fire District	84,061	80,454	3,607
Albertson Fire District	71,032	70,015	1,017
Stacy Britt Fire District	128,659	125,010	3,649
Franklin Fire District	22,076	19,501	2,575
Northeast Fire District	176,474	171,140	5,334
Total public safety	752,529	725,307	26,497
Net change in fund balance	<u>\$ -</u>	121	<u>\$ 121</u>
Fund balance, beginning of year		(2,255)	
Fund balance, end of year		<u>\$ (2,134)</u>	

Duplin County, North Carolina  
 Revaluation Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit D-4

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 115,000	\$ 115,000	\$ -
Investment earnings	-	351	351
<b>Total revenues</b>	<b>115,000</b>	<b>115,351</b>	<b>351</b>
<b>Expenditures</b>			
Economic and Physical Development:			
Revaluation	128,711	26,918	101,793
Revenues over (under) expenditures	(13,711)	88,433	102,144
Appropriated fund balance	13,711	-	(13,711)
Net change in fund balance	<u>\$ -</u>	<u>\$ 88,433</u>	<u>\$ 88,433</u>
Fund balance, beginning of year		673,823	
Fund balance, end of year		<u>\$ 762,256</u>	

Duplin County, North Carolina  
 Community Development Revolving Loan Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit D-5

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 27,289	\$ 27,289
Loan payments	-	36,367	36,367
<b>Total revenues</b>	<b>-</b>	<b>63,656</b>	<b>63,655</b>
<b>Expenditures</b>			
Economic and physical development:			
Community development loans	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 63,656</b>	<b>\$ 63,656</b>
<b>Fund balance, beginning of year</b>		<b>789,819</b>	
<b>Fund balance, end of year</b>		<b>\$ 853,475</b>	

Duplin County, North Carolina  
 School Planning Allocation Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit D-6

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental:			
Public School Building Capital Fund	\$ 143,723	\$ 622,220	\$ 478,497
Investment earnings	-	8,197	8,197
<b>Total revenues</b>	<b>143,723</b>	<b>630,417</b>	<b>486,694</b>
<b>Expenditures</b>			
Education:			
Capital outlay:			
Heat pumps and windows - East Duplin High School		1,160,808	
<b>Total expenditures</b>	<b>2,184,480</b>	<b>1,160,808</b>	<b>1,023,672</b>
Revenues over (under) expenditures	(2,040,757)	(530,391)	1,510,366
Appropriated fund balance	2,040,757	-	(2,040,757)
Net change in fund balance	<u>\$ -</u>	(530,391)	<u>\$ (530,391)</u>
Fund balance, beginning of year		2,475,019	
Fund balance, end of year		<u>\$ 1,944,628</u>	



Duplin County, North Carolina  
Emergency Telephone System Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
For the Year Ended June 30, 2013  
Exhibit D-7

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental:			
Emergency telephone fee	\$ 226,836	\$ 226,836	\$ -
Investment earnings	-	74	74
<b>Total revenues</b>	<b>226,836</b>	<b>226,910</b>	<b>74</b>
<b>Expenditures</b>			
Public safety:			
Emergency telephone services:			
Operating expenditures	238,152	236,860	1,292
Capital outlay	4,953	-	4,953
<b>Total expenditures</b>	<b>243,105</b>	<b>236,860</b>	<b>6,245</b>
Revenues over (under) expenditures	(16,269)	(9,950)	6,319
Appropriated fund balance	16,269	-	(16,269)
Net change in fund balance	<u>\$ -</u>	(9,950)	<u>\$ (9,950)</u>
Fund balance, beginning of year		171,280	
Fund balance, end of year		<b>\$ 161,330</b>	

Duplin County, North Carolina  
 Community Development Block Grant (SSH09C1989)  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 From Inception and for the Year Ended June 30, 2013  
 Exhibit D-8

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Restricted intergovernmental:					
State grants	\$ 460,000	\$ 370,882	\$ 89,118	\$ 460,000	\$ -
Miscellaneous:					
Program income	8,656	8,656	-	8,656	-
<b>Total revenue</b>	<b>468,656</b>	<b>379,538</b>	<b>89,118</b>	<b>468,656</b>	<b>-</b>
<b>Expenditures</b>					
Economic and physical development:					
Community development block grant	468,656	379,538	89,118	468,656	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year				-	
Fund balance, end of year			<u>\$ -</u>		

Duplin County, North Carolina  
 Community Development Block Grant (11-C-2292)  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 From Inception and for the Year Ended June 30, 2013  
 Exhibit D-9

	Project Authorization	Prior Years	Actual		Total to Date	Variance Positive (Negative)
			Current Year			
<b>Revenues</b>						
Restricted intergovernmental:						
State grants	\$ 75,000	\$ -	\$ 19,665		\$ 19,665	\$ (55,335)
<b>Expenditures</b>						
Economic and physical development:						
Community development block grant	75,000	-	19,665		19,665	55,335
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>		<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year					-	
Fund balance, end of year			\$ -			

Duplin County, North Carolina  
Automation Enhancement and Preservation Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013  
Exhibit D-10

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 4	\$ 4
<b>Expenditures</b>			
General government	24,489	14,460	10,029
Revenues over (under) expenditures	(24,489)	(14,456)	10,033
<b>Other financing sources</b>			
Transfers in:			
From General Fund	21,400	19,371	(2,029)
Appropriated fund balance	3,089	-	(3,089)
Net change in fund balance	<u>\$ -</u>	4,915	<u>\$ 4,915</u>
Fund balance, beginning of year		3,090	
Fund balance, end of year		<u>\$ 8,005</u>	

## Capital Project Funds

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

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

*Capital Projects Fund* - Accounts for the jail project, backup PSAP project, EMS vehicles project, livestock facility project, senior center project, event center project, and the Vidant hospital project.

*Capital Project Fund - School Fund* - Accounts for sales tax revenue that is restricted for school related capital projects.

*Capital Project Fund - JSCC* - Accounts for funds restricted for capital projects at James Sprunt Community College.

Duplin County, North Carolina  
 Non-Major Governmental Funds  
 Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2013  
 Exhibit E-1

	Industrial Expansion Capital Project	Capital Project Fund	Capital Project School Fund	Capital Project JSCC Fund	Total
<b>Assets</b>					
Cash and investments	\$ 80,532	\$ 101,570	\$ -	\$ 211,156	\$ 393,258
Restricted cash and investments	-	-	1,016,351	-	1,016,351
Receivables, net	604,146	-	596,092	-	1,200,238
Due from other funds	29,381	-	-	-	29,381
<b>Total assets</b>	<b>\$ 714,059</b>	<b>\$ 101,570</b>	<b>\$ 1,612,443</b>	<b>\$ 211,156</b>	<b>\$ 2,639,228</b>
<b>Liabilities</b>					
Accounts payable	\$ 555,817	\$ -	\$ 77,678	\$ -	\$ 633,495
<b>Fund Balances</b>					
Restricted by state statute	633,527	-	596,092	-	1,229,619
Restricted for schools	-	-	737,978	-	737,978
Assigned for subsequent years' expenditures	-	-	200,695	-	200,695
Committed for capital projects	(475,285)	101,570	-	211,156	(162,559)
<b>Total fund balances</b>	<b>158,242</b>	<b>101,570</b>	<b>1,534,765</b>	<b>211,156</b>	<b>2,005,733</b>
<b>Total liabilities and fund balances</b>	<b>\$ 714,059</b>	<b>\$ 101,570</b>	<b>\$ 1,612,443</b>	<b>\$ 211,156</b>	<b>\$ 2,639,228</b>

Duplin County, North Carolina  
Non-Major Governmental Funds  
Capital Project Funds  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2013  
Exhibit E-2

	Industrial Expansion Capital Project Fund	Capital Project Fund	Capital Project School Fund	Capital Project JSCC Fund	Total
<b>Revenues</b>					
Local option sales taxes	\$ 32,944	\$ 12,222	\$ 1,515,783	\$ -	\$ 1,560,949
Restricted intergovernmental	-	539,999	-	-	539,999
Investment earnings	109	15	267	97	488
Contributions	911,902	34,964	-	-	946,866
<b>Total revenues</b>	<b>944,955</b>	<b>587,200</b>	<b>1,516,050</b>	<b>97</b>	<b>3,048,302</b>
<b>Expenditures</b>					
Public safety	-	-	-	-	-
Environmental protection	-	27,999	-	-	27,999
Economic and physical development	1,723,857	623,786	-	-	2,347,643
Education	-	-	903,298	-	903,298
<b>Total expenditures</b>	<b>1,723,857</b>	<b>651,785</b>	<b>903,298</b>	<b>-</b>	<b>3,278,940</b>
Revenues over (under) expenditures	(778,902)	(64,585)	612,752	97	(230,638)
<b>Other financing sources (uses)</b>					
From general fund	-	15,500	701,370	-	716,870
To debt service fund	-	-	(1,231,821)	-	(1,231,821)
From capital reserve fund	-	93,468	-	-	93,468
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>108,968</b>	<b>(530,451)</b>	<b>-</b>	<b>(421,483)</b>
Net change in fund balances	(778,902)	44,383	82,301	97	(652,121)
Fund balances, beginning of year	937,144	57,187	1,452,464	211,059	2,657,854
<b>Fund balances, end of year</b>	<b>\$ 158,242</b>	<b>\$ 101,570</b>	<b>\$ 1,534,765</b>	<b>\$ 211,156</b>	<b>\$ 2,005,733</b>

Duplin County, North Carolina  
Industrial Expansion Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2013

Exhibit E-3  
Page 1 of 2

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Local option sales taxes:					
Project pipeline	\$ -	\$ 24,514	\$ 32,944	\$ 57,458	\$ 57,458
Restricted intergovernmental:					
State grants	1,749,314	1,732,673	-	1,732,673	(16,641)
Global Transpark grant	55,867	55,867	-	55,867	-
<b>Total</b>	<b>1,805,181</b>	<b>1,788,540</b>	<b>-</b>	<b>1,788,540</b>	<b>(16,641)</b>
Investment earnings	-	1,473	109	1,582	1,582
Contributions	2,920,582	1,882,880	911,902	2,794,782	(125,800)
<b>Total revenues</b>	<b>4,725,763</b>	<b>3,697,407</b>	<b>944,955</b>	<b>4,642,362</b>	<b>(83,401)</b>
<b>Expenditures</b>					
Economic and physical development:					
NC Rural EDC	354,314	354,314	-	354,314	-
Project Pipeline	4,326,040	2,459,132	1,718,207	4,177,339	148,701
Menlo Logistics	15,000	15,000	-	15,000	-
Southpark Certified Industrial Site	35,867	30,217	5,650	35,867	-
Economic Development Reserve	74,542	16,600	-	16,600	57,942
Westpark Access Road	35,000	-	-	-	35,000
<b>Total expenditures</b>	<b>4,840,763</b>	<b>2,875,263</b>	<b>1,723,857</b>	<b>4,599,120</b>	<b>241,643</b>
Revenues over (under) expenditures	(115,000)	822,144	(778,902)	43,242	158,242



Duplin County, North Carolina  
Industrial Expansion Capital Project Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2013

Exhibit E-3  
Page 2 of 2

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Other financing sources (uses)</b>					
Transfers from other funds:					
From Capital Reserve Fund	115,000	115,000	-	115,000	-
Total other financing sources	115,000	115,000	-	115,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 937,144</u>	<u>(778,902)</u>	<u>\$ 158,242</u>	<u>\$ 158,242</u>
Fund balance, beginning of year			<b>937,144</b>		
Fund balance, end of year			<b>\$ 158,242</b>		

Duplin County, North Carolina  
Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2013

Exhibit E-4  
Page 1 of 2

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Local option sales taxes:					
Livestock facility	\$ 12,222	\$ -	\$ 12,222	\$ 12,222	\$ -
Restricted intergovernmental:					
State grants	469,749	82,550	227,999	310,549	(159,200)
Federal grants	181,000	-	86,000	86,000	(95,000)
Grants - other	296,000	70,000	226,000	296,000	-
Total	946,749	152,550	539,999	692,549	(254,200)
Investment earnings	12,608	12,593	15	12,608	-
Contributions	103,964	69,000	34,964	103,964	-
Total revenues	1,075,543	234,143	587,200	821,343	(254,200)
<b>Expenditures</b>					
Public safety:					
Backup PSAP	25,308	25,308	-	25,308	-
Environmental protection:					
Stream debris removal	27,999	-	27,999	27,999	-
Economic and physical development:					
Livestock facility	632,376	81,863	542,160	624,023	8,353
Farmland Preservation	254,200	-	-	-	254,200
Duplin Commons - event center	119,115	37,489	81,626	119,115	-
Total economic and physical development	1,005,691	119,352	623,786	743,138	262,553
Human services:					
Duplin General Hospital- emergency area expansion	96,000	-	-	-	96,000
Senior center	167,250	167,250	-	167,250	-
Total human services	263,250	167,250	-	167,250	96,000
Total expenditures	1,322,248	311,910	651,785	963,695	358,553
Revenues over (under) expenditures	(246,705)	(77,767)	(64,585)	(142,352)	104,353

Duplin County, North Carolina  
Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and for the Year Ended June 30, 2013

Exhibit E-4  
Page 2 of 2

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
<b>Other financing sources (uses)</b>					
Transfer from general fund	15,500	-	<b>15,500</b>	15,500	-
Transfer from capital reserve fund	231,205	134,954	<b>93,468</b>	228,422	(2,783)
Total other financing sources (uses)	246,705	134,954	<b>108,968</b>	243,922	(2,783)
Net change in fund balance	<u>\$ -</u>	<u>\$ 57,187</u>	<b>44,383</b>	<u>\$ 101,570</u>	<u>\$ 101,570</u>
Fund balance, beginning of year			<b>57,187</b>		
Fund balance, end of year			<b>\$ 101,570</b>		

Duplin County, North Carolina  
 Capital Project Fund - School Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit E-5

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Local Option Sales Taxes:			
Article 40 one-half of one percent	\$ 602,205	\$ 739,051	\$ 136,846
Article 42 one-half of one percent	623,189	776,732	153,543
Total	1,225,394	1,515,783	290,389
Investment earnings	-	267	267
Total revenues	1,225,394	1,516,050	290,656
<b>Expenditures</b>			
Education:			
Capital outlay - Improvements to sites	776,280	469,513	306,767
Capital outlay - Equipment and furniture	391,269	315,805	75,464
Capital outlay - Vehicles	152,834	117,980	34,854
Total expenditures	1,320,383	903,298	417,085
Revenues over (under) expenditures	(94,989)	612,752	707,741
<b>Other financing sources (uses)</b>			
Transfer from General Fund	701,222	701,370	148
Transfer to Debt Service Fund	(1,231,822)	(1,231,821)	1
Total other financing sources (uses)	(530,600)	(530,451)	149
Appropriated fund balance	625,589	-	(625,589)
Net change in fund balance	<u>\$ -</u>	82,301	<u>\$ 82,301</u>
Fund balance, beginning of year		1,452,464	
Fund balance, end of year		<u>\$ 1,534,765</u>	

Duplin County, North Carolina  
 Capital Project Fund - JSCC  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013  
 Exhibit E-6

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 97	\$ 97
<hr/>			
<b>Expenditures</b>			
Education:			
Capital outlay	-	-	-
<hr/>			
Net change in fund balance	\$ -	97	\$ 97
<hr/>			
Fund balance, beginning of year		211,059	
<hr/>			
Fund balance, end of year		\$ 211,156	

## Enterprise 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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*Airport Commission Fund* - Operate and maintain public airport facility and provide hangar rental and fueling services for the flying public.

*Solid Waste Fund* - To collect, recycle, and dispose of solid waste.

*Transportation Development Plan Fund* - To transport citizens for human service and community service needs.

*Water Funds* - These funds are used to account for the County's water operations.

Duplin County, North Carolina  
 Non-Major Proprietary Funds - Enterprise Funds  
 Combining Statement of Fund Net Position  
 June 30, 2013  
 Exhibit F-1

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 1,250,436	\$ 126,034	\$ 313,508	\$ 1,039,167	\$ 2,729,145
Accounts receivables, net	791,357	20,408	2,660	40,386	854,811
Due from other funds	-	-	311,773	-	311,773
Inventory	-	-	21,560	-	21,560
<b>Total current assets</b>	<b>2,041,793</b>	<b>146,442</b>	<b>649,501</b>	<b>1,079,553</b>	<b>3,917,289</b>
Noncurrent assets:					
Restricted cash and cash equivalents	1,069,751	-	-	-	1,069,751
Capital assets:					
Land, improvements, and construction in progress	216,348	-	10,000	942,290	1,168,638
Other capital assets, net of depreciation	2,897,564	229,278	3,135,178	2,573,725	8,835,745
<b>Total capital assets</b>	<b>3,113,912</b>	<b>229,278</b>	<b>3,145,178</b>	<b>3,516,015</b>	<b>10,004,383</b>
<b>Total noncurrent assets</b>	<b>4,183,663</b>	<b>229,278</b>	<b>3,145,178</b>	<b>3,516,015</b>	<b>11,074,134</b>
<b>Total assets</b>	<b>\$ 6,225,456</b>	<b>\$ 375,720</b>	<b>\$ 3,794,679</b>	<b>\$ 4,595,568</b>	<b>\$ 14,991,423</b>

Duplin County, North Carolina  
Non-Major Proprietary Funds - Enterprise Funds  
Combining Statement of Fund Net Position  
June 30, 2013  
Exhibit F-1

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 82,399	\$ 1,311	\$ 1,476	\$ 880	\$ 86,066
Due to other funds	295	4	65	8,578	8,942
Customer deposits	-	-	3,125	40,990	44,115
Current portion of notes payable	-	-	-	18,406	18,406
<b>Total current liabilities</b>	<b>82,694</b>	<b>1,315</b>	<b>4,666</b>	<b>68,854</b>	<b>157,529</b>
Long-term liabilities:					
Compensated absences	55,956	26,972	34,784	-	117,712
Other postemployment benefits	199,626	85,055	132,595	-	417,276
Notes payable	-	-	-	165,649	165,649
<b>Total long-term liabilities</b>	<b>255,582</b>	<b>112,027</b>	<b>167,379</b>	<b>165,649</b>	<b>700,637</b>
<b>Total liabilities</b>	<b>338,276</b>	<b>113,342</b>	<b>172,045</b>	<b>234,503</b>	<b>858,166</b>
<b>Net Position</b>					
Net investment in capital assets	3,113,912	229,278	3,145,178	3,331,960	9,820,328
Restricted	1,069,751	-	-	-	1,069,751
Unrestricted	1,703,517	33,100	477,456	1,029,105	3,243,178
<b>Total net position</b>	<b>\$ 5,887,180</b>	<b>\$ 262,378</b>	<b>\$ 3,622,634</b>	<b>\$ 4,361,065</b>	<b>\$ 14,133,257</b>



Duplin County, North Carolina  
 Non-Major Proprietary Funds - Enterprise Funds  
 Combining Statement of Revenues, Expenses, and  
 Changes in Fund Net Position  
 For the Year Ended June 30, 2013  
 Exhibit F-2

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>Operating revenues</b>					
Water sales	\$ -	\$ -	\$ 49,656	\$ 384,393	\$ 434,049
Administration fees	-	-	711,592	-	711,592
Miscellaneous	-	-	45,919	-	45,919
Charges for services/sale of goods	2,753,962	570,637	-	-	3,324,599
<b>Total operating revenues</b>	<b>2,753,962</b>	<b>570,637</b>	<b>807,167</b>	<b>384,393</b>	<b>4,516,159</b>
<b>Operating expenses</b>					
Operating expenses	3,001,233	871,377	813,514	170,051	4,856,175
Depreciation	272,818	121,867	113,124	75,484	583,293
<b>Total operating expenses</b>	<b>3,274,051</b>	<b>993,244</b>	<b>926,638</b>	<b>245,535</b>	<b>5,439,468</b>
Operating income (loss)	(520,089)	(422,607)	(119,471)	138,858	(923,309)
<b>Non-operating revenues (expenses)</b>					
Investment earnings	3,735	57	1,729	442	5,963
State grants	6,668	371,852	-	-	378,520
Disposal tax revenues	121,742	-	-	-	121,742
Interest expense	-	-	-	(5,723)	(5,723)
Gain (loss) on disposal of capital assets	69,597	2,010	1,810	-	73,417
Miscellaneous	996	-	2,161	141	3,298
<b>Total non-operating revenue (expense)</b>	<b>202,738</b>	<b>373,919</b>	<b>5,700</b>	<b>(5,140)</b>	<b>577,217</b>

Duplin County, North Carolina  
 Non-Major Proprietary Funds - Enterprise Funds  
 Combining Statement of Revenues, Expenses, and  
 Changes in Fund Net Position  
 For the Year Ended June 30, 2013  
 Exhibit F-2

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
Income (loss) before contributions and transfers	(317,351)	(48,688)	(113,771)	133,718	(346,092)
Capital contributions	-	-	-	54,503	54,503
Transfers from (to) other funds	-	-	-	-	-
Change in net position	(317,351)	(48,688)	(113,771)	188,221	(291,589)
Net position, beginning of year, as previously reported	6,204,531	311,066	3,736,405	4,173,812	14,425,814
Prior period adjustment (Note 26)	-	-	-	(968)	(968)
Net position, beginning of year, as restated	6,204,531	311,066	3,736,405	4,172,844	14,424,846
Net position, end of year	\$ 5,887,180	\$ 262,378	\$ 3,622,634	\$ 4,361,065	\$ 14,133,257

Duplin County, North Carolina  
Non-Major Proprietary Funds - Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2013  
Exhibit F-3

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 2,713,488	\$ 565,506	\$ 804,507	\$ 354,749	\$ 4,438,250
Cash paid for goods and services	(1,946,601)	(445,438)	(229,133)	(170,082)	(2,791,254)
Cash paid to employees for services	(993,880)	(399,638)	(544,248)	-	(1,937,766)
Customer deposits received, net	-	-	400	3,640	4,040
Net cash (used) provided by operating activities	(226,993)	(279,570)	31,526	188,307	(286,730)
<b>Cash flows from non-capital financing activities</b>					
Miscellaneous	129,406	371,852	2,161	141	503,560
<b>Cash flows from capital and related financing activities</b>					
Capital contributions	-	-	-	54,503	54,503
Proceeds from sale of capital assets	69,597	2,010	1,810	-	73,417
Advances from (to) other funds	295	383	(2,677)	675	(1,324)
Acquisition and construction of capital assets	(220,940)	(47,060)	(15,286)	(51,942)	(335,228)
Principal paid on bond maturities and notes payable	-	-	-	(18,406)	(18,406)
Interest paid on bond maturities and notes payable	-	-	-	(5,811)	(5,811)
Net cash provided (used) by capital and related financing activities	(151,048)	(44,667)	(16,153)	(20,981)	(232,849)
<b>Cash flows from investing activities</b>					
Interest on investments	3,735	57	1,729	442	5,963
Net increase (decrease) in cash and cash equivalents	(244,900)	47,672	19,263	167,909	(10,056)
Cash and cash equivalents, beginning of year	2,565,087	78,362	294,245	871,258	3,808,952
Cash and cash equivalents, end of year	\$ 2,320,187	\$ 126,034	\$ 313,508	\$ 1,039,167	\$ 3,798,896

Duplin County, North Carolina  
Non-Major Proprietary Funds - Enterprise Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2013  
Exhibit F-3

	Solid Waste Fund	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (520,089)	\$ (422,607)	\$ (119,471)	\$ 138,858	\$ (923,309)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	272,818	121,867	113,124	75,484	583,293
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(40,474)	(5,132)	(2,660)	(29,645)	(77,911)
(Increase) decrease in inventory	-	-	6,532	-	6,532
Increase (decrease) in accounts payable	(4,044)	1,268	957	(30)	(1,849)
Increase (decrease) in customer deposits	-	-	400	3,640	4,040
Increase (decrease) in OPEB obligation	62,636	26,055	32,715	-	121,406
Increase (decrease) in compensated absences	2,160	(1,021)	(71)	-	1,068
<b>Total adjustments</b>	<b>293,096</b>	<b>143,037</b>	<b>150,997</b>	<b>49,449</b>	<b>636,579</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (226,993)</b>	<b>\$ (279,570)</b>	<b>\$ 31,526</b>	<b>\$ 188,307</b>	<b>\$ (286,730)</b>

Duplin County, North Carolina  
 Airport Commission Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2013

Exhibit F-4  
 Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Sales and rentals	\$ 582,553	\$ 536,690	\$ (45,863)
<b>Non-operating revenues</b>			
Investments earnings	500	155	(345)
Miscellaneous	6,720	6,753	33
Total non-operating revenues	7,220	6,908	(312)
Total revenues	589,773	543,598	(46,175)
<b>Expenditures</b>			
Operating expenditures:			
Salaries and employee benefits		161,236	
Purchases		353,756	
Other operating expenditures		109,206	
Total operating expenditures	666,732	624,199	42,534
Revenues over (under) expenditures	(76,959)	(80,601)	(3,642)
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	976	976	-
Transfer from General Fund	127,584	127,584	-
Transfer to Debt Service Fund	(51,601)	(51,600)	1
Transfer to Airport Commission Capital Project Fund	(250,000)	(146,215)	103,785
Total other financing sources (uses)	(173,041)	(69,255)	103,786
Appropriated fund balance	250,000	-	(250,000)
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	\$ -	\$ (149,856)	\$ (149,856)

Duplin County, North Carolina  
 Airport Commission Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2013

Exhibit F-4  
 Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses		\$ (149,856)	
Reconciling items:			
Depreciation		(493,787)	
Transfers to Debt Service Fund		51,600	
Interest and fees		(10,533)	
Decrease in accrued interest payable		65	
Increase in compensated absences		(356)	
Increase in OPEB obligation		(9,296)	
From Airport Commission Capital Project Fund:			
Capital contribution		1,073,097	
Investment earnings		3	
Project expenditures		(1,232,957)	
Transfers to Airport Commission Capital Project Fund		146,215	
Construction in progress		1,232,957	
<b>Total reconciling items</b>		<b>757,008</b>	
<b>Change in net position</b>		<b>\$ 607,153</b>	

Duplin County, North Carolina  
 Airport Commission Capital Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Year Ended June 30, 2013  
 Exhibit F-5

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
<b>Revenues</b>					
Federal and state grants	\$ 1,593,836	\$ 425,280	\$ 1,047,742	\$ 1,473,022	\$ (120,814)
Local option sales taxes	26,009	654	25,355	26,009	-
Investment earnings	2,213	2,222	3	2,225	12
<b>Total revenues</b>	<b>1,622,058</b>	<b>428,156</b>	<b>1,073,100</b>	<b>1,501,256</b>	<b>(120,802)</b>
<b>Expenditures</b>					
Vision 100	165,373	165,373	-	165,373	-
Terminal Project	1,650,729	215,450	1,211,695	1,427,145	223,584
Terminal Design	150,000	128,738	21,262	150,000	-
<b>Total expenditures</b>	<b>1,966,102</b>	<b>509,561</b>	<b>1,232,957</b>	<b>1,742,518</b>	<b>223,584</b>
Revenues over (under) expenditures	(344,044)	(81,405)	(159,857)	(241,262)	102,782
<b>Other financing sources</b>					
Transfer from Airport Commission Fund	344,044	94,080	146,215	240,295	(103,749)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 12,675	\$ (13,642)	\$ (967)	\$ (967)

Duplin County, North Carolina  
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-6  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Disposal fees	\$ 1,433,250	\$ 1,482,517	\$ 49,267
User fees	1,164,000	1,075,185	(88,815)
Landfill fees	121,500	114,502	(6,998)
Sale of recyclables	162,528	81,758	(80,770)
<b>Total operating revenues</b>	<b>2,881,278</b>	<b>2,753,962</b>	<b>(127,316)</b>
<b>Non-operating revenues</b>			
Investments earnings	2,000	3,735	1,735
State grants	14,300	6,668	(7,632)
Disposal tax revenues	68,472	121,742	53,270
Miscellaneous	-	996	996
<b>Total non-operating revenues</b>	<b>84,772</b>	<b>133,141</b>	<b>48,369</b>
<b>Total revenues</b>	<b>2,966,050</b>	<b>2,887,103</b>	<b>(78,947)</b>
<b>Expenditures</b>			
Collections:			
Salaries and benefits		657,090	
Operating expenditures		578,227	
Disposals:			
Salaries and benefits		209,189	
Operating expenditures		1,118,105	
Capital outlay		211,964	
Recycling:			
Salaries and benefits		186,743	
Operating expenditures		58,488	
Tire collection:			
Salaries and benefits		3,214	
Operating expenditures		75,707	
White goods:			
Salaries and benefits		2,440	
Operating expenditures		56,211	
<b>Total expenditures</b>	<b>3,417,791</b>	<b>3,157,378</b>	<b>260,413</b>
Revenues under expenditures	(451,741)	(270,275)	181,466



Duplin County, North Carolina  
Solid Waste Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-6  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Other financing sources</b>			
Proceeds from sale of capital assets	20,200	69,597	49,397
Appropriated fund balance	431,541	-	(431,541)
Revenues, other financing sources, and appropriated fund balance under expenditures	\$ -	\$ (200,678)	\$ (200,678)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources, and appropriated fund balance over (under) expenditures		\$ (200,678)	
Reconciling items:			
Depreciation		(272,818)	
Increase in compensated absences		(2,159)	
Increase in OPEB obligation		(62,636)	
Capital outlay		220,940	
Total reconciling items		(116,673)	
Change in net position		\$ (317,351)	

Duplin County, North Carolina  
Transportation Development Plan Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-7  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Charges for services	\$ 471,976	\$ 570,637	\$ 98,661
<b>Non-operating revenues</b>			
Investments earnings	-	57	57
State grants	480,625	371,852	(108,773)
Total non-operating revenues	480,625	371,909	(108,716)
Total revenues	952,601	942,546	(10,055)
<b>Expenditures</b>			
Transportation:			
Salaries and benefits		424,672	
Operating expenditures		250,421	
Capital outlay		47,060	
DOT Rural General Public Grant		84,456	
Workfirst transportation assistance		7,093	
Elderly/Disabled transportation assistance		79,701	
Total expenditures	1,021,475	893,403	128,072
Revenues over (under) expenditures	(68,874)	49,143	118,017
<b>Other financing sources</b>			
Transfer from General Fund	60,547	-	(60,547)
Proceeds from sale of capital assets	2,010	2,010	-
Total other financing sources	62,557	2,010	(60,547)
Appropriated fund balance	6,317	-	(6,317)
Revenues, other financing sources and appropriated fund balance over expenditures	\$ -	\$ 51,153	\$ 51,153

Duplin County, North Carolina  
 Transportation Development Plan Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2013

Exhibit F-7  
 Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources and appropriated fund balance over (under) expenditures		\$ 51,153	
Reconciling items:			
Depreciation		(121,867)	
Decrease in compensated absences		1,021	
Increase in OPEB obligation		(26,055)	
Capital outlay		47,060	
Total reconciling items		(99,841)	
Change in net position		\$ (48,688)	

Duplin County, North Carolina  
County Water Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-8  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 36,062	\$ 46,626	\$ 10,564
Water taps	1,200	3,030	1,830
Administration fees	782,571	711,592	(70,979)
Other operating revenues	51,000	45,919	(5,081)
<b>Total operating revenues</b>	<b>870,833</b>	<b>807,167</b>	<b>(63,666)</b>
<b>Non-operating revenues</b>			
Investment earnings	-	1,729	1,729
Federal and state grants	-	-	-
Miscellaneous	-	2,161	2,161
<b>Total operating revenues</b>	<b>-</b>	<b>3,890</b>	<b>3,890</b>
<b>Total revenues</b>	<b>870,833</b>	<b>811,057</b>	<b>(59,776)</b>
<b>Expenditures</b>			
Administration expenditures:			
Salaries and employee benefits		576,892	
Other administration expenditures		121,444	
Capital outlay		15,285	
Operating expenditures:			
Administration expenditures		7,828	
Repairs		7,094	
Other operating expenditures		67,612	
<b>Total expenditures</b>	<b>870,833</b>	<b>796,155</b>	<b>74,678</b>
Revenues over (under) expenditures	-	14,902	14,902
<b>Other financing sources</b>			
Proceeds from sale of capital assets	-	1,810	1,810
<b>Revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 16,712</b>	<b>\$ 16,712</b>

Duplin County, North Carolina  
County Water Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013  
Exhibit F-8  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other financing sources over expenditures		\$ 16,712	
Reconciling items:			
Capital outlay		15,285	
Depreciation		(113,124)	
Decrease in compensated absences		71	
Increase in OPEB obligation		(32,715)	
<b>Total reconciling items</b>		<b>(130,483)</b>	
<b>Change in net position</b>		<b>\$ (113,771)</b>	

Duplin County, North Carolina  
Albertson Water and Sewer Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-9  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating Revenues</b>			
Water sales	\$ 170,811	\$ 332,364	\$ 161,553
Sales to districts	26,000	31,134	5,134
Water taps	10,000	20,895	10,895
<b>Total operating revenues</b>	<b>206,811</b>	<b>384,393</b>	<b>177,582</b>
<b>Non-operating revenues</b>			
Investments earnings	-	442	442
Miscellaneous	-	141	141
<b>Total non-operating revenues</b>	<b>-</b>	<b>583</b>	<b>583</b>
<b>Total revenues</b>	<b>206,811</b>	<b>384,976</b>	<b>178,165</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration fee		71,952	
Repairs and maintenance		26,965	
Other operating expenditures		71,134	
<b>Total</b>	<b>183,444</b>	<b>170,051</b>	<b>13,393</b>
Debt service:			
Interest		5,811	
Principal retirements		18,406	
<b>Total</b>	<b>24,217</b>	<b>24,217</b>	<b>-</b>
<b>Total expenditures</b>	<b>207,661</b>	<b>194,268</b>	<b>13,393</b>
Revenues over (under) expenditures	(850)	190,708	191,558
<b>Other financing sources (uses)</b>			
Transfer to Albertson Water District Project Fund	(6,634)	-	6,634
<b>Appropriated fund balance</b>	<b>7,484</b>	<b>-</b>	<b>(7,484)</b>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	\$ -	\$ 190,708	\$ 190,708

Duplin County, North Carolina  
Albertson Water and Sewer Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013  
Exhibit F-9  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 190,708	
Reconciling items:			
Debt principal retirement		18,406	
Depreciation		(75,484)	
Decrease in accrued interest payable		88	
From Albertson Water District NC Rural 2008 Project:			
Capital contributions		54,503	
Project expenditures		(51,943)	
Construction in progress		51,943	
<b>Total reconciling items</b>		<b>(2,487)</b>	
<b>Change in net position</b>		<b>\$ 188,221</b>	

Duplin County, North Carolina  
Water Fund - District B

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-10  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 354,550	\$ 488,281	\$ 133,731
Sales to districts	66,000	60,996	(5,004)
Water taps	18,000	22,635	4,635
<b>Total operating revenues</b>	<b>438,550</b>	<b>571,912</b>	<b>133,362</b>
<b>Non-operating revenues</b>			
Investment earnings	-	483	483
Miscellaneous	-	1,062	1,062
<b>Total non-operating revenues</b>		<b>1,545</b>	
<b>Total revenues</b>	<b>438,550</b>	<b>573,457</b>	<b>134,907</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration expenditures		121,985	
Repairs and maintenance		41,179	
Other operating expenditures		87,046	
<b>Total operating expenditures</b>	<b>286,092</b>	<b>250,210</b>	<b>35,882</b>
Debt service:			
Bond issuance costs		34,082	
Interest		67,969	
Principal retirements		70,000	
<b>Total debt service</b>	<b>191,224</b>	<b>172,051</b>	<b>19,173</b>
<b>Total expenditures</b>	<b>477,316</b>	<b>422,261</b>	<b>55,055</b>
Revenues over (under) expenditures	(38,766)	151,196	189,962
<b>Other financing sources (uses)</b>			
Refunding bonds issued	1,960,582	1,960,582	-
Payment to refunded bond escrow agent	(1,937,861)	(1,926,500)	11,361
<b>Total other financing sources</b>	<b>22,721</b>	<b>34,082</b>	<b>11,361</b>
Appropriated fund balance	16,045	-	(16,045)
<b>Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ 185,278</b>	<b>\$ 185,278</b>



Duplin County, North Carolina  
Water Fund - District B

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-10  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 185,278	
Reconciling items:			
Depreciation		(144,201)	
Refunding bonds issued		(1,960,582)	
Payment to refunded bond escrow agent		1,926,500	
Deferred loss on refunding		34,082	
Amortization of deferred loss on refunding		(1,549)	
Amortization of premium on refunding bonds		1,844	
Decrease in accrued interest payable		2,934	
Debt principal retirement		70,000	
Total reconciling items		(70,972)	
Change in net position		\$ 114,306	

Duplin County, North Carolina  
Water Fund - District D

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-11  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 445,239	\$ 460,307	\$ 15,068
Sales to districts	44,000	42,995	(1,005)
Water taps	39,570	22,998	(16,572)
Administration fee	-	1,064	1,064
<b>Total operating revenues</b>	<b>528,809</b>	<b>527,364</b>	<b>(1,445)</b>
<b>Non-operating revenues</b>			
Investment earnings	-	57	57
Miscellaneous	-	479	479
<b>Total non-operating revenues</b>	<b>-</b>	<b>536</b>	<b>536</b>
<b>Total revenues</b>	<b>528,809</b>	<b>527,900</b>	<b>(909)</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration expenditures		115,582	
Repairs and maintenance		8,171	
Operating expenditures		79,199	
<b>Total</b>	<b>216,718</b>	<b>202,952</b>	<b>13,766</b>
Debt service:			
Bond issuance costs		58,324	
Interest		145,083	
Principal retirements		134,163	
<b>Total</b>	<b>349,541</b>	<b>337,570</b>	<b>11,971</b>
<b>Total expenditures</b>	<b>566,259</b>	<b>540,522</b>	<b>25,737</b>
Revenues over (under) expenditures	(37,450)	(12,622)	24,828
<b>Other financing sources (uses)</b>			
Refunding bonds issued	3,870,325	3,870,325	-
Payment to refunded bond escrow agent	(3,832,875)	(3,812,000)	20,875
<b>Total other financing sources</b>	<b>37,450</b>	<b>58,325</b>	<b>20,875</b>
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 45,703	\$ 45,703

Duplin County, North Carolina  
Water Fund - District D

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-11  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other financing sources over expenditures and other financing uses		\$ 45,703	
Reconciling items:			
Capital outlay		750	
Basis in capital assets retired		(1,400)	
Refunding bonds issued		(3,870,325)	
Payment to refunded bond escrow agent		3,812,000	
Deferred loss on refunding		58,325	
Amortization of deferred loss on refunding		(2,333)	
Amortization of premium on refunding bonds		4,414	
Depreciation		(219,752)	
Decrease in accrued interest payable		6,168	
Debt principal retirements		134,163	
From ARRA Water Imp. Capital Project			
Capital contribution		119,028	
Project expenditures		(117,330)	
Capital outlay		117,330	
Total reconciling items		41,038	
Change in net position		\$ 86,741	

Duplin County, North Carolina  
Water Fund - District E

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-12  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 471,083	\$ 602,295	\$ 131,212
Sales to districts	45,000	33,319	(11,681)
Water taps	30,000	25,978	(4,022)
Administration fee	-	429	429
<b>Total operating revenues</b>	<b>546,083</b>	<b>662,021</b>	<b>115,938</b>
<b>Non-operating revenues</b>			
Miscellaneous	-	68	68
Investment earnings	-	574	574
<b>Total non-operating revenues</b>	<b>-</b>	<b>642</b>	<b>642</b>
<b>Total revenues</b>	<b>546,083</b>	<b>662,663</b>	<b>116,580</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration expenditures		129,815	
Repairs and maintenance		33,014	
Other operating expenditures		88,391	
<b>Total operating expenditures</b>	<b>294,855</b>	<b>251,220</b>	<b>43,635</b>
Debt service:			
Bond issuance costs		59,475	
Interest		139,100	
Principal retirement		95,000	
<b>Total debt service</b>	<b>311,151</b>	<b>293,575</b>	<b>17,576</b>
<b>Total expenditures</b>	<b>606,006</b>	<b>544,795</b>	<b>61,211</b>
Revenue over (under) expenditures	(59,923)	117,868	177,791
<b>Other financing sources (uses)</b>			
Refunding bonds issued	3,708,975	3,708,975	-
Payment to refunded bond escrow agent	(3,669,851)	(3,649,500)	20,351
Transfer to Water District E Projects	(10,001)	(1)	10,000
Transfer to Water District G and E I40-373 Sewer Project	(29,616)	(29,616)	-
<b>Total other financing sources</b>	<b>(493)</b>	<b>29,858</b>	<b>30,351</b>
Appropriated fund balance	60,416	-	(60,416)
Revenue, other financing sources and appropriated fund balance over expenditures and other financing uses	\$ (0)	\$ 147,726	\$ 147,726

Duplin County, North Carolina  
Water Fund - District E

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-12  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis:</b>			
Revenue, other financing sources and appropriated fund balance over expenditures and other financing uses		\$ 147,726	
Reconciling items:			
Depreciation		(156,277)	
Refunding bonds issued		(3,708,975)	
Payment to refunded bond escrow agent		3,649,500	
Deferred loss on refunding		59,475	
Amortization of deferred loss on refunding		(2,379)	
Amortization of premium on refunding bonds		4,559	
Decrease in accrued interest payable		441	
Principal debt retirement		95,000	
From District E 2006 Clean Water Project:			
Capital contribution		15,262	
Project expenditures		(15,263)	
Transfer from Water District E		1	
Construction in progress		15,263	
From Water District E 2009 DWSRF Project:			
Project expenditures		(15,148)	
Construction in progress		15,148	
From Water District G and E I40-373 Sewer Project:			
Loan proceeds from interim financing		193,800	
Investment earnings		5	
Project expenditures		(61,556)	
Transfer from Water District E		29,616	
Loan proceeds from interim financing		(193,800)	
Construction in progress		61,529	
<b>Total reconciling items</b>		<b>(13,799)</b>	
<b>Change in net position</b>		<b>\$ 133,927</b>	

Duplin County, North Carolina  
Water Fund - District F

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-13  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating Revenues</b>			
Water sales	\$ 646,606	\$ 847,923	\$ 201,317
Sales to districts	83,500	84,952	1,452
Water taps	27,000	28,987	1,987
<b>Total operating revenues</b>	<b>757,106</b>	<b>961,862</b>	<b>204,756</b>
<b>Non-operating revenues</b>			
Investments earnings	-	418	418
Miscellaneous	-	647	647
<b>Total non-operating revenues</b>	<b>-</b>	<b>1,065</b>	<b>1,065</b>
<b>Total revenues</b>	<b>757,106</b>	<b>962,927</b>	<b>205,821</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration expenditures		153,032	
Repairs and maintenance		43,902	
Other operating expenditures		191,738	
<b>Total operating expenditures</b>	<b>412,662</b>	<b>388,672</b>	<b>23,990</b>
Debt service:			
Bond issuance costs		68,250	
Interest		171,548	
Principal retirements		152,010	
<b>Total debt service</b>	<b>421,651</b>	<b>391,808</b>	<b>29,843</b>
<b>Total expenditures</b>	<b>834,313</b>	<b>780,480</b>	<b>53,833</b>
<b>Revenues over (under) expenditures</b>	<b>(77,207)</b>	<b>182,447</b>	<b>259,654</b>
<b>Other financing sources (uses)</b>			
Refunding bonds issued	4,399,550	4,399,550	-
Payment to refunded bond escrow agent	(4,355,316)	(4,331,300)	24,016
Transfer to Water District F Project Fund	(25,000)	(25,000)	-
<b>Total other financing sources</b>	<b>19,234</b>	<b>43,250</b>	<b>24,016</b>
<b>Fund balance appropriated</b>	<b>57,973</b>	<b>-</b>	<b>(57,973)</b>
<b>Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ 225,697</b>	<b>\$ 225,697</b>

Duplin County, North Carolina  
Water Fund - District F

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-13  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis:</b>			
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 225,697	
Reconciling items:			
Depreciation		(212,722)	
Refunding bonds issued		(4,399,550)	
Payment to refunded bond escrow agent		4,331,300	
Deferred loss on refunding		68,250	
Amortization of deferred loss on refunding		(2,730)	
Amortization of premium on refunding bonds		4,982	
Decrease in accrued interest payable		2,425	
Debt principal retirement		152,010	
From Water District F 2009 DWSRF Project:			
Capital contributions		1,037,026	
Project expenditures		(1,062,026)	
Transfer from Water District F		25,000	
Construction in progress		1,062,026	
Total reconciling items		1,005,991	
<b>Change in net position</b>		<b>\$ 1,231,688</b>	

Duplin County, North Carolina  
Water Fund - District G

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-14  
Page 1 of 2

	Final Budget	Actual	Variance Positive (Negative)
<b>Operating revenues</b>			
Water sales	\$ 364,405	\$ 452,516	\$ 88,111
Sales to districts	52,000	61,503	9,503
Water taps	26,000	21,244	(4,756)
<b>Total operating revenues</b>	<b>442,405</b>	<b>535,263</b>	<b>92,858</b>
<b>Non-operating revenues</b>			
Investments earnings	-	371	371
Miscellaneous	-	864	864
<b>Total non-operating revenues</b>	<b>-</b>	<b>1,235</b>	<b>1,235</b>
<b>Total revenues</b>	<b>442,405</b>	<b>536,498</b>	<b>94,093</b>
<b>Expenditures</b>			
Operating expenditures:			
Administration expenditures		111,398	
Repairs and maintenance		24,869	
Other operating expenditures		77,480	
<b>Total operating expenditures</b>	<b>237,242</b>	<b>213,747</b>	<b>23,495</b>
Debt Service:			
Bond issuance costs		48,339	
Interest		106,766	
Principal retirements		80,000	
<b>Total debt service</b>	<b>254,375</b>	<b>235,105</b>	<b>19,270</b>
<b>Total expenditures</b>	<b>491,617</b>	<b>448,852</b>	<b>42,765</b>
<b>Revenues over (under) expenditures</b>	<b>(49,212)</b>	<b>87,646</b>	<b>136,858</b>
<b>Other financing sources (uses)</b>			
Refunding bonds issued	2,922,339	2,922,339	-
Payment to refunded bond escrow agent	(2,889,955)	(2,874,000)	15,955
Transfer to Water District G Water Project	(10,000)	-	10,000
Transfer to Water District G and E I40-373 Sewer Project	(64,166)	(64,166)	-
<b>Total other financing sources</b>	<b>(41,782)</b>	<b>(15,827)</b>	<b>25,955</b>



Duplin County, North Carolina  
Water Fund - District G

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013

Exhibit F-14  
Page 2 of 2

	Final Budget	Actual	Variance Positive (Negative)
Appropriated fund balance	90,994	-	(90,994)
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	\$ 0	\$ 71,819	\$ 71,819

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

Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses		\$ 71,819
Reconciling items		
Depreciation		(148,611)
Refunding bonds issued		(2,922,339)
Payment to refunded bond escrow agent		2,874,000
Deferred loss on refunding		48,339
Amortization of deferred loss on refunding		(1,934)
Amortization of premium on refunding bonds		3,294
Decrease in accrued interest payable		6,123
Debt principal payment		80,000
From Water District G 2009 DWSRF Project:		
Project expenditures		(567)
Construction in progress		567
From Water District G and E I40-373 Sewer Project:		
Investment earnings		11
Project expenditures		(143,634)
Proceeds from interim financing		452,200
Transfer from District G		64,166
Proceeds from interim financing		(452,200)
Construction in progress		139,477
Total reconciling items		(1,108)
Change in net position		\$ 70,711

Duplin County, North Carolina  
Water District D ARRA Water Improvements Capital Project Fund  
Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-15

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
ARRA loan	\$ 463,507	\$ 404,337	\$ 59,170	\$ 463,507	\$ -
ARRA grant	463,507	404,336	59,171	463,507	-
Local option sales taxes	19,195	18,508	687	19,195	-
<b>Total revenues</b>	<b>946,209</b>	<b>827,181</b>	<b>119,028</b>	<b>946,209</b>	<b>-</b>
<b>Expenditures</b>					
ARRA project expenditures	946,209	828,879	117,330	946,209	-
<b>Revenues over (under) expenditures</b>	<b>\$ -</b>	<b>\$ (1,698)</b>	<b>\$ 1,698</b>	<b>\$ -</b>	<b>\$ -</b>

Duplin County, North Carolina  
Water District G Clean Water (GHSRGW99063) Project Fund  
Schedule of Revenue and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-16

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grant	\$ 3,200,000	\$ 3,179,577	\$ -	\$ 3,179,577	\$ (20,423)
Local option sales taxes	50,168	51,383	-	51,383	1,215
<b>Total revenues</b>	<b>3,250,168</b>	<b>3,230,960</b>	<b>-</b>	<b>3,230,960</b>	<b>(19,208)</b>
<b>Expenditures</b>					
Project expenditures	3,209,266	2,991,047	-	2,991,047	218,219
Revenues over (under) expenditures	40,902	239,913	-	239,913	199,011
<b>Other financing sources</b>					
Transfers to other funds	(40,902)	(40,902)	-	(40,902)	-
Revenues and other financing sources over expenditures	\$ -	\$ 199,011	\$ -	\$ 199,011	\$ 199,011

Duplin County, North Carolina  
Water District G 2009 DWSRF Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-17

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State loan	\$ 304,900	\$ -	\$ -	\$ -	\$ (304,900)
State grant	1,219,600	-	-	-	(1,219,600)
<b>Total revenues</b>	<b>1,524,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,524,500)</b>
<b>Expenditures</b>					
Project expenditures	1,534,500	-	567	567	1,533,933
Revenues over (under) expenditures	(10,000)	-	(567)	(567)	9,433
Other financing sources					
Transfer from Water District G	10,000	-	-	-	(10,000)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ (567)	\$ (567)	\$ (567)

Duplin County, North Carolina  
 Water District E 2006 Clean Water Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Year Ended June 30, 2013  
 Exhibit F-18

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grant	\$ 549,075	\$ 534,126	\$ 14,949	\$ 549,075	\$ -
Local option sales taxes	13,109	12,796	313	13,109	-
<b>Total revenues</b>	<b>562,184</b>	<b>546,922</b>	<b>15,262</b>	<b>562,184</b>	<b>-</b>
<b>Expenditures</b>					
Project expenditures	562,185	546,922	15,263	562,185	-
Revenues over (under) expenditures	(1)	-	(1)	(1)	-
<b>Other financing sources</b>					
Transfer from Water District E	1	-	1	1	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Duplin County, North Carolina  
 Albertson Water District NC Rural 2008 Project Fund  
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
 From Inception and for the Year Ended June 30, 2013  
 Exhibit F-19

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
State grant	\$ 500,000	\$ 359,641	\$ 51,943	\$ 411,584	\$ (88,416)
Local option sales taxes	11,788	11,788	2,560	14,348	2,560
<b>Total revenues</b>	<b>511,788</b>	<b>371,429</b>	<b>54,503</b>	<b>425,932</b>	<b>(85,856)</b>
<b>Expenditures</b>					
Project expenditures	1,011,788	859,642	51,943	911,585	100,203
Revenues over (under) expenditures	(500,000)	(488,213)	2,560	(485,653)	14,347
<b>Other financing sources</b>					
Transfer from Albertson Water and Sewer Fund	500,000	493,366	-	493,366	(6,634)
Revenues and other financing sources over expenditures	\$ -	\$ 5,153	\$ 2,560	\$ 7,713	\$ 7,713

Duplin County, North Carolina  
Water District E 2009 DWSRF Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-20

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State loan	\$ 232,200	\$ -	\$ -	\$ -	\$ (232,200)
State grant	928,800	-	-	-	(928,800)
<b>Total revenues</b>	<b>1,161,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,161,000)</b>
<b>Expenditures</b>					
Project expenditures	1,171,000	-	<b>15,148</b>	15,148	1,155,852
Revenues over (under) expenditures	(10,000)	-	<b>(15,148)</b>	(15,148)	(5,148)
<b>Other financing sources</b>					
Transfer from Water District E	10,000	-	-	-	(10,000)
Revenues and other financing sources over expenditures	\$ -	\$ -	<b>\$(15,148)</b>	\$(15,148)	\$ (15,148)

Duplin County, North Carolina  
Water District G and E I-40-373 Sewer Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-21

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
USDA grant	\$ 936,000	\$ -	\$ -	\$ -	\$ (936,000)
Rural Center grant	500,000	-	-	-	(500,000)
Local option sales taxes	20,000	-	-	-	(20,000)
Investment earnings	-	-	16	16	16
<b>Total revenues</b>	<b>1,456,000</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>(1,455,984)</b>
<b>Expenditures</b>					
Project Expenditures:					
District G		4,352	143,634	147,986	
District E		1,866	61,556	63,422	
<b>Total expenditures</b>	<b>2,202,000</b>	<b>6,218</b>	<b>205,190</b>	<b>211,408</b>	<b>1,990,592</b>
Revenues over (under) expenditures	(746,000)	(6,218)	(205,174)	(211,392)	534,608
<b>Other financing sources</b>					
Proceeds from interim financing	646,000	-	646,000	646,000	-
Transfer from Water Fund - District E	30,000	384	29,616	30,000	-
Transfer from Water Fund - District G	70,000	5,834	64,166	70,000	-
<b>Total other financing sources</b>	<b>746,000</b>	<b>6,218</b>	<b>739,782</b>	<b>746,000</b>	<b>-</b>
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ 534,608	\$ 534,608	\$ 534,608



Duplin County, North Carolina  
Water District F 2009 DWSRF Project Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2013  
Exhibit F-22

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
State grant	\$ 2,463,000	\$ -	\$ 1,037,026	\$ 1,037,026	\$ (1,425,974)
<b>Expenditures</b>					
Project Expenditures	2,488,000	-	1,062,026	1,062,026	1,425,974
Revenues over (under) expenditures	(25,000)	-	(25,000)	(25,000)	-
<b>Other financing sources</b>					
Transfer from Water District F	25,000	-	25,000	25,000	-
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Duplin County, North Carolina  
Water Debt Service 2012 Limited Obligation Bond Fund  
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
For the Year Ended June 30, 2013  
Exhibit F-23

	Final Budget	Actual	Variance Positive (Negative)
<b>Non-operating revenues</b>			
Investments earnings	-	544,632	544,632
<b>Expenditures</b>			
Debt Service:			
Interest		544,632	
Principal retirements		475,000	
<b>Total expenditures</b>	<b>1,019,634</b>	<b>1,019,632</b>	<b>2</b>
Revenues over (under) expenditures	(1,019,634)	(475,000)	544,634
<b>Other financing sources</b>			
Limited obligation bonds issued	16,861,772	16,861,772	-
Appropriated fund balance	(15,842,138)	-	15,842,138
Revenues, other financing sources, and appropriated fund balance over expenditures	\$ -	\$ 16,386,772	\$ 16,386,772
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis:</b>			
Revenues, other financing sources, and appropriated fund balance over expenditures		\$ 16,386,772	
Reconciling items			
Limited obligation bonds issued		(16,861,772)	
Debt principal payment		475,000	
Increase in accrued interest receivable		50,428	
Increase in accrued interest payable		(50,428)	
Total reconciling items		(16,386,772)	
Change in net position		\$ -	

## Debt Service Fund

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

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Duplin County, North Carolina  
Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013  
Exhibit G-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 2,732	\$ 2,732
<b>Expenditures</b>			
Debt service:			
Principal retirement		1,956,821	
Interest and fees		609,929	
Total expenditures	2,566,751	2,566,750	1
Revenues over (under) expenditures	(2,566,751)	(2,564,018)	2,733
<b>Other financing sources (uses)</b>			
Airport Commission Fund debt payment	(51,601)	(51,600)	1
Transfers in:			
From General Fund	869,629	869,628	(1)
From Capital Project Fund - School Fund	1,231,822	1,231,821	(1)
From Airport Commission Fund	51,601	51,600	(1)
Total transfers in	2,153,052	2,153,049	(3)
Total other financing sources (uses)	2,101,451	2,101,449	(2)
Appropriated fund balance	465,300	-	(465,300)
Net change in fund balance	<u>\$ -</u>	(462,569)	<u>\$ (462,569)</u>
Fund balance, beginning of year		911,318	
Fund balance, end of year		<u>\$ 448,749</u>	

## Trust and Agency Funds

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

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*County Trust Fund* - Accounts for the monies of various programs.

*County Agency Fund* - Accounts for the monies held in trust by the County for various departments.

*Board of Education Fines and Forfeitures Fund*: Accounts for various legal fines and forfeitures required to be remitted to the Board of Education.

*Social Services Fund* - Accounts for monies held by the Department of Social Services for the benefit of certain individuals.

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

*Motor Vehicle Tax 3% Fund* - Accounts for the 3% fee collected on behalf of the North Carolina Department of Motor Vehicles.

*Register of Deeds Trust Fund* - Accounts for the \$5 fee collected by the register of deeds for registering a deed of trust or mortgage.

Duplin County, North Carolina  
County Trust Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013  
Exhibit H-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ 1	\$ 27	\$ 26
Miscellaneous revenue:			
Unauthorized substance tax	-	10,479	10,479
Fees and commissions	22,336	25,069	2,733
Donations	567	741	174
Total	22,903	36,289	13,386
Total revenues	22,904	36,316	13,412
<b>Expenditures</b>			
General Government:			
Sheriff/Jail		1,086	
TB lung disease		100	
General aging trust		473	
Senior games		117	
Senior citizens trips		22,659	
Library programs		450	
Capital outlay		-	-
Total expenditures	74,622	24,885	49,737
Revenues over (under) expenditures	(51,718)	11,431	63,149
Appropriated fund balance	51,718	-	51,718
Net change in fund balance	<u>\$ -</u>	11,431	<u>\$ 11,431</u>
Fund balance, beginning of year		51,723	
Fund balance, end of year		<u>\$ 63,154</u>	

Duplin County, North Carolina  
Agency Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2013  
Exhibit H-2

	County Agency Fund	Board of Education Fines and Forfeitures Fund	Motor Vehicle Tax Fund	Motor Vehicle 3% Fund	Register of Deeds Trust Fund	Social Services Fund	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 100,422	\$ 7,508	\$ 20,185	\$ -	\$ 7,307	\$ 37,274	\$ 172,696
Miscellaneous receivables	-	29	2,818	-	-	-	2,847
Due from other agency funds	-	-	-	300	-	-	300
Due from other governmental funds	-	-	-	2,075	-	-	2,075
<b>Total assets</b>	<b>\$ 100,422</b>	<b>\$ 7,537</b>	<b>\$ 23,003</b>	<b>\$ 2,375</b>	<b>\$ 7,307</b>	<b>\$ 37,274</b>	<b>\$ 177,918</b>
<b>Liabilities</b>							
Miscellaneous liabilities	\$ 97,544	\$ 7,518	\$ 22,362	\$ 2,375	\$ 7,307	\$ 37,274	\$ 174,380
Due to other agency funds	-	-	300	-	-	-	300
Due to other governmental funds	2,878	19	341	-	-	-	3,238
<b>Total liabilities</b>	<b>\$ 100,422</b>	<b>\$ 7,537</b>	<b>\$ 23,003</b>	<b>\$ 2,375</b>	<b>\$ 7,307</b>	<b>\$ 37,274</b>	<b>\$ 177,918</b>

Duplin County, North Carolina  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2013

Exhibit H-3  
Page 1 of 2

	Balance July, 1 2012	Additions	Deductions	Balance June 30, 2013
<b>County Agency Fund:</b>				
<b>Assets</b>				
Cash and cash equivalents	116,137	439,695	455,410	100,422
Miscellaneous receivables	-	1,130	1,130	-
Due from other governmental funds	22	1,141	1,163	-
<b>Total assets</b>	<b>116,159</b>	<b>441,966</b>	<b>457,703</b>	<b>100,422</b>
<b>Liabilities</b>				
Miscellaneous liabilities	112,738	341,678	356,872	97,544
Due to other governmental funds	3,421	100,288	100,831	2,878
<b>Total liabilities</b>	<b>116,159</b>	<b>441,966</b>	<b>457,703</b>	<b>100,422</b>
<b>Board of Education Fines and Forfeitures Fund:</b>				
<b>Assets</b>				
Cash and cash equivalents	-	53,961	46,453	7,508
Miscellaneous receivables	-	29	-	29
Due from other governmental funds	-	24,603	24,603	-
<b>Total assets</b>	<b>-</b>	<b>78,593</b>	<b>71,056</b>	<b>7,537</b>
<b>Liabilities</b>				
Miscellaneous liabilities	-	55,754	48,236	7,518
Due to other governmental funds	-	22,839	22,820	19
<b>Total liabilities</b>	<b>-</b>	<b>78,593</b>	<b>71,056</b>	<b>7,537</b>
<b>Motor Vehicle Tax Fund:</b>				
<b>Assets</b>				
Cash and cash equivalents	23,390	359,092	362,297	20,185
Miscellaneous receivables	1,723	2,818	1,723	2,818
Due from other governmental funds	-	1,061	1,061	-
<b>Total assets</b>	<b>25,113</b>	<b>362,971</b>	<b>365,081</b>	<b>23,003</b>
<b>Liabilities</b>				
Miscellaneous liabilities	24,422	352,715	354,775	22,362
Due to other agency funds	319	4,897	4,916	300
Due to other governmental funds	372	5,359	5,390	341
<b>Total liabilities</b>	<b>25,113</b>	<b>362,971</b>	<b>365,081</b>	<b>23,003</b>



Duplin County, North Carolina  
Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2013

Exhibit H-3  
Page 2 of 2

	Balance July, 1 2012	Additions	Deductions	Balance June 30, 2013
<b><u>Motor Vehicle 3% Fund:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	-	37,894	37,894	-
Due from other agency funds	319	4,897	4,916	300
Due from other governmental funds	1,995	33,059	32,979	2,075
<b>Total assets</b>	<b>2,314</b>	<b>75,850</b>	<b>75,789</b>	<b>2,375</b>
<b>Liabilities</b>				
Miscellaneous liabilities	2,314	75,850	75,789	2,375
<b><u>Register of Deeds Trust Fund:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	2,187	102,568	97,448	7,307
<b>Liabilities</b>				
Miscellaneous liabilities	2,187	51,397	46,277	7,307
Due to other governmental funds	-	51,171	51,171	-
<b>Total liabilities</b>	<b>2,187</b>	<b>102,568</b>	<b>97,448</b>	<b>7,307</b>
<b><u>Social Services Fund:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	34,187	75,353	72,266	37,274
<b>Liabilities</b>				
Miscellaneous liabilities	34,187	75,353	72,266	37,274
<b><u>Totals - All Agency Funds:</u></b>				
<b>Assets</b>				
Cash and cash equivalents	175,901	1,068,563	1,071,768	172,696
Miscellaneous receivables	1,723	3,977	2,853	2,847
Due from other agency funds	319	4,897	4,916	300
Due from other governmental funds	2,017	59,864	59,806	2,075
<b>Total assets</b>	<b>179,960</b>	<b>1,137,301</b>	<b>1,139,343</b>	<b>177,918</b>
<b>Liabilities</b>				
Miscellaneous liabilities	175,848	952,747	954,215	174,380
Due to other agency funds	319	4,897	4,916	300
Due to other governmental funds	3,793	179,657	180,212	3,238
<b>Total liabilities</b>	<b>179,960</b>	<b>1,137,301</b>	<b>1,139,343</b>	<b>177,918</b>

## Internal Service Fund

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

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

Duplin County, North Carolina  
Hospital Insurance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2013  
Exhibit I-1

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Operating revenues:			
Charges for services	\$ 3,800,000	\$ 3,833,934	\$ 33,934
Non-operating revenues:			
Investment earnings	-	969	969
<b>Total revenues</b>	<b>3,800,000</b>	<b>3,834,903</b>	<b>34,903</b>
<b>Expenditures</b>			
General Government:			
Operating expenditures	4,400,000	3,866,688	533,312
Revenues over (under) expenditures	(600,000)	(31,785)	568,215
<b>Other financing sources</b>			
Transfer from other funds	600,000	600,000	-
Net change in fund balance	<u>\$ -</u>	568,215	<u>\$ 568,215</u>
Fund balance, beginning of year		2,060,091	
Fund balance, end of year		<u>\$ 2,628,306</u>	

## Component Unit

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

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

Duplin County, North Carolina  
 Duplin County Tourism Development Authority  
 Discretely Presented Component Unit  
 Supplemental Statement of Net Position  
 June 30, 2013

Exhibit J-1

**Assets**

Cash and investments	\$	304,817
Accounts receivable		19,007
<hr/>		
Total current assets		323,824
<hr/>		
Total assets		323,824
<hr/>		

**Liabilities**

Accounts payable		804
Due to primary government		674
<hr/>		
Total current liabilities		1,478
<hr/>		
Long-term liabilities:		
Due in more than one year:		
Compensated absences		3,224
<hr/>		
Total liabilities		4,702
<hr/>		

**Net Position**

Restricted:		
Stabilization by state statute		19,007
Unrestricted		300,115
<hr/>		
Total net position	\$	319,122
<hr/>		

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

Duplin County, North Carolina  
 Duplin County Tourism Development Authority  
 Discretely Presented Component Unit  
 Supplemental Statement of Activities  
 For the Year Ended June 30, 2013

Exhibit J-2

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
<b>Governmental Activities:</b>		
Economic and physical development	\$ 181,239	\$ (181,239)
 <b>General Revenues:</b>		
Occupancy taxes		203,582
Investment earnings		134
Total general revenues		203,716
Change in net position		22,477
Net position, beginning of year		296,645
Net position, ending of year		\$ 319,122

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

Duplin County, North Carolina  
 Duplin County Tourism Development Authority  
 Discretely Presented Component Unit  
 Supplemental Balance Sheet  
 June 30, 2013

Exhibit J-3

**Assets**

Cash and investments	\$	304,817
Accounts receivable		19,007
<hr/>		
Total assets	\$	323,824
<hr/>		

**Liabilities**

Accounts payable and accrued liabilities	\$	804
Due to primary government		674
<hr/>		
Total liabilities		1,478
<hr/>		

**Fund Balances**

Restricted:		
Stabilization by state statute		19,007
Unassigned		303,339
<hr/>		
Total fund balances		322,346
<hr/>		
Total liabilities and fund balances	\$	323,824
<hr/>		

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

Total fund balances - General Fund	\$	322,346
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Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements.

Compensated absences		(3,224)
<hr/>		
Net position of governmental activities	\$	319,122
<hr/>		

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

Duplin County, North Carolina  
 Duplin County Tourism Development Authority  
 Discretely Presented Component Unit  
 Supplemental Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 For the Year Ended June 30, 2013

Exhibit J-4

<b>Revenues</b>	
Occupancy taxes	\$ 203,582
Investment earnings	134
Total revenues	203,716
 <b>Expenditures</b>	
Salaries and employee benefits	85,971
Advertising	54,444
Promotion and entertainment	5,789
Travel, training, and meals	10,631
Other operating expenditures	21,927
Total expenditures	178,762
Net change in fund balance	24,954
Fund balance, beginning of year	297,392
Fund balance, end of year	\$ 322,346

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

Net changes in fund balance - General Fund	\$ 24,954
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences	(2,477)
Total changes in governmental activities	\$ 22,477

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



Duplin County, North Carolina  
 Duplin County Tourism Development Authority  
 Discretely Presented Component Unit  
 Supplemental Schedule of Revenues, Expenditures,  
 and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2013

Exhibit J-5

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues</b>				
Occupancy taxes	\$ 184,062	\$ 184,062	\$ 203,582	\$ 19,520
Investment earnings	-	-	134	134
<b>Total revenues</b>	<b>184,062</b>	<b>184,062</b>	<b>203,716</b>	<b>19,654</b>
<b>Expenditures</b>				
Salaries and employee benefits	78,738	85,981	85,971	10
Advertising	62,524	59,019	54,444	4,575
Promotion and entertainment	10,000	7,000	5,789	1,211
Travel, training, and meals	6,400	12,694	10,631	2,063
Other operating expenditures	26,400	30,433	21,927	8,506
<b>Total expenditures</b>	<b>184,062</b>	<b>195,127</b>	<b>178,762</b>	<b>16,365</b>
Revenues over (under) expenditures	-	(11,065)	24,954	36,019
Fund balance appropriated	-	11,065	-	(11,065)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	24,954	<u>\$ 24,954</u>
Fund balance, beginning of year			297,392	
Fund balance, end of year			<u>\$ 322,346</u>	

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

## Other Schedules

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

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- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy - County-wide Levy
- Analysis of Current Tax Levy - Secondary Market Disclosures
- Computation of Legal Debt Margin

Duplin County, North Carolina  
 General Fund  
 Schedule of Ad Valorem Taxes Receivable  
 June 30, 2013  
 Exhibit K-1

Fiscal Year	Uncollected Balance June 30, 2012	Additions	Collections and Credits	Uncollected Balance June 30, 2013
2012-2013	\$ -	\$ 28,023,946	\$ 26,579,982	\$ 1,443,964
2011-2012	1,384,517	-	864,801	519,716
2010-2011	462,025	-	165,502	296,523
2009-2010	289,177	-	83,014	206,163
2008-2009	228,890	-	62,940	165,950
2007-2008	179,461	-	29,651	149,810
2006-2007	156,418	-	22,164	134,254
2005-2006	105,582	-	7,707	97,875
2004-2005	110,246	-	5,025	105,221
2003-2004	108,856	-	1,848	107,008
2002-2003	123,177	-	123,177	-
<b>2001-2002</b>	<b>\$ 3,148,349</b>	<b>\$ 28,023,946</b>	<b>\$ 27,945,811</b>	<b>3,226,484</b>
Less allowance for uncollectible accounts				
General Fund				(950,498)
Ad valorem taxes receivable - net				
General Fund				<b>\$ 2,275,986</b>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 27,505,851
Reconciling items				
Interest and penalty collected				(411,290)
Discounts allowed				264,660
Taxes written off				301,149
Prior year's releases				285,441
<b>Total collections and credits</b>				<b>\$ 27,945,811</b>

Duplin County, North Carolina  
 Analysis of Current Tax Levy  
 County-Wide Levy  
 For the Year Ended June 30, 2013  
 Exhibit K-2

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current years rate	\$ 3,770,752,113	0.710	\$ 26,772,340	\$ 24,025,210	\$2,747,130
Penalties			36,162	36,162	-
	3,770,752,113		26,808,502	24,061,372	2,747,130
Discoveries:					
Current year taxes	150,063,663	0.710	1,065,452	1,050,610	14,842
Prior year's taxes	-		149,992	149,992	-
Total	150,063,663		1,215,444	1,200,602	14,842
<u>Total property valuation</u>	<u>\$ 3,920,815,776</u>				
Net Levy			28,023,946	25,261,974	2,761,972
Uncollected taxes at June 30, 2013			1,443,964	894,711	549,253
<u>Current years taxes collected</u>			<u>\$ 26,579,982</u>	<u>\$ 24,367,263</u>	<u>\$2,212,719</u>
<u>Current levy collection percentage</u>			<u>94.85%</u>	<u>96.46%</u>	<u>80.11%</u>

Duplin County, North Carolina  
 Analysis of Current Tax Levy  
 Secondary Market Disclosures  
 For the Year Ended June 30, 2013  
 Exhibit K-3

Assessed Valuation:	
Assessment Ratio*	100%
Real property	\$ 3,342,205,527
Personal property	429,472,306
Public service companies**	149,137,943
<hr/>	
Total assessed valuation	3,920,815,776
Tax rate per \$100	0.710
Levy (included discoveries, releases and abatements)***	\$ 28,023,946
<hr/>	

In addition to the County-wide rate, the following table lists the levy by the County on behalf of the fire protection districts for the year ended June 30, 2013:

Fire Protection District	Levy
Oak Wolfe	\$ 54,411
Glisson	99,980
Sarecta	92,742
East Duplin	83,327
Albertson	73,003
Stacy Britt	133,511
Franklin	20,113
Northeast	178,609
Total	\$ 735,696

\* Percentage of appraised value has been established by statute

\*\* Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission

\*\*\* The levy includes interest and penalties

Duplin County, North Carolina  
 Computation of Legal Debt Margin  
 June 30, 2013  
 Exhibit K-4

Assessed value of taxable property	\$	3,920,815,776
		x 8.0%
<hr/>		
Debt limit - 8 percent of assessed value (Statutory Limitation G.S. 159-55)		313,665,262
<hr/>		
Gross debt:		
General obligation bonds		15,915,000
Limited obligation bonds		15,915,000
Certificates of participation		2,520,000
Notes payable		12,035,001
<hr/>		
Total gross debt		46,385,001
<hr/>		
Less: Debt incurred for water purposes		
General obligation bonds		(15,915,000)
Limited obligation bonds		(15,915,000)
Notes payable		(1,711,577)
<hr/>		
Total debt incurred for water purposes		(33,541,577)
<hr/>		
Total amount of debt applicable to debt limit (net debt)		12,843,424
<hr/>		
Legal Debt Margin	\$	300,821,838
<hr/>		

## Statistical Section (Unaudited)

*Financial Trends* - These schedules contain trend information to help the reader understand how the County's financial performance has changed over the past ten years.

- Table 1 - Net Position by Component
- Table 2 - Changes in Net Position
- Table 3 - Fund Balances - Governmental Funds
- Table 4 - Changes in Fund Balances - Governmental Funds

*Revenue Capacity* - These schedules contain information to help the reader assess the County's most significant revenue source.

- Table 5 - Assessed Value and Actual Value of Taxable Property
- Table 6 - Property Tax Rates - Direct and Overlapping Governments
- Table 7 - Principal Taxpayers
- Table 8 - Property Tax Levies and Collections

*Debt Capacity* - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- Tables 9 - Ratios of Outstanding Debt by Type
- Table 10 - Ratio of General Bonded Debt Outstanding and Legal Debt Margin Information

*Demographic and Economic Statistics* - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

- Table 11 - Demographic and Economic Statistics
- Table 12 - Principal Employers

*Operating Information* - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

- Table 13 - Full-time County Government Employees by Function/Program
- Table 14 - Operating Indicators by Function/Program
- Table 15 - Capital Asset Statistics by Function/Program

<i>June 30,</i>	2004	2005	2006	2007
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 9,397,201	\$ 12,120,029	\$ 9,887,425	\$ 11,117,491
Restricted	-	-	-	-
Unrestricted	9,872,779	12,698,404	17,196,345	18,582,516
<b>Total governmental activities</b>	<b>19,269,980</b>	<b>24,818,433</b>	<b>27,083,770</b>	<b>29,700,007</b>
<b>Business-type Activities:</b>				
Net investment in capital assets	26,564,257	31,796,979	33,544,842	35,859,819
Restricted	-	-	-	-
Unrestricted	6,857,817	6,618,298	7,002,057	5,768,638
<b>Total business-type activities</b>	<b>33,422,074</b>	<b>38,415,277</b>	<b>40,546,899</b>	<b>41,628,457</b>
<b>Primary Government:</b>				
Net investment in capital assets	35,961,458	43,917,008	43,432,267	46,977,310
Restricted	-	-	-	-
Unrestricted	16,730,596	19,316,702	24,198,402	24,351,154
<b>Total primary government</b>	<b>\$ 52,692,054</b>	<b>\$ 63,233,710</b>	<b>\$ 67,630,669</b>	<b>\$ 71,328,464</b>

Source: Annual audited financial statements of the County.



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

Table 1

2008	2009	2010	2011	2012	2013
\$ 10,921,097	\$ 11,791,248	\$ 10,708,021	\$ 12,393,238	\$ 11,798,823	\$ 9,963,445
-	-	-	8,197,122	9,542,550	8,512,963
21,701,648	19,993,963	15,312,312	9,018,185	5,559,432	11,414,280
<u>32,622,745</u>	<u>31,785,211</u>	<u>26,020,333</u>	<u>29,608,545</u>	<u>26,900,805</u>	<u>29,890,688</u>
36,923,637	36,458,722	36,770,577	36,018,493	35,552,070	36,267,466
263,339	1,301,841	1,347,008	1,265,805	1,069,259	1,556,484
5,904,102	5,474,348	6,150,645	6,476,995	6,911,589	7,590,329
<u>43,091,078</u>	<u>43,234,911</u>	<u>44,268,230</u>	<u>43,761,293</u>	<u>43,532,918</u>	<u>45,414,279</u>
47,844,734	48,249,970	47,478,598	48,411,731	47,350,893	46,230,911
263,339	1,301,841	1,347,008	9,462,927	10,611,809	10,069,447
27,605,750	25,468,311	21,462,957	15,495,180	12,471,021	19,004,609
<u>\$ 75,713,823</u>	<u>\$ 75,020,122</u>	<u>\$ 70,288,563</u>	<u>\$ 73,369,838</u>	<u>\$ 70,433,723</u>	<u>\$ 75,304,967</u>

<i>Year Ended June 30,</i>	2004	2005	2006	2007
<b>Expenses:</b>				
Governmental Activities:				
General Government	\$ 4,183,577	\$ 3,408,422	\$ 4,957,760	\$ 5,284,371
Public Safety	7,067,367	9,258,280	10,704,587	11,326,523
Economic & Physical Development	4,001,449	535,554	4,605,631	3,244,815
Human Services	15,721,637	16,080,784	17,472,094	17,211,698
Environmental Protection	463,773	364,022	610,237	641,673
Cultural and Recreational	863,024	770,823	834,201	1,047,148
Education	8,624,089	8,867,213	9,067,213	10,722,305
Non-departmental	154,716	164,484	189,646	209,765
Interest on long-term debt	741,605	649,962	551,124	989,242
<b>Total governmental activities</b>	<b>41,821,237</b>	<b>40,099,544</b>	<b>48,992,493</b>	<b>50,677,540</b>
Business-type Activities:				
Airport	622,166	776,865	1,047,008	914,221
Water and Sewer	3,478,956	3,593,935	3,764,562	4,072,863
Transportation	851,682	842,757	898,399	1,022,674
Solid Waste	2,587,202	2,741,377	2,865,587	4,667,880
<b>Total business-type activities</b>	<b>7,540,006</b>	<b>7,954,934</b>	<b>8,575,556</b>	<b>10,677,638</b>
<b>Total primary government expenses</b>	<b>49,361,243</b>	<b>48,054,478</b>	<b>57,568,049</b>	<b>61,355,178</b>
<b>Program Revenues:</b>				
Governmental Activities:				
Charges for Services:				
General Government	1,175,036	1,511,860	1,538,250	1,585,145
Public Safety	1,468,227	1,338,557	2,335,191	2,465,555
Economic & Physical Development	15,287	18,290	23,184	35,249
Human Services	1,005,713	1,021,385	985,442	839,577
Environmental Protection	48,616	44,280	41,490	-
Cultural and Recreational	35,731	40,138	65,634	94,404
Education	-	-	-	-
Non-departmental	-	-	-	-
Operating Grants & Contributions	10,732,831	11,468,956	10,453,997	9,985,782
Capital Grants & Contributions	921,752	127,598	1,643,594	745,179
<b>Total governmental activities</b>	<b>\$ 15,403,193</b>	<b>\$ 15,571,064</b>	<b>\$ 17,086,782</b>	<b>\$ 15,750,891</b>

Source: Annual audited financial statements of the County.

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

Table 2

2008	2009	2010	2011	2012	2013
\$ 6,120,389	\$ 6,130,831	\$ 7,207,316	\$ 7,367,762	\$ 6,613,472	\$ 6,215,976
13,207,438	14,625,588	14,561,356	14,687,927	18,267,162	18,488,567
2,882,505	2,358,124	2,494,733	2,613,007	5,088,488	3,107,600
17,298,237	17,332,594	16,732,852	15,960,082	17,806,856	17,199,716
478,370	513,483	723,221	536,068	728,522	792,256
1,017,310	872,582	827,686	688,051	864,163	1,239,294
10,957,705	12,304,442	15,585,786	11,580,259	11,933,998	13,238,503
257,326	255,663	310,502	1,239,610	273,150	281,301
954,607	895,065	826,828	784,577	660,077	527,820
<u>53,173,887</u>	<u>55,288,372</u>	<u>59,270,280</u>	<u>55,457,343</u>	<u>62,235,888</u>	<u>61,091,033</u>
1,078,481	985,170	1,087,058	1,102,790	1,214,843	1,138,106
4,083,009	4,082,107	4,255,842	4,196,653	4,095,462	4,568,959
1,026,490	1,037,242	1,056,522	1,180,039	1,073,935	993,244
3,256,153	3,111,559	3,054,194	3,109,941	3,299,368	3,274,051
<u>9,444,133</u>	<u>9,216,078</u>	<u>9,453,616</u>	<u>9,589,423</u>	<u>9,683,608</u>	<u>9,974,360</u>
<u>62,618,020</u>	<u>64,504,450</u>	<u>68,723,896</u>	<u>65,046,766</u>	<u>71,919,496</u>	<u>71,065,393</u>
2,143,126	1,653,004	1,587,363	4,247,238	2,669,151	2,431,141
2,578,622	2,351,226	3,033,182	3,608,791	3,037,248	9,156,791
18,420	37,231	25,041	75,360	241,156	82,813
896,186	665,457	817,614	3,554,262	3,251,599	3,368,702
44,820	44,640	-	69,975	45,705	44,857
124,027	279,504	287,214	73,267	253,422	275,133
-	-	-	-	-	-
-	-	-	-	-	25,069
11,246,185	11,576,726	12,394,237	11,192,637	9,940,908	10,831,435
227,218	371,005	1,990,921	2,054,956	4,308,980	2,217,868
<u>\$ 17,278,604</u>	<u>\$ 16,978,793</u>	<u>\$ 20,135,572</u>	<u>\$ 24,876,486</u>	<u>\$ 23,748,169</u>	<u>\$ 28,433,809</u>

(continued)

<i>Year Ended June 30,</i> (Continued)	2004	2005	2006	2007
<b>Program Revenues (continued):</b>				
Business-type Activities:				
Charges for Services:				
Airport	\$ 288,178	\$ 349,116	\$ 655,504	\$ 498,594
Water and Sewer	5,517,749	3,096,353	3,622,143	3,286,828
Transportation	484,646	448,118	520,524	510,498
Solid Waste	311,250	2,667,110	2,663,826	2,843,338
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	-	-	-	-
<b>Total business-type activities</b>	<b>6,601,823</b>	<b>6,560,697</b>	<b>7,461,997</b>	<b>7,139,258</b>
<b>Total primary government</b>	<b>22,005,016</b>	<b>22,131,761</b>	<b>24,548,779</b>	<b>22,890,149</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(26,418,044)	(24,528,480)	(31,905,711)	(34,926,649)
Business-type Activities	(938,183)	(1,394,237)	(1,113,559)	(3,538,380)
<b>Total primary government net (expense)/revenue</b>	<b>(27,356,227)</b>	<b>(25,922,717)</b>	<b>(33,019,270)</b>	<b>(38,465,029)</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	20,298,012	21,604,888	22,807,668	24,028,771
Local Option Sales Taxes	8,327,097	8,483,261	9,040,136	11,340,617
Other Taxes and Licenses	476,245	485,295	638,797	606,706
Investment earnings	242,380	613,248	1,106,775	1,269,148
Miscellaneous	109,871	728,473	829,265	605,379
Transfers	(178,940)	(388,713)	(251,594)	(307,736)
<b>Total governmental activities</b>	<b>29,274,665</b>	<b>31,526,452</b>	<b>34,171,047</b>	<b>37,542,885</b>
Business-type Activities:				
Investment earnings	51,763	135,431	281,194	335,857
Capital Contributions	6,366,577	5,855,260	2,514,684	3,825,994
Miscellaneous	(11,318)	8,035	207,090	150,351
Transfers	178,940	388,713	251,594	307,736
<b>Total business-type activities</b>	<b>6,585,962</b>	<b>6,387,439</b>	<b>3,254,562</b>	<b>4,619,938</b>
<b>Total primary government</b>	<b>35,860,627</b>	<b>37,913,891</b>	<b>37,425,609</b>	<b>42,162,823</b>
<b>Change in Net Position</b>				
Governmental Activities	2,856,621	6,997,972	2,265,336	2,616,236
Business-type Activities	5,647,779	4,993,202	2,141,003	1,081,558
<b>Total primary government</b>	<b>\$ 8,504,400</b>	<b>\$ 11,991,174</b>	<b>\$ 4,406,339</b>	<b>\$ 3,697,794</b>

Source: Annual audited financial statements of the County.

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

Table 2

2008	2009	2010	2011	2012	2013
\$ 533,460	\$ 387,988	\$ 677,984	\$ 507,905	\$ 626,515	\$ 536,690
3,813,219	3,829,327	4,259,400	4,049,271	3,900,461	4,449,982
504,707	508,027	497,901	502,920	497,992	570,637
3,018,759	2,871,138	2,815,088	2,836,284	2,963,339	2,753,962
-	-	-	-	-	500,262
-	1,297,484	1,767,017	871,813	1,080,859	2,298,916
<u>7,870,145</u>	<u>8,893,964</u>	<u>10,017,390</u>	<u>8,768,193</u>	<u>9,069,166</u>	<u>11,110,449</u>
<u>25,148,749</u>	<u>25,872,757</u>	<u>30,152,962</u>	<u>33,644,679</u>	<u>32,817,335</u>	<u>39,544,258</u>
(35,895,283)	(38,309,579)	(39,134,708)	(30,580,857)	(38,487,719)	(32,657,224)
(1,573,988)	(322,114)	563,774	(821,230)	(614,442)	1,136,089
<u>(37,469,271)</u>	<u>(38,631,693)</u>	<u>(38,570,934)</u>	<u>(31,402,087)</u>	<u>(39,102,161)</u>	<u>(31,521,135)</u>
25,630,819	26,771,560	26,925,485	26,669,740	27,863,938	28,484,431
11,142,288	9,273,969	6,282,993	7,116,858	7,285,383	7,774,019
623,379	670,514	367,282	639,270	341,863	107,583
1,124,025	531,081	140,621	72,342	50,115	48,818
581,982	575,500	63,080	(49,445)	438,680	126,967
(284,472)	(350,579)	(409,632)	(279,697)	(200,000)	(127,584)
<u>38,818,021</u>	<u>37,472,045</u>	<u>33,369,829</u>	<u>34,169,068</u>	<u>35,779,979</u>	<u>36,414,234</u>
262,505	115,269	31,053	14,522	8,911	603,100
2,418,568	-	-	-	-	-
71,064	91	28,864	20,074	177,156	86,164
284,472	350,579	409,632	279,697	200,000	127,584
<u>3,036,609</u>	<u>465,939</u>	<u>469,549</u>	<u>314,293</u>	<u>386,067</u>	<u>816,848</u>
<u>41,854,630</u>	<u>37,937,984</u>	<u>33,839,378</u>	<u>34,483,361</u>	<u>36,166,046</u>	<u>37,231,082</u>
2,922,738	(837,534)	(5,764,879)	3,588,211	(2,707,740)	3,757,010
1,462,621	143,825	1,033,323	(506,937)	(228,375)	1,952,937
<u>\$ 4,385,359</u>	<u>\$ (693,709)</u>	<u>\$ (4,731,556)</u>	<u>\$ 3,081,274</u>	<u>\$ (2,936,115)</u>	<u>\$ 5,709,947</u>

<i>June 30,</i>	2004	2005	2006	2007
<b>General Fund:</b>				
Reserved	\$ 4,480,900	\$ 3,564,696	\$ 3,665,729	\$ 3,709,873
Unreserved	11,495,536	12,356,290	13,196,262	11,856,227
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>15,976,436</b>	<b>15,920,986</b>	<b>16,861,991</b>	<b>15,566,100</b>
<b>All Other Governmental Funds:</b>				
Reserved	1,104,015	602,847	1,097,063	842,911
Unreserved	15,293,642	8,771,075	7,810,748	10,092,967
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>16,397,657</b>	<b>9,373,922</b>	<b>8,907,811</b>	<b>10,935,878</b>
<b>Total Governmental Funds:</b>				
Reserved	5,584,915	4,167,543	4,762,792	4,552,784
Unreserved	26,789,178	21,127,365	21,007,010	21,949,194
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>\$ 32,374,093</b>	<b>\$ 25,294,908</b>	<b>\$ 25,769,802</b>	<b>\$ 26,501,978</b>

Source: Annual audited financial statements of the County.

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

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

Table 3

2008	2009	2010	2011	2012	2013
\$ 3,372,280	\$ 2,867,035	\$ 3,202,779	\$ -	\$ -	\$ -
11,607,071	11,149,753	9,147,734	-	-	-
-	-	-	256,409	301,552	248,895
-	-	-	3,420,640	3,934,839	3,668,612
-	-	-	1,420,897	1,157,686	1,049,178
-	-	-	4,340,052	3,088,498	1,970,089
-	-	-	3,465,614	3,720,583	6,267,563
<u>14,979,351</u>	<u>14,016,788</u>	<u>12,350,513</u>	<u>12,903,612</u>	<u>12,203,158</u>	<u>13,204,337</u>
702,352	605,276	846,328	-	-	-
10,812,608	9,866,438	9,113,651	-	-	-
-	-	-	-	-	-
-	-	-	4,218,038	5,607,256	4,844,351
-	-	-	3,074,777	1,553,354	1,139,665
-	-	-	1,133,302	870,818	263,849
-	-	-	(1,628)	(3,111)	(2,669)
<u>11,514,960</u>	<u>10,471,714</u>	<u>9,959,979</u>	<u>8,424,489</u>	<u>8,028,317</u>	<u>6,245,196</u>
4,074,632	3,472,311	4,049,107	-	-	-
22,419,679	21,016,191	18,261,385	-	-	-
-	-	-	256,409	301,552	248,895
-	-	-	7,638,678	9,542,095	8,512,963
-	-	-	4,495,674	2,711,040	2,188,843
-	-	-	5,473,354	3,959,316	2,233,938
-	-	-	3,463,986	3,717,472	6,264,894
<u>\$ 26,494,311</u>	<u>\$ 24,488,502</u>	<u>\$ 22,310,492</u>	<u>\$ 21,328,101</u>	<u>\$ 20,231,475</u>	<u>\$ 19,449,533</u>

<i>Year Ended June 30,</i>	2004	2005	2006	2007
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 20,314,051	\$ 21,511,409	\$ 22,456,961	\$ 24,114,423
Local Option Sales Taxes	8,327,097	8,483,261	9,040,136	11,340,617
Other Taxes and Licenses	476,245	485,296	606,527	606,706
Unrestricted Intergovernmental	37,856	34,440	32,270	37,450
Restricted Intergovernmental	10,229,045	10,699,027	11,363,865	9,631,966
Restricted Revenue	-	-	-	-
Permits and Fees	662,695	729,281	964,977	945,726
Sales and Services	3,701,087	4,229,234	4,757,941	4,916,257
Investment Earnings	242,380	613,248	1,106,774	1,269,148
Miscellaneous	882,380	728,473	779,266	668,367
<b>Total revenues</b>	<b>44,872,836</b>	<b>47,513,669</b>	<b>51,108,717</b>	<b>53,530,660</b>
<b>Expenditures:</b>				
General Government	4,148,646	4,388,975	4,910,763	5,293,335
Public Safety	7,668,592	9,389,772	10,739,613	12,129,924
Economic & Physical Development	3,581,336	11,447,214	4,827,240	1,458,128
Human Services	15,597,704	16,107,947	16,495,464	17,152,931
Cultural and Recreational	830,669	839,853	825,500	823,227
Environmental Protection	351,412	371,293	530,480	632,736
Capital Projects	793,208	629,302	321,752	1,702,951
Non-Departmental	154,716	164,484	189,646	209,765
Education	8,346,234	8,867,213	9,067,213	10,722,305
Debt Service:				
Principal Retirement	1,453,277	1,431,644	1,872,555	1,934,163
Interest and Fees	716,775	617,835	618,954	1,025,471
<b>Total expenditures</b>	<b>43,642,569</b>	<b>54,255,532</b>	<b>50,399,180</b>	<b>53,084,936</b>
Revenues over (under) expenditures	1,230,267	(6,741,863)	709,537	445,724
<b>Other Financing Sources (Uses):</b>				
Proceeds from the sale of assets	-	-	-	-
Proceeds from the issuance of debt	11,000,000	1,500,000	-	619,965
Capital Contributions	-	-	-	-
Transfers from other funds	2,891,705	3,321,025	3,260,671	4,133,142
Transfers to other funds	(3,070,644)	(3,709,738)	(3,512,265)	(4,440,879)
<b>Total other financing sources (uses)</b>	<b>10,821,061</b>	<b>1,111,287</b>	<b>(251,594)</b>	<b>312,228</b>
<b>Net Change in Fund Balances</b>	<b>\$ 12,051,328</b>	<b>\$ (5,630,576)</b>	<b>\$ 457,943</b>	<b>\$ 757,952</b>
Debt service as a percentage of noncapital expenditures	5.10%	5.01%	5.08%	5.76%

Source: Annual audited financial statements of the County.



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

Table 4

2008	2009	2010	2011	2012	2013
\$ 24,667,222	\$ 25,487,215	\$ 26,095,978	\$ 26,391,065	\$ 28,095,424	\$ 28,346,279
11,142,288	9,273,969	7,733,398	7,116,858	7,285,383	7,774,019
623,379	671,008	619,734	639,270	145,704	97,104
34,860	34,720	49,420	40,320	47,439	73,019
10,591,612	10,785,191	11,551,993	11,465,028	13,117,770	11,852,896
-	-	-	-	-	195,724
836,316	665,357	633,671	637,857	557,317	566,950
5,536,981	5,724,280	6,070,328	7,106,383	7,491,979	7,641,452
1,124,025	521,735	139,089	71,566	50,115	47,849
447,608	302,329	201,486	570,214	1,815,320	1,121,074
<u>55,004,291</u>	<u>53,465,804</u>	<u>53,095,097</u>	<u>54,038,561</u>	<u>58,606,451</u>	<u>57,716,366</u>
6,037,685	5,832,069	6,813,324	7,191,915	5,877,641	5,426,249
13,097,186	13,606,623	14,113,545	14,126,640	16,454,417	15,743,723
2,006,142	1,917,473	1,822,711	1,796,732	2,258,125	950,949
17,171,101	16,542,424	15,835,849	15,890,421	15,785,872	15,182,432
861,214	804,946	746,683	639,411	739,981	1,147,418
465,397	490,848	688,093	525,607	659,560	663,609
774,436	400,068	350,399	671,627	3,333,076	3,278,940
235,405	255,663	310,503	302,078	198,766	198,446
10,957,705	12,304,442	10,790,002	11,580,259	11,198,335	12,335,205
2,235,326	2,366,847	2,231,976	1,974,780	1,922,382	1,956,821
990,836	863,468	863,060	784,577	697,461	609,929
<u>54,832,433</u>	<u>55,384,871</u>	<u>54,566,145</u>	<u>55,484,047</u>	<u>59,125,616</u>	<u>57,493,721</u>
171,858	(1,919,067)	(1,471,048)	(1,445,486)	(519,165)	222,645
-	42,615	51,577	26,689	77,396	72,300
-	-	-	-	-	-
-	-	-	1,460,672	-	-
4,833,727	3,615,102	4,260,101	3,290,436	3,187,616	2,931,158
(5,019,307)	(4,065,681)	(5,101,968)	(4,233,907)	(3,887,616)	(3,658,742)
<u>(185,580)</u>	<u>(407,964)</u>	<u>(790,290)</u>	<u>543,890</u>	<u>(622,604)</u>	<u>(655,284)</u>
<u>\$ (13,722)</u>	<u>\$ (2,327,031)</u>	<u>\$ (2,261,338)</u>	<u>\$ (901,596)</u>	<u>\$ (1,141,769)</u>	<u>\$ (432,639)</u>
5.97%	5.93%	5.81%	5.02%	4.54%	4.56%

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
2004	\$ 2,241,120,053	\$ 331,974,719	\$ 77,276,779	\$ 2,650,371,551	0.745
2005	2,255,274,167	353,759,198	80,022,635	2,689,056,000	0.770
2006	2,417,596,225	313,281,735	74,235,157	2,805,113,117	0.770
2007	2,534,952,317	328,489,204	77,838,715	2,941,280,236	0.805
2008	2,629,849,815	347,211,192	86,418,360	3,063,479,367	0.790
2009	2,693,709,443	374,694,962	93,270,659	3,161,675,064	0.790
2010	3,215,847,559	398,132,051	113,709,230	3,727,688,840	0.690
2011	3,189,344,488	399,644,269	155,891,098	3,744,879,855	0.690
2012	3,300,755,828	379,385,704	117,945,792	3,798,087,324	0.710
2013	3,342,205,527	429,472,306	149,137,943	3,920,815,776	0.710

Source: Duplin County Tax Office

Notes: Property in Duplin County is reassessed every eight years. The most recent revaluation was performed as of January 1, 2009 and went into effect during the year ended June 30, 2010. The County assesses property at approximately 100 percent of actual value.

Duplin County, North Carolina  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Years  
Table 6

<i>Year Ending June 30,</i>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Duplin County</b>	0.7450	0.7700	0.7700	0.8050	0.7900	0.7900	0.6900	0.6900	0.7100	0.7100
<b>Municipality Rates:</b>										
Beulaville	0.4900	0.4900	0.4900	0.4900	0.5100	0.5100	0.4400	0.4400	0.4400	0.4400
Calypso	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
Faison	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Greenevers	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.3000	0.3000	0.3000
Kenansville	0.4700	0.4950	0.4950	0.4950	0.4950	0.4950	0.3950	0.3950	0.3900	0.4200
Magnolia	0.6000	0.6200	0.6200	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6600
Rose Hill	0.6650	0.6650	0.6650	0.6650	0.6650	0.6650	0.6400	0.6400	0.6400	0.6400
Teachey	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Wallace	0.6600	0.6600	0.6600	0.6600	0.6600	0.6600	0.5600	0.5600	0.5600	0.5600
Warsaw	0.5650	0.5900	0.5900	0.5900	0.5900	0.5900	0.5500	0.5500	0.5500	0.5500
<b>Fire Protection Districts:</b>										
Oak Wolfe	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Glisson	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sarecta	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550
East Duplin	0.0525	0.0525	0.0525	0.0525	0.0525	0.0525	0.0525	0.0458	0.0458	0.0458
Albertson	0.0500	0.0500	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Stacy Britt	0.0600	0.0600	0.0600	0.0600	0.0650	0.0650	0.0650	0.0630	0.0630	0.0630
Franklin	0.0600	0.0600	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0750
Northeast	N/A	N/A	N/A	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

Source: Duplin County Tax Office

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

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

Taxpayer	Type of Business	Year Ended June 30, 2013			Year Ended June 30, 2004		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball LLC	Poultry Processing	\$ 114,902,154	1	2.93%	N/A	N/A	N/A
Murphy-Brown LLC	Livestock	100,808,878	2	2.57%	N/A	N/A	N/A
Duplin Land Development	Real Estate	79,669,737	3	2.03%	32,017,580	6	1.21%
Guilford Mills	Textiles	47,882,385	4	1.22%	51,278,361	2	1.93%
House of Raeford	Livestock	48,797,203	5	1.24%	N/A	N/A	N/A
Nash Johnson & Sons	Livestock	41,993,617	6	1.07%	23,207,346	7	0.88%
Progress Energy	Utility	39,101,428	7	1.00%	21,896,159	8	0.83%
Murphy Family Ventures	Livestock	35,807,559	8	0.91%	N/A	N/A	N/A
Coastal Carolina Green Power	Utility	27,459,938	9	0.70%	N/A	N/A	N/A
Four County EMC	Utility	26,410,498	10	0.67%	18,121,531	9	0.68%
Carolina Turkeys	Poultry Processing	N/A	N/A	N/A	84,786,235	1	3.20%
Murphy Farms, Inc.	Feed	N/A	N/A	N/A	45,872,972	3	1.73%
Murfam Inc.	Livestock	N/A	N/A	N/A	33,022,300	4	1.25%
Carroll's Food	Livestock	N/A	N/A	N/A	32,229,907	5	1.22%
Fleming Quinn Wholesale Winthrop	Distribution	N/A	N/A	N/A	17,692,705	10	0.67%
		<b>\$ 562,833,397</b>		<b>14.36%</b>	<b>\$ 360,125,096</b>		<b>13.60%</b>

Source: Duplin County Tax Office

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

<i>Year Ended June 30,</i>	Tax Levy	<u>Collected within the Year of Levy</u>		Collections in Subsequent Years	<u>Total Collections to Date</u>	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 19,765,992	\$ 18,438,568	93.28%	\$ 1,220,416	\$ 19,658,984	99.46%
2005	20,768,950	19,437,182	93.59%	1,226,547	20,663,729	99.49%
2006	21,718,183	20,447,899	94.15%	1,172,409	21,620,308	99.55%
2007	23,752,080	22,383,189	94.24%	1,234,637	23,617,826	99.43%
2008	24,233,502	22,867,344	94.36%	1,216,348	24,083,692	99.38%
2009	25,128,446	23,741,088	94.48%	1,221,408	24,962,496	99.34%
2010	25,836,831	24,353,960	94.26%	1,276,708	25,630,668	99.20%
2011	25,952,188	24,537,688	94.55%	1,117,977	25,655,665	98.86%
2012	27,109,094	25,724,577	94.89%	864,801	26,589,378	98.08%
2013	28,023,946	26,579,982	94.85%	-	26,579,982	94.85%

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	Notes Payable	General Obligation Water Bonds	Notes Payable	Capital Leases	Limited Obligation Bonds	
2004	\$ 13,106,127	\$ 4,465,000	\$ 11,758,280	\$ 19,067,500	\$ 1,571,618	\$ 168,648	\$ -	\$ 50,137,173
2005	12,333,297	3,920,000	13,076,636	18,808,800	1,470,621	141,458	-	49,750,812
2006	11,390,467	3,390,000	12,609,081	18,535,800	1,367,528	112,529	-	47,405,405
2007	10,452,637	2,870,000	12,684,882	18,250,100	1,263,750	81,780	-	45,603,149
2008	9,249,807	2,360,000	12,094,556	17,949,400	1,157,060	49,131	-	42,859,954
2009	8,016,977	1,865,000	11,455,539	17,635,200	1,050,143	14,465	-	40,037,324
2010	6,754,147	1,380,000	10,903,563	17,306,000	1,406,457	-	-	37,750,167
2011	5,451,317	910,000	10,633,783	16,958,500	1,294,521	-	-	35,248,121
2012	4,083,487	450,000	10,470,245	16,593,300	1,181,224	-	-	32,778,256
2013	2,655,657	-	10,323,424	15,915,000	1,711,577	-	15,915,000	46,520,658

<i>June 30,</i>	Total Debt as a Percentage of Personal Income	Per Capita
2004	4.03%	\$ 951
2005	3.81%	931
2006	3.51%	867
2007	3.10%	820
2008	2.73%	754
2009	2.52%	697
2010	2.22%	643
2011	2.06%	591
2012	1.77%	546
2013	N/A	N/A

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

N/A - Not available

Duplin County, North Carolina  
Ratio of General Bonded Debt Outstanding  
and Legal Debt Margin Information  
Last Ten Years  
Table 10

<i>June 30,</i>	2004	2005	2006	2007	2008
<b>General Bonded Debt Outstanding:</b>					
General Obligation Bonds	\$ 23,532,500	\$ 22,728,800	\$ 21,925,800	\$ 21,120,100	\$ 20,309,400
Percentage of Estimated Actual Property Value	0.89%	0.85%	0.78%	0.72%	0.66%
Per Capita	\$ 446.27	\$ 425.27	\$ 400.81	\$ 55,610	\$ 357.50
Assessed Value of Taxable Property	\$ 2,650,371,551	\$ 2,689,056,000	\$ 2,805,113,117	\$ 2,941,280,236	\$ 3,063,479,367
	X 8%	X 8%	X 8%	X 8%	X 8%
Debt Limit - 8 Percent of Assessed Value (Statutory Limitation G.S. 159-55)	212,029,724	215,124,480	224,409,049	235,302,419	245,078,349
<b>Gross Debt:</b>					
General Obligation Bonds	23,532,500	22,728,800	21,925,800	21,120,100	20,309,400
Limited Obligation Bonds	-	-	-	-	-
Certificates of Participation	12,360,000	11,655,000	10,780,000	9,910,000	8,775,000
Notes Payable	13,329,898	14,547,257	13,976,609	13,948,632	13,251,616
Capital Leases	168,648	141,458	112,529	81,780	49,131
Total gross debt	49,391,046	49,072,515	46,794,938	45,060,512	42,385,147
Less: Debt Incurred for Water Activities	20,083,012	20,420,879	20,015,857	19,595,630	19,155,591
Total Debt Applicable to Debt Limit (Net Debt)	29,308,034	28,651,636	26,779,081	25,464,882	23,229,556
Legal Debt Margin	\$ 182,721,690	\$ 186,472,844	\$ 197,629,968	\$ 209,837,537	\$ 221,848,793
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	13.82%	13.32%	11.93%	10.82%	9.48%

Duplin County, North Carolina  
Ratio of General Bonded Debt Outstanding  
and Legal Debt Margin Information  
Last Ten Years  
Table 10

<i>June 30,</i>	2009	2010	2011	2012	2013
<b>General Bonded Debt Outstanding:</b>					
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%
Per Capita	\$ 339.52	\$ 318.46	\$ 299.83	\$ 283.90	N/A
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
	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
<b>Gross Debt:</b>					
General Obligation Bonds	19,500,200	18,686,000	17,868,500	17,043,300	15,915,000
Limited Obligation Bonds	-	-	-	-	15,915,000
Certificates of Participation	8,016,977	6,415,000	5,180,000	3,880,000	2,520,000
Notes Payable	12,505,682	12,310,020	11,928,304	11,651,467	12,035,001
Capital Leases	14,465	-	-	-	-
Total gross debt	40,037,324	37,411,020	34,976,804	32,574,767	46,385,001
Less: Debt Incurred for Water Activities	18,699,808	18,712,457	18,253,021	17,774,523	33,541,577
Total Debt Applicable to Debt Limit (Net Debt)	21,337,516	18,698,563	16,723,783	14,800,244	12,843,424
Legal Debt Margin	\$ 231,596,489	\$ 279,516,544	\$ 282,866,605	\$ 289,046,742	\$ 300,821,838
Total Debt Applicable to the Limit as a Percentage of the Debt Limit	8.44%	6.27%	5.58%	4.87%	4.09%



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

<i>Year Ended June 30,</i>	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(3) School Enrollment	(3) High School Graduates	(2) Unemployment Rate
2004	52,732	\$ 1,245,254,000	23,615	8,680	428	6.0%
2005	53,445	1,306,060,000	24,437	8,759	449	5.9%
2006	54,704	1,350,591,000	24,689	8,896	467	5.2%
2007	55,610	1,473,384,000	26,495	8,833	463	4.6%
2008	56,810	1,568,481,000	27,609	8,865	431	5.5%
2009	57,434	1,590,950,000	27,700	8,815	468	9.3%
2010	58,676	1,703,301,000	29,029	8,837	450	9.4%
2011	59,596	1,709,665,000	28,688	8,945	422	9.7%
2012	60,033	1,849,253,000	30,804	9,158	533	9.9%
2013	N/A	N/A	N/A	9,315	456	9.4%

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

2013				2004			
Employer	Approximate Employees	Rank	Percentage of Total Employment	Employer	Approximate Employees	Rank	Percentage of Total Employment
Butterball LLC	1,000	1	4.25%	Butterball LLC	1,000	1	4.31%
Smithfield Foods, Inc.	1,000	2	4.25%	Murphy-Brown LLC	1,000	2	4.31%
Duplin County Schools	1,000	3	4.25%	Duplin County Schools	1,000	3	4.31%
House of Raeford Inc.	1,000	4	4.25%	House of raeford Inc.	750	4	3.23%
Murphy Family Ventures LLC	750	5	3.19%	Guilford Mills Inc.	750	5	3.23%
Duplin County Government	750	6	3.19%	Deans Specialty Foods Group	750	6	3.23%
Guilford Mills Inc.	750	7	3.19%	Duplin County Government	750	7	3.23%
East Carolina Health Inc.	400	8	1.70%	Duplin General Hospital Inc	400	8	1.72%
Johnson Breeders Inc	400	9	1.70%	Circle S Foods Inc.	400	9	1.72%
James Sprunt Community College	400	10	1.70%	Johnson Breeders Inc.	400	10	1.72%
	<u>7,450</u>		<u>31.65%</u>		<u>7,200</u>		<u>31.00%</u>
Balance of employment	16,086		68.35%		16,028		69.00%
Total employment	23,536		100.00%		23,228		100.00%

Source: North Carolina Employment Security Commission

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

Table 13  
 Page 1 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government:</b>										
Governing Board	6	6	6	6	6	6	6	6	6	6
Attorney	0	0	2	2	2	2	2	2	2	3
Finance	8	7	7	7	7	7	7	7	7	7
Tax Administration	16	16	16	16	16	16	16	16	15	15
Elections	3	3	3	3	3	3	4	4	4	4
Register of Deeds	8	8	7	7	7	7	6	6	6	6
County Manager	3	3	3	3	3	3	3	3	3	3
Personnel	1	1	1	2	2	2	2	2	2	3
Information Technology	5	5	5	5	5	5	5	7	7	7
Garage	2	3	3	3	3	3	3	3	3	3
Building Maintenance	5	6	8	8	8	8	8	9	9	9
Housekeeping	6	6	6	8	6	8	8	8	8	7
<b>Public Safety:</b>										
Sherriff	42	43	47	48	50	50	51	51	49	49
Court Facilities	2	2	2	2	2	2	2	2	2	2
Communications	14	16	17	21	21	22	22	22	23	22
Faison Substation	0	0	3	3	3	3	3	3	3	2
School Resource Officers	9	9	9	9	9	9	9	9	9	9
Department of Justice Alien Grant	0	0	0	1	0	0	0	0	0	0
Calypso Substation	0	0	0	0	1	1	1	0	0	0
Federally Seized Assets	0	0	0	0	0	2	0	0	0	0
Jail	21	24	24	25	26	26	27	28	28	32
JSCC-School Resource Officer	0	0	0	0	0	2	1	1	0	0
Emergency Management	2	2	2	3	2	3	2	2	2	2
Fire Marshall	2	2	2	2	2	2	2	2	2	1
Building Inspections	4	4	4	3	4	4	4	3	4	4
Emergency Medical Services	54	55	68	73	74	73	69	70	74	74
E-911	1	1	1	1	1	0	0	0	0	0
E-911 Grant	0	5	0	0	0	0	0	0	0	0
Governer's Highway Commission Grant	6	0	0	0	0	0	0	0	0	0
Animal Services	3	2	3	3	3	3	3	3	3	3
<b>Economic and Physical Development:</b>										
Planning	3	3	2	1	1	1	1	1	1	1
Economic Development	2	2	2	2	3	2	2	2	2	2
Westpark Business Tech	1	0	0	0	0	0	0	0	0	0
NC Arts Grant-Se Agri Tour	1	1	1	1	1	1	1	1	1	1
Tourism Development	2	1	2	2	2	2	2	2	2	2
Duplin Commons Project	1	0	0	0	0	0	0	0	0	0
JCPC-Duplin Parenting	1	1	1	1	1	1	1	1	1	1

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

Table 13  
 Page 2 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
JCPC-4-H Outreach	1	1	1	1	1	1	1	1	1	1
<b>Environmental Protection:</b>										
Soil Conservation	5	6	6	6	6	6	6	6	6	6
<b>Human Services:</b>										
Health	37	33	34	32	36	35	35	34	32	32
Environmental Health	7	7	5	7	7	7	7	7	6	6
Keen on Teen Vaccine	1	1	0	0	0	0	0	0	0	0
Healthy Beginnings	0	0	0	0	0	0	0	0	1	1
Smart Start Child Care	1	1	1	1	1	1	1	1	0	0
Adolescent Pregnancy Prevention	0	1	0	0	0	0	0	0	0	0
Dental Program	4	4	2	0	2	0	2	3	4	4
Bioterrorism	1	0	1	0	1	0	0	0	0	0
Access East Grant	1	2	0	0	0	0	0	0	0	0
County Wellness	0	0	0	0	0	0	1	0	1	2
Health and Wellness Grant	0	0	2	1	2	2	2	2	2	0
Cap Fear Chronic Disease Grant	0	0	0	0	0	0	1	1	0	0
Community Health	0	0	0	0	0	1	1	1	1	0
Pregnancy Care Management	0	0	0	0	0	0	0	0	0	1
Maternal Care Coordination	0	0	0	0	0	0	0	0	1	0
Maternal Health	1	1	1	1	1	1	1	1	1	1
Family Planning	1	1	1	1	1	1	1	1	0	0
WIC	0	0	0	0	0	0	0	10	10	10
Child Health	2	2	2	2	2	2	2	2	2	2
Interpreter Grant	0	0	1	1	1	1	1	1	0	0
Social Services Administration	113	114	112	115	115	115	115	115	110	110
Social Services Security	0	0	0	0	0	2	1	1	0	0
Medicaid Transportation	0	0	0	1	0	0	0	0	0	0
Title IV-D Child Support	2	2	1	1	2	2	2	2	2	2
Social Services Building	2	2	2	2	2	2	2	1	1	1
County Aging	8	8	7	7	8	8	8	8	8	8
Aging In Home Aid Services	3	3	3	3	3	3	3	3	3	6
Adult Day Care/Adult Day Health	3	0	0	0	0	0	0	0	0	0
Senior Center	1	1	1	1	1	1	1	1	0	0
Family Caregiver	0	0	1	1	1	1	1	1	1	1
Veteran's Service Officer	1	1	1	1	1	1	1	1	1	2
JCPC-Restitution/Teen Court	1	1	0	0	0	0	0	0	0	0
Nutrition Homebound Meals	1	1	1	1	1	1	1	1	1	1
Nutrition	4	6	6	6	6	6	5	5	5	5
<b>Cultural and Recreational:</b>										
Library	11	11	11	11	11	11	11	11	11	11
Parkes and Recreation	4	4	4	4	4	4	3	3	3	2

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

Table 13  
 Page 3 of 3

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Events Center	0	3	2	0	2	0	0	3	3	3
Museum	1	1	1	1	1	1	1	1	1	0
<b>Water:</b>										
Albertson Water	0	1	0	0	0	0	0	0	0	0
County Water	13	12	12	13	13	13	13	13	13	13
<b>Transportation</b>	11	9	12	10	14	14	14	23	20	15
<b>Airport</b>	3	3	3	3	2	3	3	3	3	3
<b>Solid Waste:</b>										
Solid Waste Collections	23	22	23	19	26	26	26	27	27	27
Solid Waste Disposal	3	3	3	3	3	3	3	3	4	4
Solid Waste Recycling	3	3	3	3	3	3	2	2	2	2
<b>Totals</b>	<b>504</b>	<b>504</b>	<b>520</b>	<b>527</b>	<b>551</b>	<b>554</b>	<b>548</b>	<b>571</b>	<b>562</b>	<b>559</b>

Function Program	2004	2005	2006	2007
<b>Airport:</b>				
Gallons-Aviation Gas Sold (yearly)	N/A	24,260.06	36,740.23	28,731.67
Gallons-Jet Fuel Sold (yearly)	N/A	100,216.78	128,449.81	80,128.76
<b>EMS:</b>				
Transports	3065	3665	4077	4480
<b>Environmental Health:</b>				
Well Permits Issued	N/A	N/A	N/A	N/A
Food & Lodging Inspections	N/A	N/A	N/A	N/A
On Site Evaluations	N/A	N/A	N/A	N/A
Other Permits/Inspections	N/A	N/A	N/A	N/A
<b>Inspections:</b>				
Building Inspections	2853	3700	4432	6599
Mobile/Modular Homes	357	451	412	484
New Dwellings (Residential)	52	120	94	127
Multi-Family Dwellings	0	0	1	3
Commercial	1	7	55	23
Other Inspections	1444	2491	1924	2733
<b>Health Department:</b>				
Primary Care Physicals	N/A	N/A	N/A	N/A
Primary Care Treatments	N/A	N/A	N/A	N/A
Family Planning Physicals	N/A	N/A	N/A	N/A
Maternal Health Patients	N/A	N/A	N/A	N/A
Maternal Health Patients (non-english speaking)	N/A	N/A	N/A	N/A
Maternal Health Visits	N/A	N/A	N/A	N/A
Child Health Physicals	N/A	N/A	N/A	N/A
Medications Dispensed	N/A	N/A	N/A	N/A
Immunizations Provided	N/A	N/A	N/A	N/A
Dental Services Provided	N/A	N/A	N/A	N/A
WIC number seen	N/A	N/A	N/A	N/A
TB Cases/Suspects	N/A	N/A	N/A	N/A
TB Skin Test	N/A	N/A	N/A	N/A
STD/CD	N/A	N/A	N/A	N/A
HIV/AIDS	N/A	N/A	N/A	N/A

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

2008	2009	2010	2011	2012	2013
21,456.23	9,235.79	28,183.24	27,568.94	39,071.59	26,674.61
105,303.58	89,930.33	97,545.11	73,272.04	67,319.76	63,208.59
4724	4800	5274	5510	5702	6097
N/A	65	27	31	N/A	44
N/A	348	218	202	N/A	146
N/A	222	109	70	N/A	117
N/A	506	246	203	N/A	407
2529	4818	4311	6618	7589	7019
155	341	279	231	303	269
36	69	67	59	42	64
0	1	0	0	15	27
19	30	32	33	N/A	N/A
1099	2240	2306	2203	2565	2526
N/A	207	122	71	N/A	95
N/A	2445	1335	1021	N/A	1279
N/A	510	325	184	N/A	255
N/A	1017	656	382	N/A	679
N/A	795	513	281	N/A	479
N/A	1273	875	486	N/A	700
N/A	399	451	293	N/A	408
N/A	2175	1340	1046	N/A	1262
N/A	2204	2986	1310	N/A	1965
N/A	N/A	N/A	339	N/A	599
N/A	N/A	N/A	927	N/A	3913
N/A	25	12	15	N/A	6
N/A	624	412	324	N/A	267
N/A	166	88	76	N/A	107
N/A	19	14	2	N/A	10

(continued)

Function Program	2004	2005	2006	2007
(Continued)				
<b>Register of Deeds:</b>				
Marriage License Issued	359	341	326	376
Death Certificates Issued	2254	2441	2527	2654
Birth Certificates Issued	1490	1567	1483	1549
<b>Sheriff:</b>				
Number of Vehicles	72	75	80	72
Number of Officers/Jailers	69	69	69	71
Civil papers processed	N/A	N/A	N/A	6880
<b>Social Services:</b>				
Child Support Collections	\$4,952,025	\$5,123,464	\$5,362,413	\$5,524,976
<b>Solid Waste:</b>				
MSW	N/A	21,156.66	16,569.64	18,892.43
C & D	N/A	4,504.46	4,696.93	3,093.92
Tires	N/A	587.47	690.71	782.54
Oil	N/A	12,267.00	9,983.00	12,760.00
Mixed Recycle	N/A	128.49	82.50	121.01
Glass	N/A	135.05	127.74	127.11
Cardboard	N/A	1,057.17	1,236.17	1,368.90
Plastics	N/A	54.07	77.30	66.23
Mixed Paper	N/A	245.71	249.83	264.97
Cans	N/A	32.37	34.14	33.31
<b>Water:</b>				
Residential Customers	5,529	5,542	5,568	5,933
Commerical Customers	85	90	90	97
Production	421,892,000	396,745,000	429,766,000	379,098,000
Residential Consumption	116,118,000	296,028,000	318,599,000	284,956,000
Commerical Consumption	54,712,000	96,552,000	100,827,000	99,726,000

Sources: Various County Departments

N/A - Not Available



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

2008	2009	2010	2011	2012	2013
343	310	331	356	298	336
2936	2379	2418	2404	2560	2306
2208	1823	2245	1980	2304	2183
65	72	71	76	73	73
78	82	80	80	75	83
6621	6394	6497	6525	6332	6137
\$5,774,649	\$5,954,184	\$6,078,335	\$6,122,099	\$6,005,674	\$5,913,960
17,317.30	20,740.14	21,401.27	22,234.40	22,828.02	21,256.50
2,770.54	2,684.83	2,355.02	1,751.70	2,087.54	1,787.94
780.65	816.07	766.17	738.58	595.00	579.23
6,866.00	11,143.00	6,582.00	9,088.00	10,489.00	8,531.00
75.99	99.14	114.14	112.82	107.68	112.47
119.89	133.32	144.61	137.50	161.14	140.98
749.71	655.02	468.35	441.72	474.23	254.26
62.93	72.37	165.53	87.89	73.04	60.95
207.14	220.29	222.88	202.70	184.85	174.97
27.65	34.22	35.96	34.48	29.06	26.14
6,051	6,167	6,279	6,363	6,460	6,541
104	103	100	110	115	115
438,808,000	518,408,000	520,255,000	526,945,000	541,992,000	551,092,000
331,190,000	343,252,000	339,377,000	341,565,000	334,186,000	333,657,000
150,314,000	139,930,000	150,791,000	141,698,000	160,345,000	162,608,000

Function/Program	2004	2005	2006	2007
<b>General Government:</b>				
Number of Buildings	9	9	9	9
Value of Buildings/contents	\$ 2,992,015	\$ 2,992,015	\$ 4,731,062	\$ 4,893,242
<b>Public Safety:</b>				
Number of patrol vehicles	70	74	79	69
Volunteer Fire Depts	20	24	24	24
Number of EMS stations	6	6	8	8
Number of ambulances	13	13	13	14
Number of jail beds	98	98	98	98
<b>Cultural &amp; Recreational:</b>				
Number of Parks	1	1	1	1
Number of libraries	6	6	6	6
<b>Enterprise Funds:</b>				
Solid Waste convenience sites	15	15	15	15
Number of Water Tanks	8	8	9	9
Number of Water pumping sites	12	12	13	13
Number of Transportation vehicles	24	24	19	16

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

Table 15

2008	2009	2010	2011	2012	2013
9	9	9	9	9	9
\$ 4,971,045	\$ 5,021,833	\$ 5,024,773	\$ 4,489,371	\$ 4,440,551	\$ 4,444,953
61	69	68	73	69	69
24	24	24	24	24	24
8	8	8	8	8	8
15	13	13	13	13	13
98	98	98	98	98	98
1	1	1	1	1	1
6	6	6	6	6	6
15	15	15	15	15	15
12	12	12	12	12	12
15	15	15	15	15	15
14	15	14	15	14	14

Compliance Section



**CRI** CARR  
RIGGS &  
INGRAM

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

To the Board of County Commissioners  
Duplin County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Duplin County, North Carolina's basic financial statements, and have issued our report thereon dated December 27, 2013

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Duplin County, North Carolina'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, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Duplin County, North Carolina's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Duplin County, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

La Grange, North Carolina  
December 27, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners  
Duplin County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Duplin County, North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Duplin County, North Carolina's major federal programs for the year ended June 30, 2013. Duplin County, North Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Duplin County, North Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Implementation Act*. Those standards, OMB Circular A-133, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Duplin County, North Carolina'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, North Carolina's compliance.

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

In our opinion, Duplin County, North Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal program is not modified with respect to this matter.

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

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

Management of Duplin County, North Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Duplin County, North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Duplin County, North Carolina'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.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-1 to be material weaknesses.

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



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

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

La Grange, North Carolina  
December 27, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Board of County Commissioners  
Duplin County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Duplin County, North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Duplin County, North Carolina's major state programs for the year ended June 30, 2013. Duplin County, North Carolina'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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Duplin County, North Carolina'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, OMB Circular A-133, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Duplin County, North Carolina'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, North Carolina's compliance.

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

In our opinion, Duplin County, North Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

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

Management of Duplin County, North Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Duplin County, North Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Duplin County, North Carolina'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 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 a 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

La Grange, North Carolina  
December 27, 2013

Duplin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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

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Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No

- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified?  Yes  No

- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to federal awards noted?  Yes  No

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Duplin County, North Carolina  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2013

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.778	Medical Assistance
93.575 93.596 93.558 93.667	} Subsidized Child Care Cluster
93.558	
93.558	Temporary Assistance for Needy Families

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

\$ 1,762,838

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

State Awards

Internal control over major state programs:

- Material weaknesses identified?             Yes                        X   No

- Significant deficiencies identified that are not considered to be material weaknesses?             Yes                        X   None reported

Noncompliance material to state awards noted?             Yes                        X   No

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?             Yes                        X   No

Duplin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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

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Identification of major state programs:

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Program Name

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State/County Special Assistance for Adults  
Public School Building Capital Fund  
State Aid to Airports Program

Duplin County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

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**Section II - Financial Statement Findings**

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None reported.

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

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U.S. Department of Health and Human Services  
Passed through the North Carolina Department of Health and Human Services  
Program Name: Subsidized Child Care Cluster  
CFDA Numbers: 93.575, 93.596, 93.558, 93.667

Finding: 2013-1

**Material Weakness**  
**Immaterial to Noncompliance**

Criteria: All individuals eligible to receive benefits have their benefits calculated based on a formula determined by the U.S. Department of Health and Human Services.

Condition: One benefit calculation used the incorrect percentage for the family size indicated on the application.

Question Costs: \$150. This is the amount of benefits overpaid during the year ended June 30, 2013.

Context: Twenty Five case files were examined and one contained an incorrect benefit calculation.

Effect: Individual received benefits in excess of the amount they were eligible to receive.

Cause: Failure to correctly calculate the amount of benefits the individual was eligible to receive.

Recommendation: Perform a timely review of all benefit calculations.

Views of Responsible Official and Planned Corrective Action: The County agrees with this finding. The incorrect calculation was corrected on July 9, 2013 and a Action Notice was sent to the parent to show the change.

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

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None reported.

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**Section II - Financial Statement Findings**

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None reported.

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

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Finding: 2013-1

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

Corrective action: The incorrect calculation was corrected on July 9, 2013. Going forward a timely review of all calculations will be performed.

Proposed Completion Date: July 9, 2013

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

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None reported.



Duplin County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2013

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Finding: 12-1 - Corrected

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<b><u>U.S. Department of Agriculture:</u></b>					
Food and Nutrition Service					
Passed through NC Department of Health and Human Services Division of Social Services:					
Administration:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		603,050	-	603,050
Passed through the NC Department of Health and Human Services Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		519,104	-	-
AGRI-SFP Food Program Meal	10.559		497	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		1,609,844	-	-
<b>Total U.S. Department of Agriculture</b>			<b>2,732,495</b>	<b>-</b>	<b>603,050</b>
<b><u>U.S. Institute of Museum and Library Services:</u></b>					
Passed through the NC Department of Cultural Resources:					
LSTA Planning Grant	45.310		11,000	-	-

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Environmental Protection Agency:</u></b>					
Passed through the NC Department of Environment and Natural Resources:					
Drinking Water State Revolving Funds	66.468		437,965	92,645	-
<b><u>U.S. Election Assistance Commission:</u></b>					
Passed through the NC Department of Administration - State Board of Elections					
2nd Primary and General Election Grant			7,507	-	-
HAVA Title I			24,060	-	-
<b>Total U.S. Election Assistance Commission</b>			<b>31,567</b>	<b>-</b>	<b>-</b>
<b><u>U.S. Department of Housing and Urban Development:</u></b>					
Passed through NC Department of Commerce:					
Community Development Block Grant - 09-C-1989	14.228		89,118	-	-
Community Development Block Grant - 11-C-2292	14.228		19,665	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>108,783</b>	<b>-</b>	<b>-</b>
<b><u>U.S. Department of Homeland Security:</u></b>					
Passed through NC Department of Public Safety:					
Homeland Security Grant Program	97.067		14,000	-	-
Emergency Management Performance Grants	97.042		35,499	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>49,499</b>	<b>-</b>	<b>-</b>

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Transportation:</u></b>					
Passed through the NC Department of Transportation:					
Formula Grants For Rural Areas	20.509		196,360	14,633	-
Airport Improvement Program	20.106		616,047	-	-
<b>Total U.S. Department of Transportation</b>			<b>812,407</b>	<b>14,633</b>	<b>-</b>
<b><u>U.S. Department of Health and Human Services:</u></b>					
Passed through the NC Department of Health and Human Services Division of Aging and Adult Services:					
Passed through the Eastern Carolina Council:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		56,455	3,321	6,642
Special Programs for the Aging - Title III C Nutrition Services	93.045		191,628	11,273	22,544
Nutrition Services Incentive Program	93.053		34,294	-	-
HCCBG - State	N/A		-	157,044	17,449
<b>Total Aging Cluster</b>			<b>282,377</b>	<b>171,638</b>	<b>46,635</b>
 Social Service Block Grant (SSBG) - In Home Services	 93.667		 8,581	 245	 981
 Passed through the NC Department of Health and Human Services Division of Public Health:					
Office of Population Affairs:					
Family Planning Services Title X	93.217		37,371		

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>					
<b><u>(continued):</u></b>					
Passed through the NC Department of Health and Human Services Division of Social Services:					
Administration for Children and Families:					
Family Preservation	93.556		3,025	-	-
Temporary Assistance for Needy Families (TANF)/Work First	93.558		958,570	-	268,647
Temporary Assistance for Needy Families TANF/Work First - Direct Benefit Payments	93.558		7,366	-	-
Child Support Enforcement	93.558		478,112	-	685
Child Support Enforcement	93.563		495,108	-	255,056
Low Income Home Energy Assistance:					
Crisis Intervention	93.568		406,114		
Administration	93.568		54,280		
Energy Assistance Payments	93.568		178,800		
Permanency Planning - Families for Kids	93.645		24,249	830	8,360
<b><u>Foster Care and Adoption Cluster:</u></b>					
Title IV-E Foster Care	93.658		68,076	-	68,076
Title IV-E CPS	93.658		131,284	44,420	86,865
Title IV-E Adoption	93.659		3,056	-	2,610
Adoption Assistance - Direct Benefit Payments	93.658		100,836	35,486	35,488
Foster Care - Direct Benefit Payments	93.659		164,278	43,592	44,451
<b>Total Foster Care and Adoption Cluster</b>			<b>467,530</b>	<b>123,498</b>	<b>237,490</b>

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>					
<b><u>(continued):</u></b>					
Social Services Block Grant (SSBG)	93.667		224,006	23,993	82,499
Adult Protective Services	93.667		21,997	-	7,332
Independent Living Grant	93.674		2,132	533	-
Independent Living Transitional - Direct Benefit Payment	93.674		1,400	-	-
<b><u>Subsidized Child Care Cluster:</u></b>					
Division of Social Services:					
Child Care Development Fund - Administration	93.596		102,291	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		947,349	-	-
Child Care and Development Fund - Mandatory	93.596		411,682	-	-
Child Care and Development Fund - Match	93.596		119,802	(1,096)	-
<b>Total Child Care Cluster</b>			<b>1,581,124</b>	<b>(1,096)</b>	<b>-</b>
Temporary Assistance for Needy Families	93.558		528,255	-	-
ARRA - Emergency Contingency Fund for Social Security Block Grant	93.667		9,742	-	-
Foster Care Title IV-E	93.658		22,661	10,967	-
State Appropriations	N/A		-	228,108	-
TANF-MOE	N/A		-	77,629	-
<b>Total Subsidized Child Care Cluster</b>			<b>2,141,782</b>	<b>315,608</b>	<b>-</b>

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013  
 Page 6 of 9

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>					
<b><u>(continued):</u></b>					
Passed through the NC Department of Health and Human Services Division of Medical Assistance:					
Medical Assistance Program - Direct Benefit Payments	93.778		47,424,057	26,770,776	36,063
Passed through the NC Department of Health and Human Services Division of Social Services:					
Medical Assistance Program Administration	93.778		1,024,744	37,832	889,009
State Children's Insurance Program - NC Health Choice	93.767		68,506	1,416	18,880
Centers for Disease Control and Prevention:					
Passed through the NC Department of Health and Human Services Division of Public Health:					
Public Health Emergency Preparedness	93.069		50,699	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		27,891	-	-
Immunization Grants	93.268		17,485	-	-
HIV Prevention Activities - Health Department Based	93.940		2,575	-	-
Statewide Health Promotion Program	93.991		9,640	-	-
Health Resources and Services Administration:					
Passed through the NC Department of Health and Human Services Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		159,167	119,389	-
<b>Total U.S. Department of Health and Human Services</b>			<b>54,577,564</b>	<b>27,565,758</b>	<b>1,851,637</b>

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Page 7 of 9

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b>State Awards:</b>					
<b><u>NC Department of Health and Human Services:</u></b>					
Division of Social Services:					
County Funded Programs			-		80,062
Energy Assistance Private GRA			-	5,599	-
Non-Allocating County COS			-	-	14,257
AFDC Incentive/Program Integrity			-	2,183	-
Direct Benefit Payments:					
Child Welfare Services Adoption Subsidy			-	72,904	8,124
State/County Special Assistance Domiciliary Care			-	597,020	597,020
SFHF Maximization			-	72,399	72,399
State Foster Home			-	33,283	33,283
Other local expenditures			-	-	1,125,463
<b>Total Division of Social Services</b>			-	<b>783,388</b>	<b>1,930,608</b>
Division of Public Health:					
Food and Lodging Fees			-	8,491	-
Environmental Health			-	4,000	-
Mosquito - Public Health Pesticide			-	4,336	-
General Aid to Counties			-	80,554	-
General Communicable Disease Control			-	4,440	-
Risk Reduction/Health Promotion			-	6,206	-
Interpreter Grant II			-	20,900	-
HWTF-Teen Tobacco			-	16,266	-
Women's Health Service Fund			-	8,618	-



Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>NC Department of Health and Human Services</u></b>					
<b><u>(continued):</u></b>					
Division of Public Health (continued):					
Tuberculosis			-	32,526	-
TB Medical Service			-	2,023	-
HWFT-Teen Tobacco Prevention			-	(3,138)	-
Healthy Communities			-	2,839	-
<b>Total Division of Public Health</b>			-	<b>188,061</b>	-
<b>Total NC Department of Health and Human Services</b>			-	<b>971,449</b>	<b>1,930,608</b>
<b><u>NC Department of Transportation:</u></b>					
Elderly and Disabled Transportation Assistance Program (EDTAP)		DOT-16CL	-	63,087	-
Rural Operating Assistance Program - Work First		DOT-16CL	-	23,707	-
Rural Operating Assistance Program - Rural General Public		DOT-16CL	-	76,010	-
Airport Commission - New Terminal		DOT-8	-	545,000	-
<b>Total NC Department of Transportation</b>			-	<b>707,804</b>	-
<b><u>NC Department of Environmental and Natural Resources:</u></b>					
Division of Waste Management:					
Scrap Tire Fund			-	14,481	-
Division of Water Resources:					
Grants - Bond Rate <75			-	14,949	-
<b>Total NC Department of Environmental and Natural Resources</b>			-	<b>29,430</b>	-

Duplin County, North Carolina  
 Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2013

Page 9 of 9

Grantor/Passthrough Grantor/Program Title	Federal CFDA Number	State/ Passthrough Grantor's Number	Federal (Direct & Passthrough) Expenditures	State Expenditures	Local Expenditures
<b><u>NC Department of Crime Control and Public Safety:</u></b>					
Office of Juvenile Justice:					
4-H Outreach			-	45,479	-
Parenting			-	36,433	-
Administration			-	875	-
Juvenile Court			-	7,500	-
Gang Awareness			-	9,754	-
Restitution/Teen Court			-	69,109	-
<b>Total NC Department of Crime Control and Public Safety</b>			-	169,150	-
<b><u>NC Department of Administration:</u></b>					
Division of Veterans Affairs:					
County Service			-	1,452	-
<b><u>NC Department of Public Instruction:</u></b>					
Public School Building Capital Fund			-	622,220	-
<b><u>NC Department of Agriculture:</u></b>					
Soil & Water			-	69,017	-
Tobacco Trust Fund			-	130,000	-
Agricultural Development and Farmland Preservation			-	86,000	-
<b>Total NC Department of Agriculture</b>			-	285,017	-
<b><u>NC Department of Cultural Resources:</u></b>					
Aid to Public Libraries			-	119,450	-
<b>Total Awards</b>			<b>58,761,280</b>	<b>30,579,008</b>	<b>4,385,295</b>

Notes to the Schedule of Expenditures of Federal and State Awards

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Duplin County, North Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included in this schedule.

**NOTE 2 – LOANS OUTSTANDING**

Duplin County, North Carolina had the following loan balances outstanding at June 30, 2013:

Description	Balance Outstanding
USDA Loan for Duplin Commons Facility	\$ 10,323,424
ARRA – Drinking Water Revolving Loan for Water District D	393,887

**NOTE 3 – SUBRECIPIENTS**

Of the federal and state expenditures presented in the schedule, Duplin County, North Carolina provided state awards to subrecipients as follows:

State Program Title	Subrecipient	State Expenditures
Public School Building Capital Fund	Duplin County Board of Education	\$ 622,220

**NOTE 4 – PROGRAM CLUSTERS**

The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Subsidized Child Care
- Foster Care and Adoption
- Aging