

Duplin County, North Carolina

**FINANCIAL STATEMENTS**

June 30, 2011

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Vice-Chairman

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**County Manager**

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**Finance Officer**

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## **FINANCIAL SECTION**

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## Independent Auditors' Report

To the Board of Commissioners  
Duplin County  
Kenansville, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Duplin County's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of Duplin County, North Carolina as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 28, 2011, on our consideration of Duplin County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Duplin County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. 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 statements, budgetary schedules, other schedules, and the accompanying schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pittard Perry & Crone, Inc.*

La Grange, North Carolina  
November 28, 2011

## 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 fiscal year ended June 30, 2011. 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 of Duplin County exceeded its liabilities at the close of the fiscal year by \$73,369,838, a increase of \$3,081,274 over the prior year. (*net assets*) (Exhibit 1)
- The governmental activities total net assets increased by \$3,588,211, primarily due to the County and local School Board resolution of the funding judgment that arose in a prior fiscal year.(Exhibit 2)
- As of the close of the current fiscal year, Duplin County's governmental funds reported combined ending fund balances of \$21,328,101, a decrease of \$982,391 in comparison with the prior year. (Exhibit 4). Approximately 16.24 percent of the total fund balance, or \$3,463,986, is available for spending at the government's discretion (*unassigned fund balance*). (Exhibit 3)
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,465,614, or 6.9 percent of total general fund expenditures and transfers for the fiscal year. (Exhibit 3 and 5)
- Duplin County's overall total debt decreased by \$5,256,865 (11.02%) during the current fiscal year. The key factor of this decrease was the County school system judgment reduction.
- Duplin County held the following bond ratings:

Moody's	A3
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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets 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 Assets 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 Assets 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 five agency funds - County Agency 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 36-55 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 benefits to its employees. Required supplementary information can be found on Exhibit A-1 and A-2 of this report.

### Duplin County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	\$ 31,072,986	\$ 31,463,478	\$ 8,496,759	\$ 7,075,600	\$ 39,569,745	\$ 38,539,078
Capital assets	20,593,381	21,838,588	53,133,145	55,990,443	73,726,526	77,829,031
Land and CIP	2,433,640	2,457,143	1,138,369	839,600	3,572,009	3,296,743
Total assets	54,100,007	55,759,209	62,768,273	63,905,643	116,868,280	119,664,852
Long-term liabilities	\$ 23,881,592	\$ 28,748,244	\$ 18,561,505	\$ 18,951,717	\$ 42,443,097	\$ 47,699,961
Other liabilities	609,870	990,631	445,475	685,696	1,055,345	1,676,327
Total liabilities	24,491,462	29,738,875	19,006,980	19,637,413	43,498,442	49,376,288
Net assets:						
Investment in capital assets, net of related debt	12,393,238	10,708,021	36,018,493	36,770,577	48,411,731	47,478,598
Restricted	8,197,122	-	1,265,805	1,347,008	9,462,927	1,347,008
Unrestricted	9,018,185	15,312,313	6,476,995	6,150,645	15,495,180	21,462,958
Total net assets	\$ 29,608,545	\$ 26,020,334	\$ 43,761,293	\$ 44,268,230	\$ 73,369,838	\$ 70,288,564

As noted earlier, net assets may serve as one useful indicator of a government's financial condition. The assets of Duplin County exceeded liabilities by \$73,369,838 as of June 30, 2011. The larger portion of Duplin County's net assets 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 assets:

Property taxes are a major source of revenue for the County. The overall collection rate for the current year taxes was 94.55 percent. The fiscal year 2011 tax rate was \$0.690 cents per \$100 valuation, which is well below the state legal limit of \$1.50.

#### Duplin County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 11,628,893	\$ 5,750,414	\$ 7,896,380	\$ 8,250,373	\$ 19,525,273	\$ 14,000,787
Operating grants and contributions	11,192,637	12,394,237	-	-	11,192,637	12,394,237
Capital grants and contributions	2,054,956	1,990,921	871,813	1,767,017	2,926,769	3,757,938
<b>General revenues:</b>						
Property taxes	26,669,740	26,925,485	-	-	26,669,740	26,925,485
Other taxes	7,756,128	6,650,275	-	-	7,756,128	6,650,275
Other	22,897	203,702	34,596	59,918	57,493	263,620
<b>Total revenues</b>	<b>59,325,251</b>	<b>53,915,034</b>	<b>8,802,789</b>	<b>10,077,308</b>	<b>68,128,040</b>	<b>63,992,342</b>
<b>Expenses:</b>						
General government	7,367,762	7,207,316	-	-	7,367,762	7,207,316
Public safety	14,687,927	14,561,356	-	-	14,687,927	14,561,356
Economic development	2,613,007	2,494,733	-	-	2,613,007	2,494,733
Human services	15,960,082	16,732,852	-	-	15,960,082	16,732,852
Environmental protection	536,068	723,221	-	-	536,068	723,221
Cultural and recreation	688,051	827,686	-	-	688,051	827,686
Education	11,580,259	15,585,786	-	-	11,580,259	15,585,786
Non-departmental	1,239,610	310,503	-	-	1,239,610	310,503
Interest on long-term debt	784,577	826,828	-	-	784,577	826,828
Solid waste	-	-	3,109,941	3,054,194	3,109,941	3,054,194
Water & sewer	-	-	4,196,653	4,255,842	4,196,653	4,255,842
Transportation	-	-	1,180,039	1,056,522	1,180,039	1,056,522
Airport	-	-	1,102,790	1,087,058	1,102,790	1,087,058
<b>Total expenses</b>	<b>55,457,343</b>	<b>59,270,281</b>	<b>9,589,423</b>	<b>9,453,616</b>	<b>65,046,766</b>	<b>68,723,897</b>
<b>Increase in net assets before transfers</b>	<b>3,867,908</b>	<b>(5,355,247)</b>	<b>(786,634)</b>	<b>623,692</b>	<b>3,081,274</b>	<b>(4,731,555)</b>
<b>Transfers</b>	<b>(279,697)</b>	<b>(409,632)</b>	<b>279,697</b>	<b>409,632</b>	<b>-</b>	<b>-</b>
<b>Increase in net assets</b>	<b>\$ 3,588,211</b>	<b>(5,764,879)</b>	<b>\$ (506,937)</b>	<b>\$ 1,033,324</b>	<b>\$ 3,081,274</b>	<b>\$ (4,731,555)</b>
<b>Net assets, beginning</b>	<b>26,020,334</b>	<b>31,785,213</b>	<b>44,268,230</b>	<b>43,234,906</b>	<b>70,288,564</b>	<b>75,020,119</b>
<b>Net assets, ending</b>	<b>\$ 29,608,545</b>	<b>\$ 26,020,334</b>	<b>\$ 43,761,293</b>	<b>\$ 44,268,230</b>	<b>\$ 73,369,838</b>	<b>\$ 70,288,564</b>

**Governmental activities.** Governmental activities increased the County's net assets by \$3,588,211 thereby accounting for 100% of the total addition to the net assets of Duplin County.

Operating grants funded \$11.2 million of Duplin County's governmental activities. Only property and motor vehicle taxes provided a higher source of revenue at \$26.7 million, while sales tax provided \$ 7.1 million in revenues.

**Business-type activities:** Business-type activities decreased Duplin County's net assets by \$506,937, representing the only decrease in the government's net assets.

Charges for services have remained constant 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 fiscal year, unassigned fund balance of the General Fund was \$3,465,614, while total fund balance was \$12,903,612. (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 6.94 percent of total General Fund expenditures, while total fund balance represents 25.84 percent of that same amount.

At June 30, 2011, the governmental funds of Duplin County reported a combined fund balance of \$21,328,101, a 4.4 percent decrease over June 30, 2010. (Exhibit 3).

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenues by \$4.9 million. The largest increases were restricted intergovernmental funds and sales and services revenues.

The actual operating revenues for the General Fund were less than the budgeted amounts by \$156,262, most of which is attributed to restricted intergovernmental revenues. (Exhibit 5)

**Proprietary Funds.** Duplin County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, several funds had unrestricted net assets. The Airport Fund amounted to \$540,661, Solid Waste Fund \$2,089,019, and those for the major Water Funds equaled \$2,646,366. The non-major funds of the County Water Fund, Albertson Water Fund, and the Transportation Development Fund had a combined total of unrestricted net assets of \$1,200,949. (Exhibit 6)

The total growth (deficit) in net assets for the funds was Airport Fund - \$(342,175), Solid Waste Fund - \$(142,757) and the major combined Water Funds of \$18,393 (Exhibit 7). The non-major funds had a combined decrease in net assets totaling \$40,398. The majority of the non-major fund's growth was in Albertson Water Fund with a total of \$101,331 (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, 2011, totals \$77,298,535 (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 E and G
- Construction activity in the capital projects fund

**Duplin County's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 2,433,640	\$ 2,457,143	\$ 1,138,369	\$ 839,600	\$ 3,572,009	\$ 3,296,743
Buildings improvements	24,801,981	25,022,679	57,223,886	56,852,178	82,025,867	81,874,857
Airport	-	-	10,681,139	10,834,580	10,681,139	10,834,580
Equipment	6,211,937	6,953,609	3,764,267	4,276,307	9,976,204	11,229,916
Vehicles	4,193,555	4,208,304	1,954,124	1,931,073	6,147,679	6,139,377
Subtotal	\$ 37,641,113	\$ 38,641,735	74,761,785	74,733,738	\$ 112,402,898	\$ 113,375,473
Less accumulated depreciation	14,614,092	14,346,004	20,490,271	19,250,703	35,104,363	33,596,707
Total	\$ 23,027,021	\$ 24,295,731	\$ 54,271,514	\$ 55,483,035	\$ 77,298,535	\$ 79,778,766

Additional information on the County's capital assets can be found in note 4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2011, Duplin County had total bonded debt outstanding of \$17,868,500, all of which is debt backed by the full faith, credit, and taxing power of the County.

**Duplin County's Outstanding Debt  
General Obligation Bonds**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 910,000	\$ 1,380,000	\$ 16,958,500	\$ 17,306,000	\$ 17,868,500	\$ 18,686,000

Duplin County's total bonded debt has decreased by \$817,500 (4.4 percent) during the past fiscal year. This decrease is due to scheduled principal payments of \$470,000 on hospital bonds and \$347,500 on water bonds.

As mentioned in the financial highlights section of this document, Duplin County maintains an A3 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 \$282,866,605.

Additional information regarding Duplin County's long-term debt can be found in Note 7 of this report.

**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 9.1% which is above the state average of 10.4%
- The assessed value of real and personal property increased by \$17,191,015 or 0.46%
- Our population of 58,505 (2010 Census) 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, 2012**

**Governmental Activities:** The County approved an original \$48.9 million general fund budget. This represents a slight decrease from the amended budget for FY 2011. The property rate for tax year FY2012 increased to \$0.71 per hundred dollar valuation.

**Business – type Activities:** The County has not budgeted any increase in its tipping fees in the solid waste fund. The water funds' rates remained at prior year amounts. The Transportation fund rate schedule for FY 2011-2011 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 crops as the primary cash crop. According to the North Carolina Department of Agriculture's 2011 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.

In 2009, the county's Economic Development Commission was reorganized and established a public / private partnership designed to supplement the county's development efforts. A foundation for industrial and business development was created and received 501(c)(3) tax exempt status in March 2011. The Economic Development Commission has identified 4 strategic markets as potential growth segments: Logistics and distribution, Alternative Energy Production, Food Processing and Defense.

In 2009, Expansion Solutions magazine named Duplin County in the top five in the nation for "Excellence in Logistics" for successfully recruiting, retaining and assisting growing business. The county-owned WestPark Industrial Park in Warsaw was named by the North Carolina Railroad Company of Raleigh as one of the "Best Large Industrial Sites" in 2010. Section A of WestPark is also a North Carolina Certified Industrial Site. This certification insures that a property has undergone rigorous testing and documentation to insure suitability for industrial development.

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. Other fuel crops such as industrial sweet potatoes and canola are being evaluated at the North Carolina State University Williamsdale Research farm 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.

Due to the county's geographic proximity to the military installations of Camp Lejeune, Seymour Johnson Air Force Base, New River Air Station and Cherry Point Air Station, Duplin County is strategically positioned to support projected military growth. The county is especially well positioned to support the North Carolina Military Growth Task Force's "Feed the Force" and "Fuel the Force" initiatives.

## **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 Assets**  
June 30, 2011

EXHIBIT 1

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 19,784,658	\$ 5,929,375	\$ 25,714,033
Receivables, net	10,227,066	1,374,722	11,601,788
Internal balances	120,000	(120,000)	-
Prepaid items	126,409	-	126,409
Inventory	<u>256,409</u>	<u>46,857</u>	<u>303,266</u>
Total current assets	30,514,542	7,230,954	37,745,496
Noncurrent assets:			
Restricted cash and cash equivalents	558,444	1,265,805	1,824,249
Capital assets:			
Land, improvements, and construction in progress	2,433,640	1,138,369	3,572,009
Other capital assets, net of depreciation	<u>20,593,381</u>	<u>53,133,145</u>	<u>73,726,526</u>
Total capital assets	<u>23,027,021</u>	<u>54,271,514</u>	<u>77,298,535</u>
Total noncurrent assets	<u>23,585,465</u>	<u>55,537,319</u>	<u>79,122,784</u>
Total assets	<u>54,100,007</u>	<u>62,768,273</u>	<u>116,868,280</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	494,184	152,558	646,742
Customer deposits	-	292,917	292,917
Unearned revenues	115,686	-	115,686
Long-term liabilities:			
Due within one year	2,111,481	478,497	2,589,978
Due in more than one year	<u>21,770,111</u>	<u>18,083,008</u>	<u>39,853,119</u>
Total liabilities	<u>24,491,462</u>	<u>19,006,980</u>	<u>43,498,442</u>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	12,393,238	36,018,493	48,411,731
Restricted	8,197,122	1,265,805	9,462,927
Unrestricted	<u>9,018,185</u>	<u>6,476,995</u>	<u>15,495,180</u>
Total net assets	<u>\$ 29,608,545</u>	<u>\$ 43,761,293</u>	<u>\$ 73,369,838</u>

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2011

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT</b>				
Governmental activities:				
General government	\$ 7,367,762	\$ 4,247,238	\$ 207,663	\$ -
Public safety	14,687,927	3,608,791	100,273	-
Economic and physical development	2,613,007	75,360	-	594,284
Human services	15,960,082	3,554,262	10,709,946	-
Environmental protection	536,068	69,975	44,727	-
Cultural and recreational	688,051	73,267	130,028	-
Education	11,580,259	-	-	1,460,672
Non-departmental	1,239,610	-	-	-
Interest on debt	<u>784,577</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total governmental activities	 <u>55,457,343</u>	 <u>11,628,893</u>	 <u>11,192,637</u>	 <u>2,054,956</u>
Business-type activities:				
Airport	1,102,790	507,905	-	120,779
Water and sewer	4,196,653	4,049,271	-	139,633
Transportation	1,180,039	502,920	-	484,943
Solid waste	<u>3,109,941</u>	<u>2,836,284</u>	<u>-</u>	<u>126,458</u>
Total business-type activities	<u>9,589,423</u>	<u>7,896,380</u>	<u>-</u>	<u>871,813</u>
Total primary government	<u>\$ 65,046,766</u>	<u>\$ 19,525,273</u>	<u>\$ 11,192,637</u>	<u>\$ 2,926,769</u>

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, special items, and transfers

Change in net assets

Net assets - beginning

Net assets - ending

EXHIBIT 2

<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-type</u>	
<u>Activities</u>	<u>Activities</u>	<u>Total</u>
\$ (2,912,861)	\$ -	\$ (2,912,861)
(10,978,863)	-	(10,978,863)
(1,943,363)	-	(1,943,363)
(1,695,874)	-	(1,695,874)
(421,366)	-	(421,366)
(484,756)	-	(484,756)
(10,119,587)	-	(10,119,587)
(1,239,610)	-	(1,239,610)
<u>(784,577)</u>	<u>-</u>	<u>(784,577)</u>
<u>(30,580,857)</u>	<u>-</u>	<u>(30,580,857)</u>
-	(474,106)	(474,106)
-	(7,749)	(7,749)
-	(192,176)	(192,176)
<u>-</u>	<u>(147,199)</u>	<u>(147,199)</u>
<u>-</u>	<u>(821,230)</u>	<u>(821,230)</u>
<u>(30,580,857)</u>	<u>(821,230)</u>	<u>(31,402,087)</u>
26,669,740	-	26,669,740
7,116,858	-	7,116,858
639,270	-	639,270
72,342	14,522	86,864
(49,445)	20,074	(29,371)
<u>(279,697)</u>	<u>279,697</u>	<u>-</u>
<u>34,169,068</u>	<u>314,293</u>	<u>34,483,361</u>
3,588,211	(506,937)	3,081,274
<u>26,020,334</u>	<u>44,268,230</u>	<u>70,288,564</u>
<u>\$ 29,608,545</u>	<u>\$ 43,761,293</u>	<u>\$ 73,369,838</u>

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2011

EXHIBIT 3

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 10,936,666	\$ 1,396,906	\$ 5,929,732	\$ 18,263,304
Receivables (net)				
Property taxes	2,364,011	-	66,028	2,430,039
Accounts	6,656,861	-	1,147,937	7,804,798
Intergovernmental	120,000	-	-	120,000
Due from other funds	1,664	-	1,086	2,750
Inventory	256,409	-	-	256,409
Restricted cash and investments	-	-	558,444	558,444
Total assets	<u>\$ 20,335,610</u>	<u>\$ 1,396,906</u>	<u>\$ 7,703,228</u>	<u>\$ 29,435,744</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 438,096	-	\$ 6,176	\$ 444,272
Deferred revenues	6,992,815	-	668,921	7,661,736
Due to other funds	1,087	-	548	1,635
Total liabilities	7,431,998	-	675,645	8,107,643
<b>Fund balances:</b>				
Nonspendable - inventories	256,409	-	-	256,409
<b>Restricted</b>				
Stabilization by State Statute	2,582,187	-	1,188,445	3,770,632
Register of Deeds	-	-	4,674	4,674
Federally Seized Assets	247,498	-	-	247,498
Grants/Projects	156,854	-	-	156,854
Health	384,048	-	-	384,048
Sheriff	42,423	-	-	42,423
Daycare	7,630	-	-	7,630
Schools	-	-	2,431,579	2,431,579
E-911	-	-	348,714	348,714
Tourism	-	-	244,626	244,626
<b>Committed</b>				
Capital Improvements	1,420,897	-	667,587	2,088,484
Tax Revaluation	-	-	558,444	558,444
Debt Service	-	906,886	-	906,886
Economic Development	-	-	941,860	941,860
Assigned - Subsequent Year's Expenditures	4,340,052	490,020	643,282	5,473,354
Unassigned	3,465,614	-	(1,628)	3,463,986
Total fund balances	<u>12,903,612</u>	<u>1,396,906</u>	<u>7,027,583</u>	<u>21,328,101</u>
Total liabilities and fund balances	<u>\$ 20,335,610</u>	<u>\$ 1,396,906</u>	<u>\$ 7,703,228</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	23,027,021
Bond issuance cost capitalized when bonds originally issued	126,409
Internal service fund activities to benefit governmental operations	1,462,557
Liabilities for earned but deferred revenues in fund statements.	7,546,049
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(23,881,592)</u>
Net assets of governmental activities	<u>\$ 29,608,545</u>

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Ad valorem taxes	\$ 25,586,214	\$ -	\$ 804,851	\$ 26,391,065
Local option sales taxes	5,080,588	-	2,036,270	7,116,858
Other taxes and licenses	4,555	-	634,715	639,270
Unrestricted intergovernmental	40,320	-	-	40,320
Restricted intergovernmental	10,596,425	-	868,603	11,465,028
Permits and fees	637,857	-	-	637,857
Sales and services	7,106,383	-	-	7,106,383
Investment earnings	20,286	3,092	48,188	71,566
Donations	-	-	281,573	281,573
Miscellaneous	118,937	-	169,704	288,641
Total revenues	49,191,566	3,092	4,843,904	54,038,561
<b>EXPENDITURES</b>				
Current:				
General government	5,425,239	-	1,766,676	7,191,915
Public safety	12,884,827	-	1,241,813	14,126,640
Economic and physical development	1,093,093	-	703,639	1,796,732
Human services	15,890,421	-	-	15,890,421
Cultural and recreational	639,411	-	-	639,411
Environmental protection	525,607	-	-	525,607
Capital projects	-	-	671,627	671,627
Non-departmental	302,078	-	-	302,078
Intergovernmental:				
Education	10,467,305	-	1,112,954	11,580,259
Debt service				
Principal retirement	-	1,974,780	-	1,974,780
Interest and fees	-	784,577	-	784,577
Total expenditures	47,227,981	2,759,357	5,496,709	55,484,047
Excess (deficiency) of revenues over expenditures	1,963,585	(2,756,265)	(652,805)	(1,445,486)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	26,689	-	-	26,689
Capital Contributions	-	1,460,672	-	1,460,672
Transfers from other funds	265,000	2,244,728	780,708	3,290,436
Transfers to other funds	(2,993,451)	-	(1,240,456)	(4,233,907)
Total other financing sources (uses)	(2,701,762)	3,705,400	(459,748)	543,890
Net change in fund balance	(738,177)	949,135	(1,112,553)	(901,595)
FUND BALANCES, beginning of year	13,722,585	447,771	8,140,136	22,310,492
Increase (decrease) in inventory	(80,796)	-	-	(80,796)
FUND BALANCES, end of year	<u>\$ 12,903,612</u>	<u>\$ 1,396,906</u>	<u>\$ 7,027,583</u>	<u>\$ 21,328,101</u>

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

Net changes in fund balances - total governmental funds	\$ (901,595)
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 outlay in the current period.	(903,935)
Basis in retired capital assets	(364,775)
Decrease in inventory	(80,796)
Internal service fund activities to benefit governmental operations	725,587
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenues	278,674
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.	
Compensated absences	(27,600)
OPEB obligation	(1,909,700)
Net pension obligation	(34,441)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>6,806,792</u>
Total changes in net assets of governmental activities	<u>\$ 3,588,211</u>

Duplin County, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual - Governmental Funds**  
 For the Fiscal Year Ended June 30, 2010

EXHIBIT 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 25,118,147	\$ 25,381,811	\$ 25,586,214	\$ 204,403
Local option sales taxes	4,136,088	4,931,532	5,080,588	149,055
Other taxes and licenses	4,555	4,555	4,555	-
Unrestricted intergovernmental	68,052	45,000	40,320	(4,680)
Restricted intergovernmental	10,877,007	11,020,792	10,596,426	(424,366)
Permits and fees	557,500	624,185	637,857	13,672
Sales and services	3,436,695	7,219,096	7,106,383	(112,713)
Investment earnings	33,500	19,200	18,706	(494)
Miscellaneous	<u>156,255</u>	<u>100,077</u>	<u>118,937</u>	<u>(18,860)</u>
<b>Total revenues</b>	<b>44,387,799</b>	<b>49,346,248</b>	<b>49,189,986</b>	<b>(156,262)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	4,246,585	5,658,678	5,425,239	233,440
Public safety	12,818,287	13,519,317	12,884,827	634,490
Environmental protection	616,918	627,001	525,607	101,394
Economic and physical development	1,756,921	1,195,027	1,093,093	101,934
Human services	15,952,688	17,030,795	15,890,421	1,140,374
Cultural and recreational	775,305	662,044	639,411	22,634
<b>Intergovernmental:</b>				
Education	9,864,335	10,467,305	10,467,305	-
<b>Non-departmental</b>	<u>748,343</u>	<u>337,971</u>	<u>302,078</u>	<u>35,893</u>
<b>Total expenditures</b>	<b><u>46,779,382</u></b>	<b><u>49,498,139</u></b>	<b><u>47,227,981</u></b>	<b><u>2,270,158</u></b>
Revenues over (under) expenditures	(2,391,583)	(151,891)	1,962,005	2,113,895
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	19,386	26,689	7,303
Transfers to other funds	<u>(603,634)</u>	<u>(2,831,574)</u>	<u>(2,775,696)</u>	<u>55,878</u>
<b>Total other financing uses</b>	<b><u>(603,634)</u></b>	<b><u>(2,812,187)</u></b>	<b><u>(2,749,007)</u></b>	<b><u>63,181</u></b>
Revenues and other financing sources under expenditures and other financing uses	(2,995,217)	(2,964,078)	(787,002)	2,177,076
Appropriated fund balance	<u>2,995,217</u>	<u>2,964,078</u>	<u>-</u>	<u>2,964,078</u>
Revenues, other financing sources and appropriated fund balance under expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	(787,002)	<u>\$ (787,002)</u>
<b>FUND BALANCES, beginning of year</b>			12,350,513	
Increase (decrease) in inventory			<u>(80,796)</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ 11,482,715</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes				
Investment earnings			1,580	
Transfers from General Fund			47,245	
Fund balance, beginning			<u>1,372,072</u>	
Fund balance, ending			<u>\$ 12,903,612</u>	

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2011

	MAJOR FUNDS			
	Airport Commission Fund	Solid Waste Fund	Water Fund- District B	Water Fund- District D
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 434,847	\$ 1,515,946	\$ 765,661	\$ 44,437
Accounts receivable (net)	127,960	803,478	57,153	68,090
Inventory	21,278	-	-	-
Due from other funds	-	-	2,951	-
Intergovernmental receivable	-	-	-	-
Total current assets	<u>584,085</u>	<u>2,319,424</u>	<u>825,765</u>	<u>112,527</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	1,068,652	-	-
Capital assets:				
Land, improvements, and construction in progress	556,451	216,348	56,500	51,500
Other capital assets, net of depreciation	<u>8,635,077</u>	<u>2,980,764</u>	<u>5,595,809</u>	<u>8,931,386</u>
Total capital assets	<u>9,191,528</u>	<u>3,197,112</u>	<u>5,652,309</u>	<u>8,982,886</u>
Total noncurrent assets	<u>9,191,528</u>	<u>4,265,764</u>	<u>5,652,309</u>	<u>8,982,886</u>
Total assets	<u>9,775,613</u>	<u>6,585,188</u>	<u>6,478,074</u>	<u>9,095,413</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	26,340	100,390	-	3,005
Customer deposits	-	-	45,625	49,125
Due to other funds	-	-	10,169	10,032
Intergovernmental payable	-	-	-	352,000
Capital lease obligation	-	-	-	-
Current portion of noncurrent liabilities	<u>39,657</u>	<u>-</u>	<u>53,500</u>	<u>107,725</u>
Total current liabilities	<u>65,997</u>	<u>100,390</u>	<u>109,294</u>	<u>521,887</u>
Noncurrent liabilities:				
Compensated absences payable	5,930	46,354	-	-
Long-term obligations	<u>330,787</u>	<u>83,661</u>	<u>1,926,500</u>	<u>4,230,050</u>
Total noncurrent liabilities	<u>336,717</u>	<u>130,015</u>	<u>1,926,500</u>	<u>4,230,050</u>
Total liabilities	<u>402,714</u>	<u>230,405</u>	<u>2,035,794</u>	<u>4,751,937</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,832,238	3,197,112	3,672,309	4,645,111
Restricted	-	1,068,652	-	-
Unrestricted	<u>540,661</u>	<u>2,089,019</u>	<u>769,971</u>	<u>(301,635)</u>
Total net assets	<u>\$ 9,372,899</u>	<u>\$ 6,354,783</u>	<u>\$ 4,442,280</u>	<u>\$ 4,343,476</u>

EXHIBIT 6

MAJOR FUNDS			NONMAJOR		Total Proprietary Funds	Internal Service Fund
Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds			
\$ 965,062	\$ 552,737	\$ 626,584	\$ 1,024,101	\$ 5,929,375	\$ 1,521,354	
79,890	108,388	64,948	64,814	1,374,722	139	
-	-	-	25,579	46,857	-	
-	-	704	59,728	63,383	-	
-	-	-	232,000	232,000	-	
<u>1,044,952</u>	<u>661,125</u>	<u>692,236</u>	<u>1,406,222</u>	<u>7,646,336</u>	<u>1,521,493</u>	
-	-	197,153	-	1,265,805	-	
2,412	139,440	55,068	60,650	1,138,369	-	
<u>5,855,202</u>	<u>8,272,560</u>	<u>5,956,609</u>	<u>6,905,738</u>	<u>53,133,145</u>	<u>-</u>	
<u>5,857,614</u>	<u>8,412,000</u>	<u>6,011,677</u>	<u>6,966,388</u>	<u>54,271,514</u>	<u>-</u>	
<u>5,857,614</u>	<u>8,412,000</u>	<u>6,208,830</u>	<u>6,966,388</u>	<u>55,537,319</u>	<u>-</u>	
<u>6,902,566</u>	<u>9,073,125</u>	<u>6,901,066</u>	<u>8,372,610</u>	<u>63,183,655</u>	<u>1,521,493</u>	
1,022	21,311	-	489	152,557	57,820	
52,656	59,451	49,250	36,809	292,916	-	
12,594	14,721	9,277	6,590	63,383	1,116	
-	-	-	-	352,000	-	
-	-	-	-	-	-	
<u>67,500</u>	<u>128,210</u>	<u>63,500</u>	<u>18,405</u>	<u>478,497</u>	<u>-</u>	
<u>133,772</u>	<u>223,693</u>	<u>122,027</u>	<u>62,293</u>	<u>1,339,353</u>	<u>58,936</u>	
-	-	-	55,415	107,699	-	
<u>3,649,500</u>	<u>4,572,380</u>	<u>2,874,000</u>	<u>308,431</u>	<u>17,975,309</u>	<u>-</u>	
<u>3,649,500</u>	<u>4,572,380</u>	<u>2,874,000</u>	<u>363,846</u>	<u>18,083,008</u>	<u>-</u>	
<u>3,783,272</u>	<u>4,796,073</u>	<u>2,996,027</u>	<u>426,139</u>	<u>19,422,361</u>	<u>58,936</u>	
2,140,614	3,711,410	3,074,177	6,745,522	36,018,493	-	
-	-	197,153	-	1,265,805	-	
<u>978,680</u>	<u>565,642</u>	<u>633,708</u>	<u>1,200,949</u>	<u>6,476,995</u>	<u>1,462,557</u>	
<u>\$ 3,119,294</u>	<u>\$ 4,277,052</u>	<u>\$ 3,905,038</u>	<u>\$ 7,946,471</u>	<u>\$ 43,761,293</u>	<u>\$ 1,462,557</u>	

The accompanying notes are an integral part of this financial statement

Duplin County, North Carolina  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2011

	MAJOR FUNDS			
	Airport Commission Fund	Solid Waste Fund	Water Fund- District B	Water Fund- District D
	OPERATING REVENUES:			
Water sales	\$ -	\$ -	\$ 533,307	\$ 485,291
Administration fees	-	-	-	-
Sales and rentals	507,905	159,118	-	-
Landfill fees	-	2,677,166	-	-
Miscellaneous	-	-	-	-
Charges for Services	-	-	-	-
Total operating revenues	<u>507,905</u>	<u>2,836,284</u>	<u>533,307</u>	<u>485,291</u>
OPERATING EXPENSES:				
Operating expenses	598,541	2,841,393	271,002	184,048
Depreciation	490,944	268,548	144,201	217,496
Total operating expenses	<u>1,089,485</u>	<u>3,109,941</u>	<u>415,203</u>	<u>401,544</u>
Operating income (loss)	(581,580)	(273,657)	118,104	83,747
NON-OPERATING REVENUES (EXPENSES)				
Investment earnings	492	5,672	944	188
Interest expense	(13,305)	-	(106,601)	(203,879)
Gain (loss) on disposal of assets	(4,070)	(2,042)	-	-
Miscellaneous	812	812	-	6,617
Total non-operating revenue (expense)	<u>(16,071)</u>	<u>4,442</u>	<u>(105,657)</u>	<u>(197,074)</u>
Income (loss) before transfers and capital contributions	(597,651)	(269,215)	12,447	(113,327)
Transfers in (out)	134,697	-	-	-
Capital contributions	<u>120,779</u>	<u>126,458</u>	<u>-</u>	<u>111,991</u>
Change in net assets	(342,175)	(142,757)	12,447	(1,336)
TOTAL NET ASSETS, beginning of year	<u>9,715,074</u>	<u>6,497,540</u>	<u>4,429,833</u>	<u>4,344,812</u>
TOTAL NET ASSETS, end of year	<u>\$ 9,372,899</u>	<u>\$ 6,354,783</u>	<u>\$ 4,442,280</u>	<u>\$ 4,343,476</u>

EXHIBIT 7

MAJOR FUNDS			NONMAJOR		Internal Service Fund
Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	
\$ 625,478	\$ 837,448	\$ 480,094	\$ 389,728	\$ 3,351,346	
-	-	-	649,288	649,288	-
-	-	-	-	667,023	-
-	-	-	-	2,677,166	-
-	-	-	48,637	48,637	-
-	-	-	502,920	502,920	3,884,653
625,478	837,448	480,094	1,590,573	7,896,380	3,884,653
321,042	371,228	189,720	1,953,533	6,730,507	3,823,616
155,301	212,296	148,611	323,812	1,961,209	-
476,343	583,524	338,331	2,277,345	8,691,716	3,823,616
149,135	253,924	141,763	(686,772)	(795,336)	61,037
1,196	772	789	4,469	14,522	776
(187,729)	(231,186)	(148,139)	(6,868)	(897,707)	-
(2,700)	-	-	2,606	(6,206)	-
1,742	-	73	16,224	26,280	-
(187,491)	(230,414)	(147,277)	16,431	(863,111)	776
(38,356)	23,510	(5,514)	(670,341)	(1,658,446)	61,813
-	-	-	145,000	279,697	663,774
6,151	21,491	-	484,943	871,813	-
(32,205)	45,001	(5,514)	(40,398)	(506,937)	725,587
3,151,499	4,232,051	3,910,552	7,986,869	44,268,230	736,970
\$ 3,119,294	\$ 4,277,052	\$ 3,905,038	\$ 7,946,471	\$ 43,761,293	\$ 1,462,557

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
**Statement of Cash Flows**  
**Proprietary Funds**  
For The Fiscal Year Ended June 30, 2011

	MAJOR FUNDS			
	Airport Commission Fund	Solid Waste Fund	Water Fund- District B	Water Fund- District D
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 398,478	\$ 2,773,761	\$ 529,979	\$ 822,852
Cash paid for goods and services	(421,010)	(1,807,397)	(271,002)	(527,684)
Cash paid to employees for services	(148,725)	(991,076)	-	-
Customer deposits - net	-	(200)	7,500	9,500
Net cash provided (used) by operating activities	(171,257)	(24,912)	266,477	304,668
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in (out)	134,697	-	-	-
Miscellaneous	812	812	-	6,617
Net cash provided (used) by non-capital financing activities	135,509	812	-	6,617
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	120,779	126,458	-	111,991
Due to (from) other funds	-	45	1,076	263
Proceeds from sale of fixed assets	-	-	-	-
Acquisition and construction of capital assets	(189,242)	(108,811)	-	(111,991)
Proceeds from issuance of debt	-	-	-	-
Principal paid on bond maturities and equipment contracts	(38,295)	-	(50,500)	(103,725)
Interest paid on bond maturities and equipment contracts	(13,305)	-	(106,601)	(203,879)
Net cash provided (used) by capital and related financing activities	(120,063)	17,692	(156,025)	(307,341)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	492	5,672	944	188
Net increase (decrease) in cash and cash equivalents	(155,319)	(736)	111,396	4,132
Cash and cash equivalents at beginning of year	590,166	2,585,334	654,265	40,305
Cash and cash equivalents at end of year	<u>\$ 434,847</u>	<u>\$ 2,584,598</u>	<u>\$ 765,661</u>	<u>\$ 44,437</u>

MAJOR FUNDS			NONMAJOR		
Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 624,651 (327,387)	\$ 823,251 (349,916)	\$ 475,566 (189,720)	\$ 1,647,965 (929,982)	\$ 8,096,503 (4,824,098)	\$ 3,885,964 (3,902,041)
-	-	-	(988,150)	(2,127,951)	-
<u>10,096</u>	<u>11,301</u>	<u>9,549</u>	<u>4,901</u>	<u>52,647</u>	<u>-</u>
307,360	484,636	295,395	(265,266)	1,197,101	(16,077)
-	-	-	145,000	279,697	663,774
<u>1,742</u>	<u>-</u>	<u>73</u>	<u>13,524</u>	<u>23,580</u>	<u>-</u>
1,742	-	73	158,524	303,277	663,774
6,151	21,491	-	484,943	871,813	-
1,749	(85)	2,163	(5,165)	46	1,007
-	-	-	8,053	8,053	-
(6,151)	(21,312)	(1,860)	(321,794)	(761,161)	-
-	-	-	-	-	-
(64,500)	(124,010)	(60,000)	(18,406)	(459,436)	-
<u>(187,729)</u>	<u>(231,186)</u>	<u>(148,139)</u>	<u>(6,868)</u>	<u>(897,707)</u>	<u>-</u>
(250,480)	(355,102)	(207,836)	140,763	(1,238,392)	1,007
<u>1,196</u>	<u>772</u>	<u>789</u>	<u>4,469</u>	<u>14,522</u>	<u>776</u>
59,818	130,306	88,421	38,490	276,508	649,480
<u>905,244</u>	<u>422,431</u>	<u>735,316</u>	<u>985,611</u>	<u>6,918,672</u>	<u>871,874</u>
<u>\$ 965,062</u>	<u>\$ 552,737</u>	<u>\$ 823,737</u>	<u>\$ 1,024,101</u>	<u>\$ 7,195,180</u>	<u>\$ 1,521,354</u>

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
**Statement of Cash Flows**  
**Proprietary Funds**  
For The Fiscal Year Ended June 30, 2011

	MAJOR FUNDS			
	Airport Commission Fund	Solid Waste Fund	Water Fund- District B	Water Fund- District D
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (581,580)	\$ (273,657)	\$ 118,104	\$ 83,747
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	490,944	268,548	144,201	217,496
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	(109,427)	(62,483)	(3,328)	337,561
(Increase) decrease in inventory	2,816	-	-	-
Increase (decrease) in accounts payable	20,263	15,318	-	(343,636)
Increase (decrease) in customer deposits	-	(200)	7,500	9,500
Increase (decrease) in OPEB obligation	3,793	28,450	-	-
Increase (decrease) in accrued vacation pay	1,934	(888)	-	-
Total adjustments	<u>410,323</u>	<u>248,745</u>	<u>148,373</u>	<u>220,921</u>
Net cash provided (used) by operating activities	<u>\$ (171,257)</u>	<u>\$ (24,912)</u>	<u>\$ 266,477</u>	<u>\$ 304,668</u>

MAJOR FUNDS			NONMAJOR		
Water Fund- District E	Water Fund- District F	Water Fund- District G	Other Proprietary Funds	Total	Internal Service Fund
\$ 149,135	\$ 253,924	\$ 141,763	\$ (686,772)	\$ (795,336)	\$ 61,037
155,301	212,296	148,611	323,812	1,961,209	-
(827)	(14,197)	(4,528)	57,306	200,077	1,311
-	-	-	(667)	2,149	-
(6,345)	21,312	-	219	(292,869)	(78,425)
10,096	11,301	9,549	4,901	52,647	-
-	-	-	36,037	68,280	-
-	-	-	(102)	944	-
<u>158,225</u>	<u>230,712</u>	<u>153,632</u>	<u>421,506</u>	<u>1,992,437</u>	<u>(77,114)</u>
<u>\$ 307,360</u>	<u>\$ 484,636</u>	<u>\$ 295,395</u>	<u>\$ (265,266)</u>	<u>\$ 1,197,101</u>	<u>\$ (16,077)</u>

The accompanying notes are an integral part of this statement

Duplin County, North Carolina  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

EXHIBIT 9

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	\$ 144,625
Intergovernmental receivable	<u>1,284</u>
Total assets	<u>145,909</u>
<b>Liabilities</b>	
Miscellaneous	137,999
Intergovernmental payable	<u>7,910</u>
	<u>145,909</u>
<b>Net assets</b>	<u><u>\$ -</u></u>

The accompanying notes are an intergral part of this statement

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

**NOTE 1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The County, which is governed by a 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 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.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Duplin County Water Districts as follows: Albertson County 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

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation**

*Government-wide Statements:* The statement of net assets 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.

Duplin County, North Carolina  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2011

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

*Debt Service Fund* This fund is used to account for the accumulation of resources for and the payment of debt principal, interest, and related costs of governmental activities.

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

The County reports the following major enterprise funds:

*Airport Commission Fund* This fund is used to account for the operations of the County airport.  
*Solid Waste Fund* This fund is used to account for the operations of County solid waste.  
*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 five 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; and 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.

*Nonmajor Funds* The County maintains twelve legally budgeted funds. The Fire District Fund, Revaluation Fund, Community Development Revolving Loan Fund, School Planning Allocation Fund, Emergency Telephone System Fund, CDBG Fund, County Trust Fund, Tourism Fund, and Automated Enhancement & Preservation Fund, are reported as nonmajor special revenue funds. The Industrial Expansion Capital Project Fund, Capital Project School Fund, and Capital Project JSCC Fund are reported as a nonmajor capital project funds. The Transportation Development Plan Fund, County Water Fund, and Albertson Water and Sewer Fund are reported as nonmajor enterprise funds.

### Measurement Focus, Basis of Accounting

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. 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 assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

### C. 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

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

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expenditures of any fund or that change functional appropriations by more than \$10,000. The County manager may move up to \$10,000 between line items appropriations and must provide a list of such changes to the Board at the next meeting. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget to cover that time until the annual ordinance can be adopted.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.
- June 1 The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Any encumbrances outstanding are reported as "reserved for encumbrances" in the fund balance section of the balance sheet and will be charged against the subsequent year's budget, or will be re-budgeted from fund balance in the subsequent year.

#### **D. Assets, Liabilities, and Fund Equity**

##### **1. 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.

##### **2. Cash and Cash Equivalents**

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

##### **3. 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.

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, 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, 2010.

**5. 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.

**6. 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.

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 fixed 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

**8. Long-term Obligations**

In the government-wide financial statements (Exhibit 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 assets.

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

**9. 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.

## **10. Net Assets/Fund Balances**

### **Net Assets**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets 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.

### **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 revenues 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 GS 159-18-22.

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

Restricted for Tourism -- portion of fund balance that is restricted by revenue source for tourism enhancement.

**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 Tax Revaluation -- portion of fund balance that can only be used for tax revaluation.

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

Duplin County, North Carolina  
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For The Fiscal Year Ended June 30, 2011

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.

**E. Reconciliation of Government-wide and Fund Financial Statements**

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$8,280,444 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 23,027,021
Prepaid bond issuance costs	126,409
Net assets in internal service funds used to benefit government activities	1,462,557
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	7,546,049
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:	
Bonds, leases, and installment financing	(16,995,100)
Law enforcement special separation allowance	(336,295)
Net OPEB obligation	(5,615,682)
Compensated absences	(934,515)
Total adjustment	\$ 8,280,444

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$4,489,807 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 553,797
Depreciation expense, the allocation of those assets over their useful lives, that is Recorded on the statement of activities but not in the fund statements.	(1,457,732)
	(903,935)

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Basis in retired assets	(364,775)
Change in inventory	(80,796)
Internal service activities to benefit governmental operations	725,587
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements (including issuance costs)	1,974,780
Amortization of bond premium	67,830
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.	
Differences in compensated absences accrued in the government-wide statements but not in the fund statements because they do not use current resources	(27,600)
Differences in net pension obligation accrued in the government-wide statements but not in the fund statements because they do not use current resources	(34,441)
OPEB obligation	(1,909,700)
Board of Education judgment	4,795,784
Amortization of bond issuance costs	(31,602)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the funds statements.	278,675
Total adjustment	\$ 4,489,807

**Note 2. Stewardship, Compliance, and Accountability**

**A. Deficit Fund Balance or Net Assets of Individual Funds**

For the fiscal year ended June 30, 2011, the Fire District Fund had a deficit fund balance of \$1,201 due to payouts to districts of deferred taxes for FY 2012. This will be remedied in the new fiscal year.

**Note 3. Detail Notes on All Funds**

**A. Assets**

**1. 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 undercollateralization, 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 County has no policy regarding custodial credit risk for deposits.

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.

At June 30, 2011 the carrying amount of the County's deposits was \$4,924,231 and the bank balance was \$3,158,458. Of the bank balance, \$500,000 was covered by federal depository insurance and \$2,658,458 was covered by collateral held under the Pooling Method.

At June 30, 2011 the County had \$6,205 in petty cash funds.

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

**2. 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, 2011, the County's investment balances consisted of \$22,752,471 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.

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the 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	Total
2007-2009	\$ 6,683,626
2010	3,365,688
	\$ 10,049,314

**3. Receivables**

Receivables at the government-wide level at June 30, 2011, were as follows:

	Accounts	Taxes	Due From Other Governments	Other	Total
Governmental Activities:					
General	\$ 7,844,105	\$ 3,463,099	\$ 226,497	\$ 7,910	\$ 11,541,611
Other Governmental	546,245	66,028	-	601,692	1,213,965
Total receivables	8,390,350	3,529,127	226,497	609,602	12,755,576
Allowance for doubtful accounts	1,421,651	1,099,088	-	-	2,520,739
Total governmental activities	\$ 6,968,699	\$ 2,430,039	\$ 226,497	\$ 609,602	\$ 10,234,837

	Accounts	Taxes	Due From Other Governments	Other	Total
Business-type Activities:					
Airport Commission Fund	\$ 127,960	\$ -	\$ -	\$ -	\$ 127,960
Solid Waste Fund	803,478	-	-	-	803,478
County Water Fund	2,918	-	-	-	2,918
Albertson Water-Sewer Fund	41,352	-	-	-	41,352
Water Fund – District B	57,153	-	-	-	57,153
Water Fund – District D	68,090	-	-	-	68,090
Water Fund – District E	79,890	-	-	-	79,890
Water Fund – District F	108,388	-	-	-	108,388
Water Fund – District G	64,948	-	-	-	64,948
Transportation Development Plan Fund	20,544	-	-	-	20,544
Allowance for doubtful accounts	-	-	-	-	-
Total business-type activities	\$ 1,374,722	\$ -	\$ -	\$ -	\$ 1,374,722

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

**4. Capital Assets**

Governmental capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land and construction in process	\$ 2,457,143	\$ -	\$ 23,503	\$ 2,433,640
Capital assets being depreciated:				
Buildings	25,022,679	-	220,698	24,801,981
Equipment	6,953,609	474,609	1,216,281	6,211,937
Vehicles and motor equipment	4,208,304	79,188	93,937	4,193,555
Total capital assets being depreciated:	36,184,592	553,797	1,530,916	35,207,473
Less accumulated depreciation for:				
Buildings	6,603,841	529,497	70,626	7,062,712
Equipment	4,594,094	416,033	803,835	4,206,292
Vehicles and motor equipment	3,148,069	512,202	315,183	3,345,088
Total accumulated depreciation	14,346,004	\$ 1,457,732	\$ 1,189,644	14,614,092
Total capital assets being depreciated, net	21,838,588			20,593,381
Governmental activity capital assets, net	\$ 24,295,731			\$ 23,027,021

Primary Government Depreciation Expense

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

General government	\$ 88,791
Human services	143,278
Economic and physical development	322,395
Environmental protection	10,461
Cultural and recreational	56,640
Public safety	836,167
Total depreciation expense	\$ 1,457,732

Business-type capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Water Funds Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 350,570	\$ 15,000	\$ -	\$ 365,570
Capital assets being depreciated:				
Buildings	1,220,269	-	-	1,220,269
Plant and distribution systems	49,857,749	312,793	-	50,170,542
Furniture & maintenance equip.	2,086,662	-	9,389	2,077,273
Vehicles	127,070	13,304	-	140,374
Total capital assets being depreciated:	53,291,750	326,097	9,389	53,608,458
Less accumulated depreciation for:				
Buildings	429,140	24,405	-	453,545
Plant and distribution systems	10,047,834	997,612	-	11,045,446
Furniture & maintenance equip.	804,388	43,735	7,243	840,880
Vehicles	92,494	12,069	-	104,563
Total accumulated depreciation	11,373,856	\$ 1,077,821	\$ 7,243	12,444,434
Total capital assets being depreciated, net	41,917,894			41,164,024
Water Funds Business-type capital assets, net	\$ 42,268,464			\$ 41,529,594

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**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Business-type 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.	1,663,180	108,811	583,088	1,188,903
Vehicles	1,191,799	-	7,050	1,184,749
Total capital assets being depreciated:	6,370,299	108,811	590,138	5,888,972
Less accumulated depreciation for:				
Buildings	356,030	53,287	-	409,317
Plant and distribution systems	684,473	34,550	-	719,023
Furniture & maintenance equip.	1,333,028	64,770	581,048	816,750
Vehicles	854,227	115,941	7,050	963,118
Total accumulated depreciation	3,227,758	\$ 268,548	\$ 588,098	2,908,208
Total capital assets being depreciated, net	3,142,541			2,980,764
<b>Solid Waste Business-type capital assets, net</b>	<b>\$ 3,358,889</b>			<b>\$ 3,197,112</b>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Airport Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 426,123	\$ 130,328	\$ -	\$ 556,451
Capital assets being depreciated:				
Buildings	2,258,840	58,915	-	2,317,755
Terminal and runways	10,681,139	-	-	10,681,139
Furniture & maintenance equip.	412,141	-	10,774	401,367
Vehicles	34,265	-	-	34,265
Total capital assets being depreciated:	13,386,385	58,915	10,774	13,434,526
Less accumulated depreciation for:				
Buildings	407,485	61,768	-	469,253
Terminal and runways	3,519,599	415,062	-	3,934,661
Furniture & maintenance equip.	357,849	12,784	6,703	363,930
Vehicles	30,275	1,330	-	31,605
Total accumulated depreciation	4,315,208	\$ 490,944	\$ 6,703	4,799,449
Total capital assets being depreciated, net	9,071,177			8,635,077
<b>Airport Business-type capital assets, net</b>	<b>\$ 9,497,300</b>			<b>\$ 9,191,528</b>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Transportation Business-type activities:</b>				
depreciated:				
Capital assets being depreciated:				
Furniture & maintenance equip.	\$ 114,324	\$ -	\$ 17,600	\$ 96,724
Vehicles	577,939	122,093	105,296	594,736
Total capital assets being depreciated:	692,263	122,093	122,896	691,460
Less accumulated depreciation for:				
Furniture & maintenance equip.	44,921	10,094	14,300	40,715
Vehicles	288,960	113,802	105,296	297,466
Total accumulated depreciation	333,881	\$ 123,896	\$ 119,596	338,181
Total capital assets being depreciated, net	358,382			353,279

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

**5. Construction Commitments**

The County has active construction projects at June 30, 2011. 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:

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>
Water Districts		
Water E		
ELJ, Inc	\$ 455,332	\$ 10,000
Albertson		
Skippers Well Drilling & Pump Service	574,034	199,505
Water D		
Herring-Rivenbark	733,836	55,679
Rosemary Community Sanitary Sewer		
State Utility Contractors, Inc.	220,836	5,130

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2011, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 435,448	\$ -	\$ 2,648	\$ 438,096
Other Governmental	6,177	-	-	6,177
Total governmental activities	<u>\$ 441,625</u>	<u>\$ -</u>	<u>\$ 2,648</u>	<u>\$ 444,273</u>
Business-type activities:				
Airport Commission Fund	\$ 26,340	-	-	\$ 26,340
Solid Waste Fund	100,390	-	-	100,390
County Water & Sewer Fund	181	-	-	181
Transportation Development Plan	308	-	-	308
Water Fund – District F	21,312	-	-	21,312
Water Fund – District E	1,022	-	-	1,022
Water Fund – District D	3,005	-	-	3,005
Total business-type activities	<u>\$ 152,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,558</u>

**2. Pension Plan Obligations**

**a. 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.

Duplin County, North Carolina  
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**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 6.47% and 6.41%, 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, 2011, 2010 and 2009 were \$890,561, \$848,457, and \$834,466, respectively. The contributions made by the County equaled the required contributions for each year.

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

**1. Plan Description**

Duplin County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. 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, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits and terminated plan members	10
Members entitled to but not yet receiving benefits	-
Active plan members	70
	77

**2. 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.

**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.

**3. 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 \$64,599 or 2.59% 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, 2010 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 payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 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	\$ 100,107
Interest on net pension obligation	15,093
Adjustment to annual required contribution	( 16,160)
Annual pension cost	99,040
Contributions made	64,599
Increase in net pension obligation	34,441
Net pension obligation beginning of year	301,854
Net pension obligation end of year	\$ 336,295

Duplin County, North Carolina  
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**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$73,034	86.38%	\$284,529
6/30/10	\$80,415	78.46%	\$301,854
6/30/11	\$99,040	65.23%	\$336,295

**4. Funded Status and Funding Progress**

As of December 31, 2010, the most recent valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$844,755, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$844,755.

The covered payroll (annual payroll of active employees covered by the plan) was \$2,498,560, and the ratio of the UAAL to the covered payroll was 33.81%.

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.

**c. 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, 2011 were \$275,569, which consisted of \$124,727 from the County and \$37,975 from the law enforcement officers. In addition, \$112,866 was contributed to the plan by employees who were not law enforcement officers and were ineligible for the County's five percent contribution.

**d. Deferred Compensation Plan**

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

**e. 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 who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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.

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*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 fiscal year ended June 30, 2011, the County's required and actual contributions were \$3,433.

**f. Other Post-employment Benefits (OPEB)**

*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, 2009, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers
Retirees and dependents receiving benefits	45	10
Active plan members	425	66
Total	472	80

*Funding Policy.* The Board of Commissioners established and may amend the contribution requirements of plan members. The County members pay an average of \$405 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.27% of annual covered payroll. For the current year, the County contributed \$171,051 or 1.05% 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, which is 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.

Annual required contribution	\$	2,069,253
Interest on net OPEB obligation		79,778
Annual OPEB cost (expense)		2,149,031
Contributions made		171,051
Increase in net OPEB obligation		1,977,980
Net OPEB obligation, beginning of year		3,838,487
Net OPEB obligation, end of year	\$	5,816,467

Duplin County, North Carolina  
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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$2,149,031	7.96%	\$5,816,467
2010	\$2,080,203	11.3%	\$3,838,487

*Funded Status and Funding Progress.* As of December 31, 2009, 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 \$15,354,246. The covered payroll (annual payroll of active employees covered by the plan) was \$16,355,315 and the ratio of the UAAL to the covered payroll was 84.6%. 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 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.

*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, 2009 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 10.5% and 5.00% annually. Both rates included a 3.75% 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 payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

**g. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. 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.

**4. Deferred / Unearned Revenues**

The balance in deferred / unearned revenue at year-end is comprised of the following:

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Taxes receivable, net (General)	\$ 2,364,014	\$ -
Taxes receivable, net (Special Revenue)	67,230	-
Accounts receivable, net (General)	4,513,115	-
Accounts receivable, net (Special Revenue)	601,691	-
Prepaid taxes not yet earned (General)	115,686	115,686
Total	\$ 7,661,736	\$ 115,686

Duplin County, North Carolina  
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**5. 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.

**6. Contingent Liabilities**

At June 30, 2011, 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.

**7. Long-Term Obligations**

**a. 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.

For Duplin County, annual debt service requirements to maturity for these certificates of participation including interest of \$514,000 for governmental activities are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,300,000	\$ 226,500
2013	1,360,000	160,000
2014	1,230,000	95,250
2015	1,290,000	32,250
Principal payments	5,180,000	
Total interest payments		\$ 514,000
Unamortized premium on refunding	271,317	
Total carrying value of debt	<u>\$ 5,451,317</u>	

**b. General Obligation Indebtedness**

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit and taxing power of the County. Duplin County Water Districts issues 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.

Duplin County, North Carolina  
**Notes to the Financial Statements**  
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The County's general obligation bonds payable at June 30, 2011 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$5,160,000 2002 Hospital Refunding Bonds due in annual principle installments with semi-annual interest payments through April , 2013 at 2.5% to 3.4% \$ 910,000

General obligation bonds serviced by the Water Districts:

\$2,524,000 1994 Water Fund – District B Bonds due in annual installments of \$25,500 to \$102,000 through June 1, 2034, with interest at 5.25% 1,980,000

\$5,284,100 1997 Water Fund – District F Bonds due in annual installments of \$54,500 to \$218,000 through 2037, with interest at 4.875% to 5.000% 4,427,500

\$3,501,000 1997 Water Fund – District G Bonds due in annual installments of \$36,500 to \$145,000 through 2037, with interest at 4.875% to 5.000% 2,937,500

\$4,650,000 1998 Water Fund – District D Bonds due in annual installments of \$49,000 to \$196,000 through 2037 with interest at 4.875% 3,896,500

\$4,198,000 Water Fund – District E Bonds due in annual installments of \$44,500 to \$192,000 through 2040 with interest at rates of 4.75% to 5.125% 3,717,000

Total \$ 17,868,500

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	460,000	30,020	365,200	842,149
2013	450,000	15,300	382,200	823,983
2014	-	-	401,200	804,971
2015	-	-	420,000	785,015
2016	-	-	440,200	764,122
2017-2021	-	-	2,545,400	3,469,955
2022-2026	-	-	3,228,600	2,771,261
2027-2031	-	-	3,928,200	1,888,026
2032-2036	-	-	3,975,500	888,403
2037-2040	-	-	1,272,000	125,270
<b>Total</b>	<b>\$ 910,000</b>	<b>\$ 45,320</b>	<b>\$ 16,958,500</b>	<b>\$ 13,163,155</b>

As June 30, 2011, Duplin County had a legal debt margin of \$282,866,605.

**c. 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 the 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.

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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.	\$	10,610,818
\$619,965 RBC Bank loan issued in 2006 for purchase of ambulances, annual payments through 2011, including interest at 3.8% per annum.		22,965
Total serviced by governmental activities	\$	10,633,783

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		359,290
\$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%		52,500
\$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%		220,590
\$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%		220,866
\$464,500 ARRA revolving loan for Water District D system improvements, issued in 2010, annual payments through 2030, including interest at 0.0%		441,275
Total serviced by business-type activities	\$	1,294,521

For Duplin County, the following summarizes the annual requirements for notes payable, including interest of \$9,622,316 for governmental activities and \$129,437 for business-type activities:

<u>Year Ending June 30,</u>	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	163,539	437,805	113,097	25,529
2013	146,372	431,898	114,708	22,737
2014	152,410	425,860	116,169	19,895
2015	158,697	419,573	117,681	17,001
2016	165,244	413,026	119,248	14,053
2017-2021	934,262	1,957,088	467,782	28,637
2022-2026	1,143,519	1,747,831	152,936	1,585
2027-2031	1,399,647	1,491,703	92,900	-
2032-2036	1,709,145	1,178,205	-	-
2037-2041	2,096,857	794,493	-	-
2042-2045	2,564,091	324,834	-	-
Total	\$ 10,633,783	\$ 9,622,316	\$ 1,294,521	\$ 129,437

Duplin County, North Carolina  
**Notes to the Financial Statements**  
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**d. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2010:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion of Balance
<b>Governmental activities:</b>					
General obligation debt	\$ 1,380,000	\$ -	\$ 470,000	\$ 910,000	\$ 460,000
Certificates of Participation	6,754,147	-	1,302,830	5,451,317	1,300,000
Notes Payable	10,903,563	-	269,780	10,633,783	163,539
BOE judgment	4,795,784	-	4,795,784	-	-
OPEB obligations	3,705,982	1,909,700	-	5,615,682	-
Compensated absences	906,915	27,600	-	934,515	187,942
Net pension obligation (LEO)	301,854	34,441	-	336,295	-
<b>Total governmental activities</b>	<b>\$ 28,748,245</b>	<b>\$ 1,971,741</b>	<b>\$ 6,838,394</b>	<b>\$ 23,881,592</b>	<b>2,111,481</b>
<b>Water Operations Business-type activities:</b>					
General obligation debt	\$ 17,306,000	\$ -	\$ 347,500	\$ 16,958,500	\$ 365,200
Notes Payable	1,008,872	-	73,641	935,231	73,640
OPEB obligations	47,849	24,657	-	72,506	-
Compensated absences	31,522	-	3,307	28,215	-
<b>Total water operations business-type activities</b>	<b>\$ 18,394,243</b>	<b>\$ 24,657</b>	<b>\$ 424,448</b>	<b>\$ 17,994,452</b>	<b>\$ 438,840</b>
<b>Airport Operations Business-type activities:</b>					
Notes Payable	\$ 397,585	\$ -	\$ 38,295	\$ 359,290	\$ 39,657
OPEB obligations	7,361	3,793	-	11,154	-
Compensated absences	3,996	1,934	-	5,930	-
<b>Total airport operations business-type activities</b>	<b>\$ 408,942</b>	<b>\$ 5,727</b>	<b>\$ 38,295</b>	<b>\$ 376,374</b>	<b>\$ 39,657</b>
<b>Solid Waste Operations Business-type activities:</b>					
OPEB obligations	\$ 55,211	\$ 28,450	\$ -	\$ 83,661	\$ -
Compensated absences	47,242	-	888	46,354	-
<b>Total solid waste operations business-type activities</b>	<b>\$ 102,453</b>	<b>\$ 28,450</b>	<b>\$ 888</b>	<b>\$ 130,015</b>	<b>\$ -</b>
<b>Transportation Operations Business-type activities:</b>					
OPEB obligations	\$ 22,084	\$ 11,380	\$ -	\$ 33,464	\$ -
Compensated absences	23,995	3,205	-	27,200	-
<b>Total transportation operations business-type activities</b>	<b>\$ 46,079</b>	<b>\$ 14,585</b>	<b>\$ -</b>	<b>\$ 60,664</b>	<b>\$ -</b>

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

Duplin County, North Carolina  
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**e. Conduit Debt Obligations**

Duplin County Industrial Facility and Pollution Control Financing Authority has 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. Neither 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, 2011, there were no industrial revenue bonds outstanding.

**8. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2011, consist of the following:

From the General Fund to the Automation Enhancement and Preservation Fund to aid in the automation and preservation of County records	\$ 19,330
From the General Fund to the Hospital Insurance Fund to assist in employee health coverage	663,774
From the General Fund to the Debt Service Fund for the payment of debt	1,004,272
From the General Fund to the Community Development Fund to assist in developmental activities	9,146
From the General Fund to the Capital Project Fund for capital expenditures	534,477
From the Capital Reserve Fund to the Emergency Telephone System Fund to assist in E911 service expansion	70,504
From the General Fund to the Capital Reserve Fund for capital expenditures	265,000
From the School Capital Project Fund to the Debt Service Fund for the payment of debt	1,240,456
From the Capital Reserve Fund to the Capital Project Fund for project cost	147,251
From the General Fund to the Transportation Development Plan Fund to assist in county transportation services	145,000
From the General Fund to Airport Commission Fund to aid in the operations of the airport	134,697
	<u>\$ 4,233,907</u>

Interfund loans outstanding at June 30, 2011 consists of the following:

Due to County Water Fund from Water District D for assistance with capital improvements	\$ 232,000
Due to General Fund from Water District D for assistance with capital improvements	120,000
	<u>\$ 352,000</u>

The composition of interfund balances as of June 30, 2011 for operating loans are as follows:

Due to General Fund from Tourism Fund	\$ 548
Due to General Fund from Hospital Insurance Fund	1,116
Due to Emergency Telephone Fund from General Fund	1,087
Due to Water District B from Albertson Water District	643
Due to Water District B from Water District D	398
Due to Water District B from Water District E	1,652
Due to Water District B from Water District F	258
Due to Water District G from Water District F	704
Due to County Water District From Albertson Water District	5,947
Due to County Water District From Water District B	10,169
Due to County Water District From Water District D	9,634
Due to County Water District From Water District E	10,942
Due to County Water District From Water District F	13,759
Due to County Water District From Water District G	9,277
	<u>\$ 66,134</u>

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

**9. 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	\$ 12,903,612
Less:	
Inventories	256,409
Stabilization by State Statute	2,582,187
Appropriated Fund Balance in 2012 budget	4,340,052
Federally Seized Assets	247,498
Grants/Projects	156,854
Health Programs	384,048
Sheriff	42,423
Daycare	7,630
Capital Improvements	1,420,897
Remaining Fund Balance	<u>\$ 3,465,614</u>

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

Encumbrances:	
General Fund	\$ 316,779
Nonmajor Funds	
Emergency Telephone System Fund	640,857
Tourism Fund	257
Total	<u>\$ 957,893</u>

**NOTE 4. 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 5. 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 fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for Eastpointe can be obtained from their office in Beulaville, N. C.

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

Duplin County, North Carolina  
**Notes to the Financial Statements**  
For The Fiscal Year Ended June 30, 2011

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, 2011. 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, 2011. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 11 South, Kenansville, N. C.

**NOTE 6. 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.

	Federal	State
Medicaid	\$ 47,955,028	\$ 19,243,141
Food stamps	13,067,901	-
WIC	1,482,194	-
Independent Living Transitional/Lin	3,556	-
IV-E Adopt Subsidy & Vendor	171,707	38,599
IV-E Admin County Paid to CCI	28,050	14,025
IV-E Foster Care	89,988	20,029
IV-E Foster Care in Excess	48,550	10,640
Energy Assistance Payment	414,136	-
Special Children Adoption	7,200	-
TANF Payments & Penalties	635,925	4
CWS Adopt Subsidy & Vendor	-	78,778
Foster Care Special Provision	-	15,064
SC/SA Domiciliary Care Payment	-	648,542
SFHF Maximization	-	34,819
State Foster Home	-	24,805

**NOTE 7 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 8 Board of Education Judgment**

During a prior fiscal year, the Duplin County Board of Education brought suit against Duplin County for additional funding for operating and capital need purposes for the local school system. This lawsuit went to trial and then appeals. Final resolution of the matter was handed down during the fiscal year ended June 30, 2010, resulting in a judgment against Duplin County for \$4,795,784, which was shown as a governmental activities debt at June 30, 2010. During the fiscal year ended June 30, 2011, the County and the Board of Education were able to resolve the matter. Accordingly, the liability has been removed from the governmental activities debt schedule and is shown as a reconciling item in Note 1(E).

**NOTE 9. Hospital Debt**

During the fiscal year ended June 30, 2011, the County received a lump sum contribution of \$1,460,672 from the organization operating the local hospital. The funds are to be used to pay down the remaining hospital debt as it matures. At June 30, 2011, these funds have been shown as committed to debt service in the accompanying financial schedules.

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

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- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contribution for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Post-Employment Health Benefit Obligation
- Schedule of Employer Contribution for the Post-Employment Health Benefit Obligation
- Notes to the Required Schedules for the Post-Employment Health Benefit Obligation

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)
12/31/2000	-	\$ 298,806	\$ 298,806	0%	\$ 1,210,673	24.68%
12/31/2001	-	341,711	341,711	0%	1,475,552	23.16%
12/31/2002	-	374,811	374,811	0%	1,600,004	23.43%
12/31/2003	-	389,820	389,820	0%	1,629,259	23.93%
12/31/2004	-	509,105	509,105	0%	1,894,047	26.88%
12/31/2005	-	571,196	571,196	0%	1,960,407	29.14%
12/31/2006	-	647,268	647,268	0%	2,166,292	29.88%
12/31/2007	-	645,188	645,188	0%	2,270,503	28.42%
12/31/2008	-	671,035	671,035	0%	2,457,408	27.31%
12/31/2009	-	857,488	857,488	0%	2,468,019	34.74%
12/31/2010	-	844,755	844,755	0%	2,498,560	33.81%

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%

\* 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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 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  
**Post-Employment 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 Credit ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a % of Covered Payroll (( b-a)/c)
12/31/2007	\$ -	\$ 17,816,843	\$ 17,816,843	0.00%	\$ 16,326,767	109.10%
12/31/2009	-	15,354,246	15,354,246	0.00%	16,355,315	93.90%

**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%

**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	12/31/09
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*	11% and 5%
* Includes inflation at	3.75%

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS SECTION**

## **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, 2011

Exhibit B-1

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 9,515,769	\$ 1,420,897	\$ 10,936,666
Taxes receivable	2,364,011	-	2,364,011
Accounts receivable	6,656,861	-	6,656,861
Due from other funds	1,664	-	1,664
Inventory	256,409	-	256,409
Intergovernmental receivables	<u>120,000</u>	<u>-</u>	<u>120,000</u>
 Total assets	 <u>\$ 18,914,713</u>	 <u>\$ 1,420,897</u>	 <u>\$ 20,335,610</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 1,087	\$ -	1,087
Accounts payable	438,096	-	438,096
Deferred revenues	<u>6,992,815</u>	<u>-</u>	<u>6,992,815</u>
Total liabilities	<u>7,431,998</u>	<u>-</u>	<u>7,431,998</u>
 <b>Fund balances</b>			
Nonspendable - inventories	256,409	-	256,409
Restricted for Encumbrances	316,779	-	316,779
Restricted by State Statute	2,265,408	-	2,265,408
Restricted for Federally Seized Assets	247,498	-	247,498
Restricted for Health	384,048	-	384,048
Restricted for Grants	156,854	-	156,854
Restricted for Sheriff	42,423	-	42,423
Restricted for Daycare	7,630	-	7,630
Committed for Capital Improvements	-	1,420,897	1,420,897
Assigned for Subsequent Year's Expenditures	4,340,052	-	4,340,052
Unassigned	<u>3,465,614</u>	<u>-</u>	<u>3,465,614</u>
Total fund balances	<u>11,482,715</u>	<u>1,420,897</u>	<u>12,903,612</u>
 Total liabilities and fund balances	 <u>\$ 18,914,713</u>	 <u>\$ 1,420,897</u>	 <u>\$ 20,335,610</u>

Duplin County, North Carolina  
**GENERAL FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2011

Exhibit B-2

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 25,586,214	\$ -	\$ 25,586,214
Local option sales taxes	5,080,588	-	5,080,588
Other taxes and licenses	4,555	-	4,555
Unrestricted intergovernmental	40,320	-	40,320
Restricted intergovernmental	10,596,426	-	10,596,426
Permits and fees	637,857	-	637,857
Sales and services	7,106,383	-	7,106,383
Investment earnings	18,706	1,580	20,286
Miscellaneous	<u>118,937</u>	<u>-</u>	<u>118,937</u>
<b>Total revenues</b>	<u><b>49,189,986</b></u>	<u><b>1,580</b></u>	<u><b>49,191,566</b></u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	5,425,239	-	5,425,239
Public safety	12,884,827	-	12,884,827
Economic and physical development	1,093,093	-	1,093,093
Human services	15,890,421	-	15,890,421
Cultural and recreational	639,411	-	639,411
Environmental protection	525,607	-	525,607
Non-departmental	302,078	-	302,078
Education	<u>10,467,305</u>	<u>-</u>	<u>10,467,305</u>
<b>Total expenditures</b>	<u><b>47,227,981</b></u>	<u><b>-</b></u>	<u><b>47,227,981</b></u>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>1,962,005</b>	<b>1,580</b>	<b>1,963,585</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of assets	26,689	-	26,689
Transfers from other funds	-	265,000	265,000
Transfers to other funds	<u>(2,775,696)</u>	<u>(217,755)</u>	<u>(2,993,451)</u>
<b>Total other financing sources (uses)</b>	<u><b>(2,749,007)</b></u>	<u><b>47,245</b></u>	<u><b>(2,701,762)</b></u>
<b>Net change in fund balance</b>	<b>(787,002)</b>	<b>48,825</b>	<b>(738,177)</b>
<b>FUND BALANCES, beginning of year</b>	12,350,513	1,372,072	13,722,585
Increase (decrease) in inventory	<u>(80,796)</u>	<u>-</u>	<u>(80,796)</u>
<b>FUND BALANCES, end of year</b>	<u><b>\$ 11,482,715</b></u>	<u><b>\$ 1,420,897</b></u>	<u><b>\$ 12,903,612</b></u>

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 1 of 16

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues</b>			
Ad Valorem Taxes			
Taxes		\$ 25,202,078	
Penalties and interest		384,136	
Total	\$ 25,381,811	25,586,214	\$ 204,403
<b>Local Option Sales Taxes</b>			
Article 39 one percent	2,136,775	2,207,895	71,120
Article 40 one-half of one percent	1,679,833	1,728,034	48,201
Article 42 one-half of one percent	729,480	758,666	29,186
Article 44 one-half of one percent	-	(1,116)	(1,116)
Article 46 one-half of one percent	385,444	387,109	1,665
Total	4,931,532	5,080,588	149,056
<b>Other Taxes and Licenses</b>			
Privilege licenses	4,555	4,555	-
<b>Unrestricted Intergovernmental:</b>			
ABC profits (35%)	45,000	40,320	(4,680)
<b>Restricted Intergovernmental</b>			
Federal and state grants	10,392,347	10,101,195	(291,152)
ARRA Grants	312,454	169,752	(142,702)
NC Regional Community Health Grant	5,000	5,000	-
NC Center for Public Health Grant	1,750	1,750	-
Grants-Other	134,241	145,031	10,790
Court facility fees	160,000	162,178	2,178
ABC profits (10%)	15,000	11,520	(3,480)
Total	11,020,792	10,596,426	(424,366)
<b>Permits and Fees</b>			
Inspection fees	249,000	255,472	6,472
Fire inspection fees	19,425	19,800	375
Register of deeds	355,760	362,585	6,825
Total	624,185	637,857	13,672
<b>Sales and Services</b>			
Sheriff/Jail fees	220,759	232,246	11,487
Police protection/School resource officers	524,426	524,426	-
Ambulance and rescue squad fees	2,596,847	2,576,847	(20,000)
Other fees and services	3,756,904	3,652,704	(104,200)
Rents	120,160	120,160	-
Total	7,219,096	7,106,383	(112,713)

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 2 of 16

	2011		
	Budget	Actual	Variance Positive (Negative)
Revenues (continued)			
Investment Earnings	\$ 19,200	\$ 18,706	\$ (494)
Miscellaneous:			
In-kind	22,695	22,695	-
Various contributions	197	197	-
Other revenues	<u>77,185</u>	<u>96,045</u>	<u>18,860</u>
Total	<u>100,077</u>	<u>118,937</u>	<u>18,860</u>
Total revenues	<u>49,346,248</u>	<u>49,189,986</u>	<u>156,262</u>
Expenditures			
<u>General Government</u>			
Governing Body			
Salaries and employee benefits		71,843	
Other operating expenditures		172,314	
Capital outlay		<u>337</u>	
Total		244,494	
County Manager			
Salaries and employee benefits		165,048	
Other operating expenditures		<u>2,955</u>	
Total		168,003	
Personnel			
Salaries and employee benefits		96,745	
Other operating expenditures		<u>4,670</u>	
Total		101,415	
Finance			
Salaries and employee benefits		373,786	
Other operating expenditures		<u>25,057</u>	
Total		398,843	
Information Technology			
Salaries and employee benefits		323,961	
Other operating expenditures		23,398	
Capital outlay		<u>15,608</u>	
Total		362,967	
Elections			
Salaries and employee benefits		191,172	
Other operating expenditures		<u>43,594</u>	
Total		234,766	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 3 of 16

	2011		
	Budget	Actual	Variance Positive (Negative)
Tax Administration			
Salaries and employee benefits		\$ 701,350	
Other operating expenditures		<u>185,357</u>	
Total		886,707	
Central Supply purchases		1,319,413	
Register of Deeds			
Salaries and employee benefits		277,460	
Other operating expenditures		<u>147,901</u>	
Total		425,361	
Housekeeping			
Salaries and employee benefits		232,742	
Other operating expenditures		<u>11,179</u>	
Total		243,921	
Building Maintenance			
Salaries and employee benefits		359,798	
Other operating expenditures		<u>101,119</u>	
Total		460,917	
Garage			
Salaries and employee benefits		183,018	
Other operating expenditures		<u>18,670</u>	
Total		201,688	
Legal			
Salaries and employee benefits		152,792	
Other operating expenditures		<u>33,258</u>	
Total		186,050	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 4 of 16

	2011		
	Budget	Actual	Variance Positive (Negative)
<b>Court Facilities</b>			
Salaries and employee benefits		\$ 59,052	
Other operating expenditures		130,268	
Total		189,320	
<b>Jury commission</b>			
Other operating expenditures		1,374	
<b>Total General Government</b>	5,658,678	5,425,239	233,439
<b>Public Safety</b>			
<b>Sheriff</b>			
Salaries and employee benefits		2,558,779	
Other operating expenditures		616,617	
Capital outlay		159,774	
Total		3,335,170	
<b>Mental Health Transport</b>			
Salaries and employee benefits		21,842	
<b>Special Sep. Allowance</b>			
Salaries and employee benefits		74,411	
<b>Fingerprinting</b>			
Other operating expenditures		3,211	
<b>Communications</b>			
Salaries and employee benefits		930,352	
Other operating expenditures		89,139	
Total		1,019,491	
<b>Special Response Team</b>			
Other operating expenditures		18,600	
<b>School Resource Officer</b>			
Salaries and employee benefits		408,868	
Other operating expenditures		31,382	
Total		440,250	
<b>Adult Probation</b>			
Other operating expenditures		3,139	

Duplin County, North Carolina  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 5 of 16

	2011		Variance Positive (Negative)
	Budget	Actual	
Federally Seized Assets			
Customs and Borders		-	
Tobacco and Firearms		-	
IRS		-	
Justice and Treasury			
Other operating expenditures		9,384	
Capital outlay		<u>30,748</u>	
Total		40,132	
Jail			
Salaries and employee benefits		1,257,465	
Other operating expenditures		<u>655,212</u>	
Total		1,912,677	
CJP Grant			
Other operating expenditures		74,631	
Emergency Management			
Salaries and employee benefits		133,150	
Other operating expenditures		34,963	
Capital outlay		<u>4,797</u>	
Total		172,910	
Concealed Handguns		6,825	
DOJ 2009 Alien Grant		7,132	
DOJ 2010 Alien Grant		2,727	
Emergency Medical Services			
Salaries and employee benefits		3,463,786	
Other operating expenditures		580,688	
Contribution to rescue squads		33,600	
Capital outlay		<u>17,614</u>	
Total		4,095,688	
Fire Marshall			
Salaries and employee benefits		110,110	
Contracted services		943,117	
Operating expenditures		18,076	
Capital outlay		<u>3,342</u>	
Total		1,074,645	
Faison Substation			
Salaries and employee benefits		134,246	
Operating expenditures		<u>17,853</u>	
Total		152,099	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
Page 6 of 16

	2011		
	Budget	Actual	Variance Positive (Negative)
<b>Building Inspections</b>			
Salaries and employee benefits		164,902	
Other operating expenditures		20,640	
Total		185,542	
<b>Medical Examiner</b>			
Contracted services		8,800	
<b>JSCC Resource Officers</b>			
Salaries and employee benefits		77,906	
Other operating expenditures		511	
Total		78,417	
<b>Animal Control</b>			
Salaries and employee benefits		100,910	
Other operating expenditures		38,328	
Capital outlay		17,250	
Total		156,488	
<b>Total public safety</b>	13,519,317	12,884,827	634,490
<b><u>Environmental Protection</u></b>			
NC Agriculture Development Grant		29,715	
<b>Soil Conservation</b>			
Salaries and employee benefits		258,562	
Operating expenditures		237,330	
Total		495,892	
<b>Total Environmental Protection</b>	627,001	525,607	101,394
<b><u>Economic and Physical Development</u></b>			
<b>Planning</b>			
Salaries and employee benefits		66,488	
Other operating expenditures		4,992	
Total		71,480	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
Central Plant - Duplin Commons			
Other operating expenditures		\$ 37,009	
Westpark Business Technology Center			
Other operating expenditures		27,874	
Event Center			
Salaries and employee benefits		111,248	
Other operating expenditures		<u>222,128</u>	
Total		333,376	
Economic Development			
Salaries and employee benefits		120,527	
Other operating expenditures		<u>90,853</u>	
Total		211,380	
N.C. Cooperative Extension Service			
Salaries and employee benefits		244	
Other operating expenditures		<u>274,929</u>	
Total		275,173	
N.C. Cooperative Extension - 4H Preventive Grant			
Salaries and employee benefits		15,540	
Other operating expenditures		<u>14,927</u>	
Total		30,467	
Industrial Park			
Other operating expenditures		14,907	
JCPC Parenting Grant			
Salaries and employee benefits		30,310	
Other operating expenditures		<u>8,221</u>	
Total		38,531	
JCPC Outreach Grant			
Salaries and employee benefits		29,881	
Other operating expenditures		<u>12,314</u>	
Total		42,195	
Farm Service Agency			
Other operating expenditures		<u>10,701</u>	
<u>Total Economic and Physical Development</u>	<u>\$ 1,195,027</u>	<u>\$ 1,093,093</u>	<u>\$ 101,934</u>

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Human Services</b>			
<b>Health</b>			
Salaries and employee benefits		2,879	
Other operating expenditures		<u>131,212</u>	
Total		134,091	
<b>Health Grant - UHS Excerise Equipment</b>			
Other operating expenditures		14,180	
<b>Health &amp; Wellness Grant</b>			
Salaries and employee benefits		85,298	
Other operating expenditures		<u>10,448</u>	
Total		95,746	
<b>Healthy Beginings</b>			
Salaries and employee benefits		74,617	
Other operating expenses		<u>2,797</u>	
Total		77,414	
<b>Environmental Health</b>			
Salaries and employee benefits		338,265	
Other operating expenditures		<u>25,528</u>	
Total		363,793	
<b>Food &amp; Lodging</b>			
Salaries and employee benefits		12,351	
Other operating expenditures		<u>933</u>	
Total		13,284	
<b>Communicable Diseases</b>			
Salaries and employee benefits		74,718	
Other operating expenditures		<u>17,427</u>	
Total		92,145	
<b>Immunization Action Plan</b>			
Salaries and employee benefits		63,812	
Other operating expenditures		<u>80,818</u>	
Total		144,630	
<b>Smart Start Child Health</b>			
Salaries and employee benefits		69,818	
Other operating expenditures		<u>3,884</u>	
Total		73,702	

Duplin County, North Carolina  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
<b>WIC</b>			
Salaries and employee benefits		6,503	
Other operating expenditures		<u>200</u>	
Total		6,703	
<b>WIC Nutrition</b>			
Salaries and employee benefits		111,406	
<b>WIC Breastfeeding</b>			
Salaries and employee benefits		9,025	
Other operating expenditures		<u>2,532</u>	
Total		11,557	
<b>WIC Client Services</b>			
Salaries and employee benefits		269,937	
Other operating expenditures		100,004	
Capital outlay		<u>438</u>	
Total		370,379	
<b>Dental Program</b>			
Salaries and employee benefits		59,642	
Other operating expenditures		<u>125,697</u>	
Total		185,339	
<b>Closing the Gap</b>			
Salaries and employee benefits		45,842	
Other operating expenditures		<u>5,434</u>	
Total		51,276	
<b>Safe Kids Grant</b>			
Operating expenditures		9,894	
<b>Bio-Terrorism</b>			
Salaries and employee benefits		12,519	
Other operating expenditures		41,331	
Capital outlay		<u>-</u>	
Total		53,850	
<b>TB</b>			
Salaries and employee benefits		42,604	
Other operating expenditures		<u>14,676</u>	
Total		57,280	
<b>CDC TB</b>			
Salaries and employee benefits		32,821	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
March of Dimes-Centering Pregnancy			
Other operating expenditures		2,690	
Primary Care			
Salaries and employee benefits		500,312	
Other operating expenditures		<u>115,858</u>	
Total		616,170	
Community Health Promotion			
Salaries and employee benefits		44,564	
Other operating expenditures		<u>6,785</u>	
Total		51,349	
Pregnancy Care - Non Medicaid			
Salaries and employee benefits		70,155	
Other operating expenditures		<u>2,002</u>	
Total		72,157	
Maternal Health			
Salaries and employee benefits		277,036	
Other operating expenditures		<u>75,254</u>	
Total		352,290	
Family Planning			
Salaries and employee benefits		213,322	
Other operating expenditures		<u>102,444</u>	
Total		315,766	
Child Health			
Salaries and employee benefits		298,151	
Other operating expenditures		<u>20,497</u>	
Total		318,648	
Interpreter Grant			
Salaries and employee benefits		17,840	
Child Service Co-ord.			
Salaries and employee benefits		79,894	
Other operating expenditures		<u>6,194</u>	
Total		86,088	
Social Services			
Salaries and employee benefits		4,897,799	
Other operating expenditures		427,146	
Capital outlay		<u>7,213</u>	
Total		5,332,158	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	<u>2011</u>		Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Social Services Bldg Expense			
Salaries and employee benefits		31,157	
Other operating expenditures		165,438	
Capital outlay		<u>17,889</u>	
Total		214,484	
Adult Day Care			
Operating expenditures		9,480	
Social Services Security			
Salaries and employee benefits		32,546	
Other operating expenditures		<u>5</u>	
Total		32,551	
Work First - TANF			
Other operating expenditures		12,187	
Title IV-D-Child Support			
Salaries and benefits		91,549	
Other operating expenditures		<u>18,948</u>	
Total		110,497	
TANF Program			
Assistance payments		12,011	
Special Assistance for Adults			
Assistance payments		648,542	
Foster Children			
Assistance payments		411,507	
Medicaid Program			
Assistance payments		211,026	
Aid to the Blind			
Assistance payments		8,223	
Adoption Assistance			
Assistance payments		14,675	
Crisis Intervention			
Assistance payments		200,129	
Progress Energy Assistance			
Assistance payments		335	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
General Assistance			
Assistance payments		5,440	
Daycare			
Assistance payments		3,122,503	
Aging SHIP Program			
Other operating expenditures		4,622	
Aging Program			
Salaries and employee benefits		282,109	
Other operating expenditures		<u>103,860</u>	
Total		385,969	
Aging Legal Services			
Other operating expenditures		3,355	
Aging Fan Program			
Other operating expenditures		466	
Aging - In-home Aid			
Salaries and employee benefits		80,843	
Other operating expenditures		<u>15,520</u>	
Total		96,363	
Title III Transportation			
Other operating expenditures		76,418	
Title III Health Promotions			
Salaries and employee benefits		1,478	
Other operating expenditures		<u>4,678</u>	
Total		6,156	
In-Home Aide II			
Salaries and employee benefits		9,126	
Other operating expenditures		<u>1,707</u>	
Total		10,833	
NC Center for Public Health - Quality Improvement			
Operating expenditures		1,163	
University Health System Diabetes Management			
Salaries and employee benefits		1,083	
Other operating expenditures		<u>8,896</u>	
Total		9,979	
Adult Day Services			
Other operating expenditures		10,303	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
Housing Improvements			
Other operating expenditures		5,644	
Adult Health Care Assistance			
Other operating expenditures		2,648	
Senior Center			
Salaries and employee benefits		9,836	
Other operating expenditures		<u>5,126</u>	
Total		14,962	
Family Care Giver			
Salaries and employee benefits		8,327	
Other operating expenditures		<u>2,432</u>	
Total		10,759	
Peer Breastfeeding			
Salaries and employee benefits		20,375	
Nutrition Home Bound Meals			
Salaries and employee benefits		22,499	
Other operating expenditures		<u>72,087</u>	
Total		94,586	
Nutrition			
Salaries and employee benefits		153,464	
Other operating expenditures		<u>197,378</u>	
Total		350,842	
Juvenile Programs			
JCPC Restitution/Teen Court		49,455	
JCPC Emergency Shelter		1,000	
JCPC Court Psychology		6,036	
JCPC Task Force		503	
JCPC Gang Awareness		<u>10,151</u>	
Total		67,145	
Veterans Service Officer			
Salaries and employee benefits		38,500	
Other operating expenditures		<u>5,146</u>	
Total		43,646	
LICC Mini Grant			
Other operating expenditures		725	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
County Wellness Program			
Salaries and employee benefits		127,223	
Other operating expenditures		<u>83,683</u>	
Total		210,906	
Lead screening			
Operating expenditures		600	
Cape Fear Grant for Chronic Disease			
Operating expenditures		542	
Duplin General Hospital Chronic Disease Grant			
Operating expenditures		17,303	
American Lung Association Grant		-	
Eastern Area Health Grant		-	
March of Dimes Grant		-	
Public Health Foundation Grant - Diabetes Education			
Operating expenditures		494	
H1N1 Flu			
Salaries and employee benefits		10,266	
Operating expenditures		15,483	
Capital outlay		<u>44,745</u>	
Total		70,494	
Cape Fear Obesity Clinic Grant		-	
Vital Records			
Salaries and employee benefits		5,381	
Health Dept.-ECU Grant for Diabetes			
Operating expenditures		37,000	
Rural Community Health Grant		3,652	
ECU Grant - IPIP Project			
Operating expenditures		2,352	
Diabetes Capacity Building Grant			
Salaries and employee benefits		1,001	

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
Contributions			
Vocational Rehabilitation		7,027	
Mental Health		224,474	
Carolina East-Adult Day Care		<u>14,000</u>	
Total		<u>245,501</u>	
<b><u>Total Human Services</u></b>	<u>17,030,795</u>	<u>15,890,421</u>	<u>1,140,374</u>
<b><u>Cultural and Recreational</u></b>			
Museum			
Salaries and employee benefits		22,144	
Operating expenditures		<u>10,045</u>	
Total		32,189	
Library			
Salaries and employee benefits		266,091	
Operating expenditures		77,043	
Capital outlay-Books		<u>123,995</u>	
Total		467,129	
Gates Staying Connected Grant		-	
Parks and Recreation			
Salaries and employee benefits		88,242	
Operating expenditures		<u>51,851</u>	
Total		<u>140,093</u>	
<b><u>Total Cultural and Recreational</u></b>	<u>662,044</u>	<u>639,411</u>	<u>22,633</u>
<b><u>Education</u></b>			
Public schools - current expenditures		8,861,720	
Community colleges - current expenditures		1,362,585	
Community colleges - capital outlay		<u>243,000</u>	
<b><u>Total Education</u></b>	<u>10,467,305</u>	<u>10,467,305</u>	<u>-</u>
<b><u>Non-Departmental</u></b>			
Contribution to Forest Services	127,985	118,815	9,170
Other	193,317	183,263	10,054
Contingency	12,529	-	12,529
Capital outlay	<u>4,140</u>	<u>-</u>	<u>4,140</u>
<b><u>Total Non-Departmental</u></b>	<u>337,971</u>	<u>302,078</u>	<u>35,893</u>
<b>Total Expenditures</b>	<u>49,498,138</u>	<u>47,227,981</u>	<u>2,270,157</u>
Revenues over (under) expenditures	(151,890)	1,962,005	2,113,895

Duplin County, North Carolina  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit B-3  
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	2011		Variance Positive (Negative)
	Budget	Actual	
Transfers from (to) other funds			
To Airport Commission Fund		(134,697)	
To Community Development Fund		(9,146)	
To Debt Service Fund		(1,004,272)	
To Capital Project-Schools		(534,477)	
To Automation Enhancement Fund		(19,330)	
To Transportation Fund		(145,000)	
To Capital Reserve Fund		(115,000)	
To Capital Reserve-Jail Capital		(150,000)	
To Hospital Insurance Fund		(663,774)	
Total transfers	(2,831,574)	(2,775,696)	55,878
Proceeds from sale of capital assets	19,386	26,689	7,303
Total other financing sources (uses)	(2,812,188)	(2,749,007)	63,181
Revenues and other financing sources over (under) expenditures and other financing uses	2,964,078	(787,002)	2,177,076
Appropriated fund balance	2,964,078	-	(2,964,078)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(787,002)	\$ (787,002)
Fund balance at beginning of year		12,350,513	
Decrease in inventory		(80,796)	
Fund balance at end of year		\$ 11,482,715	

Duplin County, North Carolina  
**CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit B-4

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ 36,807	\$ 217,549	\$ 1,580	\$ 219,129	\$ 182,322
<b>Expenditures</b>					
Capital reserve	<u>1,043,549</u>	-	-	-	<u>1,043,549</u>
Revenues over (under) expenditures	(1,006,742)	217,549	1,580	219,129	1,225,871
<b>Other financing sources (uses):</b>					
Transfers - in (out)					
From General Fund	1,410,552	1,145,552	265,000	1,410,552	-
From Emergency Telephone Fund	602,472	602,472	-	602,472	-
To Backup PSAP Project	(610,433)	(520,131)	(70,504)	(590,635)	19,798
To Capital Project - Antenna Upgrade	(1,250)	(1,250)	-	(1,250)	-
To Industrial Expansion	(150,000)	-	-	-	150,000
To Jail Roof Project	(64,800)	-	(64,800)	(64,800)	-
To Senior Center Project	(94,725)	(72,120)	-	(72,120)	22,605
To Jail Water Heater Project	(15,000)	-	(15,000)	(15,000)	-
To Jail HVAC Project	(10,035)	-	(10,035)	(10,035)	-
To Capital Projects - EMS Vehicles	<u>(60,038)</u>	-	<u>(57,416)</u>	<u>(57,416)</u>	<u>2,622</u>
Total other financing sources (uses)	<u>1,006,743</u>	<u>1,154,523</u>	<u>47,245</u>	<u>1,201,768</u>	<u>195,025</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,372,072</u>	48,825	<u>\$ 1,420,897</u>	<u>\$ 1,420,897</u>
Fund balance at beginning of year			<u>1,372,072</u>		
Fund balance at end of year			<u>\$ 1,420,897</u>		

## **NON-MAJOR GOVERNMENTAL FUNDS**

Duplin County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2011

Exhibit C-1

	Special Revenue Funds	Capital Project Funds	Total
<b>ASSETS</b>			
Cash and investments	\$ 5,306,468	\$ 1,181,709	\$ 6,488,177
Accounts receivable	54,034	492,210	546,244
Taxes receivable	66,028	-	66,028
Due from other funds	602,778	-	602,778
	\$ 6,029,309	\$ 1,673,919	\$ 7,703,228
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 6,176	\$ -	\$ 6,176
Deferred revenues	668,921	-	668,921
Due to other funds	548	-	548
Total liabilities	675,645	-	675,645
<b>FUND BALANCES</b>			
Restricted for encumbrances	641,114	-	641,114
Restricted by state statute	55,121	492,210	547,331
Restricted by schools	2,431,579	-	2,431,579
Restricted for E-911	348,714	-	348,714
Restricted for tourism	244,626	-	244,626
Restricted for Register of Deeds	4,674	-	4,674
Committed for tax revaluation	558,444	-	558,444
Committed for economic development	941,860	-	941,860
Committed for capital projects	-	667,587	667,587
Assigned for subsequent year's expenditures	129,160	514,122	643,282
Unassigned	(1,628)	-	(1,628)
Total fund balance	5,353,664	1,673,919	7,027,583
Total liabilities and fund balances	\$ 6,029,309	\$ 1,673,919	\$ 7,703,228

Duplin County, North Carolina  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For The Fiscal Year Ended June 30, 2011

Exhibit C-2

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>Revenues:</b>			
Federal and state grants	\$ 549,537	\$ 319,066	\$ 868,603
Ad Valorem taxes	804,851	-	804,851
Investment earnings	46,499	1,689	48,188
Other taxes and licenses	634,715	-	634,715
Sales tax revenues	731,597	1,304,673	2,036,270
Donations	6,355	275,218	281,573
Miscellaneous revenues	48,843	-	48,843
Principal receipts	<u>120,861</u>	<u>-</u>	<u>120,861</u>
Total revenues	2,943,258	1,900,646	4,843,904
<b>Expenditures</b>			
General government	1,766,676	-	1,766,676
Public safety	1,241,813	-	1,241,813
Education capital outlay schools	-	1,112,954	1,112,954
Economic and Physical Development	703,639	-	703,639
Capital projects	<u>30,496</u>	<u>641,131</u>	<u>671,627</u>
Total expenditures	<u>3,742,625</u>	<u>1,754,085</u>	<u>5,496,709</u>
Revenues over (under) expenditures	(799,367)	146,561	(652,805)
<b>Other financing sources (uses)</b>			
Transfers in (out)			
From other funds	98,980	-	98,980
To other funds	-	(1,093,205)	(1,093,205)
To General Fund	<u>-</u>	<u>534,477</u>	<u>534,477</u>
Total other financing sources (uses)	<u>98,980</u>	<u>(558,728)</u>	<u>(459,748)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(700,387)	(412,167)	(1,112,553)
Fund balance at beginning of year	<u>6,054,050</u>	<u>2,086,086</u>	<u>8,140,136</u>
Fund balance at end of year	<u>\$ 5,353,664</u>	<u>\$ 1,673,919</u>	<u>\$ 7,027,583</u>

## **SPECIAL REVENUE FUNDS**

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

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**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.

**Grant Repayments** - This fund accounts for State grants that provided 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.

**Tourism Fund** – This fund accounts for occupancy tax revenues designated to promote tourism within the County.

Duplin County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
 June 30, 2011

	Fire District Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 558,444	\$ 941,860	\$ 2,431,579
Accounts receivable	188	-	-	-
Taxes receivable	66,028	-	-	-
Other receivables	-	-	601,692	-
<b>Total assets</b>	<b>\$ 66,216</b>	<b>\$ 558,444</b>	<b>\$ 1,543,552</b>	<b>\$ 2,431,579</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 188	\$ -	\$ -	-
Deferred revenues	67,229	-	601,692	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>67,417</b>	<b>-</b>	<b>601,692</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted for encumbrances	-	-	-	-
Restricted by state statute	188	-	-	-
Restricted for schools	-	-	-	2,431,579
Restricted for E-911	-	-	-	-
Restricted for tourism	-	-	-	-
Restricted for Register of Deeds	-	-	-	-
Committed for tax revaluation	-	558,444	-	-
Committed for economic development	-	-	941,860	-
Committed for capital projects	-	-	-	-
Assigned for subsequent year's expenditures	-	-	-	-
Unassigned	(1,389)	-	-	-
<b>Total fund balance</b>	<b>(1,201)</b>	<b>558,444</b>	<b>941,860</b>	<b>2,431,579</b>
<b>Total liabilities and fund balances</b>	<b>\$ 66,216</b>	<b>\$ 558,444</b>	<b>\$ 1,543,552</b>	<b>\$ 2,431,579</b>

Emergency Telephone System Fund	Grant Project Funds	County Trust Fund	Tourism Fund	Automated Enhancement & Preservation Fund	Total
\$ 1,063,744	\$ -	\$ 54,987	\$ 251,141	\$ 4,713	5,306,468
35,359	239	-	18,249	-	54,034
-	-	-	-	-	66,028
1,086	-	-	-	-	602,778
<u>\$ 1,100,189</u>	<u>\$ 239</u>	<u>\$ 54,987</u>	<u>\$ 269,390</u>	<u>\$ 4,713</u>	<u>6,029,309</u>
\$ -	\$ 239	\$ -	\$ 5,710	\$ 39	6,176
-	-	-	-	-	668,921
-	-	-	548	-	548
-	239	-	6,258	39	675,645
640,857	-	-	257	-	641,114
36,445	239	-	18,249	-	55,121
-	-	-	-	-	2,431,579
348,714	-	-	-	-	348,714
-	-	-	244,626	-	244,626
-	-	-	-	4,674	4,674
-	-	-	-	-	558,444
-	-	-	-	-	941,860
-	-	-	-	-	-
74,173	-	54,987	-	-	129,160
-	(239)	-	-	-	(1,628)
<u>1,100,189</u>	<u>-</u>	<u>54,987</u>	<u>263,132</u>	<u>4,674</u>	<u>5,353,664</u>
<u>\$ 1,100,189</u>	<u>\$ 239</u>	<u>\$ 54,987</u>	<u>\$ 269,390</u>	<u>\$ 4,713</u>	<u>6,029,309</u>

Duplin County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
For The Fiscal Year Ended June 30, 2011

	Fire District Fund	Revaluation Fund	Community Development Revolving Loan Fund	School Planning Allocation Fund	Emergency Telephone System Fund
<b>Revenues:</b>					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -
Ad Valorem taxes	684,851	120,000	-	-	-
Investment earnings	-	663	18,442	25,501	1,510
Other taxes and licenses	-	-	-	-	423,389
Sales tax revenues	-	-	-	731,597	-
Donations	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-
Loan payments	-	-	120,861	-	-
Total revenues	<u>684,851</u>	<u>120,663</u>	<u>139,303</u>	<u>757,098</u>	<u>424,899</u>
<b>Expenditures</b>					
General government	19,622	-	-	1,675,272	-
Public safety	665,275	-	-	-	557,393
Education capital outlay schools	-	-	-	-	-
Economic and Physical Development	-	885	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>684,897</u>	<u>885</u>	<u>-</u>	<u>1,675,272</u>	<u>557,393</u>
Revenues over (under) expenditures	(46)	119,778	139,303	(918,174)	(132,494)
<b>Other financing sources (uses)</b>					
Transfers in (out)					
From other funds	-	-	-	-	70,504
To other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,504</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(46)	119,778	139,303	(918,174)	(61,990)
Fund balance at beginning of year	<u>(1,155)</u>	<u>438,666</u>	<u>802,557</u>	<u>3,349,753</u>	<u>1,162,179</u>
Fund balance at end of year	<u>\$ (1,201)</u>	<u>\$ 558,444</u>	<u>\$ 941,860</u>	<u>\$ 2,431,579</u>	<u>\$ 1,100,189</u>

Exhibit D-2

Grant Project Funds	County Trust Fund	Tourism Fund	Automation Enhancement & Preservation Fund	Total
\$ 549,537	\$ -	\$ -	\$ -	\$ 549,537
-	-	-	-	804,851
-	81	286	16	46,499
-	-	211,326	-	634,715
-	-	-	-	731,597
-	6,355	-	-	6,355
-	48,843	-	-	48,843
-	-	-	-	120,861
549,537	55,279	211,612	16	2,943,258
-	46,459	-	25,323	1,766,676
19,145	-	-	-	1,241,813
-	-	-	-	-
539,538	-	163,216	-	703,639
-	30,496	-	-	30,496
558,683	76,955	163,216	25,323	3,742,625
(9,146)	(21,676)	48,396	(25,307)	(799,367)
9,146	-	-	19,330	98,980
-	-	-	-	-
9,146	-	-	19,330	98,980
-	(21,676)	48,396	(5,977)	(700,387)
-	76,663	214,736	10,651	6,054,050
\$ -	\$ 54,987	\$ 263,132	\$ 4,674	\$ 5,353,664

Duplin County, North Carolina  
**FIRE DISTRICT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit D-3

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$ 705,189	\$ 684,851	\$ (20,338)
Expenditures			
General government:			
Commission to General Fund	20,116	19,622	494
Public Safety			
Oak Wolfe Fire District	52,043	49,416	2,627
Glisson Fire District	89,581	86,026	3,555
Sarecta Fire District	86,486	82,954	3,532
East Duplin Fire District	77,701	75,947	1,754
Albertson Fire District	67,072	65,497	1,575
Stacy Britt Fire District	125,393	123,987	1,406
Franklin Fire District	20,495	17,847	2,648
Northeast Fire District	<u>166,302</u>	<u>163,601</u>	<u>2,701</u>
Total Public Safety	<u>685,073</u>	<u>665,275</u>	<u>19,798</u>
Total expenditures	<u>705,189</u>	<u>684,897</u>	<u>20,292</u>
Revenues over expenditures	<u>\$ -</u>	(46)	<u>\$ (46)</u>
Fund balance, beginning of year		<u>(1,155)</u>	
Fund balance, end of year		<u>\$ (1,201)</u>	

Duplin County, North Carolina  
**REVALUATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit D-4

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Ad valorem taxes	\$ 120,000	\$ 120,000	\$ -
Investment earnings	-	663	663
Total revenues	120,000	120,663	(663)
Expenditures			
Revaluation			
Operating expenditures	120,000	885	119,115
Revenues over (under) expenditures	-	119,778	119,778
Other financing sources:			
Transfers - in			
From General Fund	-	-	-
Revenues and other financing sources over (under) expenditures	-	119,778	119,778
Appropriated fund balance	-	-	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ -	119,778	\$ 119,778
Fund balance, beginning of year		438,666	
Fund balance, end of year		\$ 558,444	

Duplin County, North Carolina  
**COMMUNITY DEVELOPMENT REVOLVING LOAN FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit D-5

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment earnings	\$ -	\$ 18,442	\$ 18,442
Loan payments	-	<u>120,861</u>	<u>120,861</u>
Total revenues	-	139,303	139,303
Expenditures:			
Economic and physical development Community development loans	<u>200,000</u>	-	<u>200,000</u>
Revenues over (under) expenditures	(200,000)	139,303	339,303
Appropriated fund balance	<u>200,000</u>	-	<u>(200,000)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	139,303	<u>\$ 139,303</u>
Fund balance at beginning of year		<u>802,557</u>	
Fund balance at end of year		<u>\$ 941,860</u>	

Duplin County, North Carolina  
 SCHOOL PLANNING ALLOCATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2011

Exhibit D-6

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Lottery revenues	\$ 428,701	\$ 731,597	\$ 302,896
Investment earnings	-	25,501	25,501
Total revenues	428,701	757,098	328,397
<b>Expenditures:</b>			
Lottery expenditures			
High School Gym Air Conditioning	20,377	20,377	-
Window Replacement - JK/WRH	584,800	520,731	64,069
Install HVAC - JK	969,477	969,477	-
Heat Pumps	789,000	164,687	624,313
Total expenditures	2,363,653	1,675,272	688,381
Revenues over (under) expenditures	(1,934,952)	(918,174)	1,016,778
Appropriated fund balance	1,934,952	-	(1,934,952)
Revenues and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	(918,174)	<u>\$ (918,174)</u>
Fund balance at beginning of year		<u>3,349,753</u>	
Fund balance at end of year		<u>\$ 2,431,579</u>	

Duplin County, North Carolina  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For The Fiscal Year Ended June 30, 2011

Exhibit D-7

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Emergency Telephone Services			
Other taxes and licenses	\$ 422,988	\$ 422,996	\$ 8
Investment earnings	-	1,510	1,510
Wireline Services			
Other taxes and licenses	-	393	393
Total revenues	422,988	424,899	1,911
<b>Expenditures:</b>			
Emergency Telephone Services			
Operating Expenditures	455,341	159,615	295,726
Capital outlay	937,058	327,273	609,785
Wireline Project			
Operating Expenditures	28,808	10,148	18,660
Capital outlay	61,494	60,357	1,137
Total expenditures	1,482,701	557,393	925,308
Revenues over (under) expenditures	(1,059,713)	(132,494)	927,219
<b>Other financing sources:</b>			
Transfers to Capital Reserve-E 911 Equipment	-	-	-
Transfers from Capital Reserve-Backup PSAP	90,302	70,504	(19,798)
Total other financing sources	90,302	70,504	(19,798)
Revenues and other financing sources over (under) expenditures	(969,411)	(61,990)	907,421
Appropriated fund balance	969,411	-	(969,411)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	\$ -	(61,990)	\$ (61,990)
Fund balance at beginning of year		1,162,179	
Fund balance at end of year		\$ 1,100,189	

Duplin County, North Carolina  
**NON-MAJOR GRANT PROJECT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2011

Exhibit D-8

	Department Of Justice			
	Sheriff Trust	CDBG SSH09C1989	CDBG CR08C1875	Total
Revenues:				
Restricted intergovernmental				
Federal and State grants	\$ 19,145	\$ 302,195	\$ 228,197	\$ 549,537
Expenditures				
Public safety	19,145	-	-	19,145
Economic and physical development	-	302,195	237,343	539,538
Total expenditures	19,145	302,195	237,343	558,683
Revenues over (under) expenditures	-	-	(9,146)	(9,146)
Other financing sources (uses):				
Transfers in (out)				
From other funds	-	-	9,146	9,146
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -

Duplin County, North Carolina  
 COMMUNITY DEVELOPMENT BLOCK GRANT (CR08C1875)  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit D-9

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental revenues					
Federal and state grants	\$ 850,000	\$ 13,784	\$ 228,197	\$ 241,981	\$ (608,019)
Expenditures:					
Economic and physical development	<u>897,500</u>	<u>13,876</u>	<u>237,343</u>	<u>251,219</u>	<u>646,281</u>
Revenues over (under) expenditures	(47,500)	(92)	(9,146)	(9,238)	38,262
Other financing sources:					
Transfer from other funds					
General fund	<u>47,500</u>	<u>92</u>	<u>9,146</u>	<u>9,238</u>	<u>(38,262)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>-</u>		
Fund balance at end of year			<u>\$ -</u>		

Duplin County, North Carolina  
DEPARTMENT OF JUSTICE SHERIFF TRUST  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit D-10

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
Revenues:					
Restricted intergovernmental revenues					
Federal DOJ grant	34,048	14,903	19,145	34,048	-
Expenditures:					
Public Safety					
DOJ grant					
Operating expenses	34,048	14,903	19,145	34,048	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance at beginning of year			-		
Fund balance at end of year			<u>\$ -</u>		

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 Fiscal Year Ended June 30, 2011

Exhibit D-11

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year		
Revenues:					
Restricted intergovernmental revenues					
State grants	\$ 400,000	\$ 8,100	\$ 302,195	\$ 310,295	\$ (89,705)
Expenditures					
Economic and physical development	400,000	8,100	302,195	310,295	89,705
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance at beginning of year			-		
Fund balance at end of year			<u>\$ -</u>		

Duplin County, North Carolina  
**TOURISM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2011

Exhibit D-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental revenues			
Occupancy tax	\$ 161,969	\$ 211,326	\$ 49,357
Investment earnings	-	286	286
Total revenues	161,969	211,612	49,643
Expenditures:			
Economic and physical development			
Salaries	93,775	93,775	-
Operating expenses	73,099	69,441	3,658
Total expenditures	166,874	163,216	3,658
Revenues over (under) expenditures	(4,905)	48,396	53,301
Fund balance appropriated	4,905	-	(4,905)
Revenues and appropriated fund balance over (under) expenditures	\$ -	48,396	\$ 48,396
Fund balance at beginning of year		214,736	
Fund balance at end of year		\$ 263,132	

Duplin County, North Carolina  
**AUTOMATION ENHANCEMENT AND PRESERVATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2011

Exhibit D-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ 16	\$ 16
Expenditures			
Register of deeds Expenditures	31,800	25,323	6,477
Revenues over (under) expenditures	(31,800)	(25,307)	6,493
Other financing sources			
Transfers in:			
From general fund	21,150	19,330	(1,820)
Revenues and other financing sources over (under) expenditures	(10,650)	(5,977)	4,673
Appropriated fund balance	10,650	-	(10,650)
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ -	(5,977)	(5,977)
Fund balance at beginning of year		10,651	
Fund balance at end of year		\$ 4,674	

## CAPITAL PROJECTS FUNDS

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Capital Projects 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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### **Individual Fund Description:**

**Industrial Expansion Capital Project Fund** - Accounts for industrial expansion. The project will be financed primarily by federal grants, tap fees, loans from Global Transpark Authority and transfers from other funds.

**Capital Projects Fund** - Accounts for the construction of the new agricultural office complex and arena, for courthouse renovations, and for the new senior center. The projects will be financed primarily through USDA funding.

Duplin County, North Carolina  
 NON-MAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECT FUNDS  
 COMBINING BALANCE SHEET  
 For the Fiscal Year Ended June 30, 2011

Exhibit E-1

	Industrial Expansion Capital Project	Capital Project School Fund	Capital Project JSCC Fund	Total
<b>Assets</b>				
Current assets				
Cash and investments	\$ 182,813	\$ 787,957	\$ 210,939	\$ 1,181,709
Accounts receivable	-	492,210	-	492,210
<b>Total assets</b>	<b><u>\$ 182,813</u></b>	<b><u>\$ 1,280,167</u></b>	<b><u>\$ 210,939</u></b>	<b><u>\$ 1,673,919</u></b>
<b>Fund Balance</b>				
Fund Balance				
Restricted - Stabilization by State Statute	\$ -	\$ 492,210	\$ -	\$ 492,210
Assigned for subsequent years' expenditures	-	514,122	-	514,122
Committed for capital projects	<u>182,813</u>	<u>273,835</u>	<u>210,939</u>	<u>667,587</u>
<b>Total fund balance</b>	<b><u>\$ 182,813</u></b>	<b><u>\$ 1,280,167</u></b>	<b><u>\$ 210,939</u></b>	<b><u>\$ 1,673,919</u></b>

Duplin County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
For The Fiscal Year Ended June 30, 2011

Exhibit E-2

	Industrial Expansion Capital Project Fund	Capital Project Fund	Capital Project School Fund	Capital Project JSCC Fund	Total
<b>Revenues:</b>					
State revenues	\$ 282,935	\$ -	-	-	\$ 282,935
Federal revenues	36,131	-	-	-	36,131
Sales tax revenues	-	-	1,304,673	-	1,304,673
Investment earnings	72	-	1,358	259	1,689
Contributions	275,218	-	-	-	275,218
Total revenues	594,356	-	1,306,031	259	1,900,646
<b>Expenditures</b>					
Capital projects	493,880	147,251	1,112,954	-	1,754,085
Revenues over (under) expenditures	100,476	(147,251)	193,077	259	146,561
<b>Other financing sources (uses):</b>					
Transfers in (out)					
(To) from other funds	-	147,251	(1,240,456)	-	(1,093,205)
(To) from General Fund	-	-	534,477	-	534,477
Total other financing sources (uses)	-	147,251	(705,979)	-	(558,728)
Revenues & other financing sources over (under) expenditures & other financing uses	100,476	-	(512,902)	259	(412,167)
FUND BALANCES, beginning of year	82,337	-	1,793,069	210,680	2,086,086
FUND BALANCES, end of year	\$ 182,813	\$ -	\$ 1,280,167	\$ 210,939	\$ 1,673,919

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 Fiscal Year Ended June 30, 2011

Exhibit E-3

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
State grants	\$ 446,485	\$ 142,864	\$ 282,935	\$ 425,799	\$ (20,686)
Federal grants	144,336	108,205	36,131	144,336	-
Global Transpark grant	80,867	60,867	-	60,867	(20,000)
Grants - Other	1,380,000	-	-	-	(1,380,000)
Investment earnings	-	720	72	792	792
Contributions	<u>1,903,564</u>	<u>11,250</u>	<u>275,218</u>	<u>286,468</u>	<u>(1,617,096)</u>
<b>Total revenues</b>	<b>3,955,252</b>	<b>323,906</b>	<b>594,356</b>	<b>918,262</b>	<b>(3,036,990)</b>
<b>Expenditures</b>					
Project Willbour Grant	20,000	-	-	-	20,000
NC Rural EDC 0942560501	360,000	127,864	226,450	354,314	5,686
HUD Grant B05SPNC08NC0851	144,336	108,205	36,131	144,336	-
Project Pipeline	3,387,314	-	151,139	151,139	3,236,175
Menlo logistics	30,000	15,000	-	15,000	15,000
Southpark certified site grant	35,867	30,217	-	30,217	5,650
Westpark floor	36,250	25,000	11,075	36,075	175
Swinson electric	4,000	4,000	-	4,000	-
Economic development reserve	52,117	-	-	-	52,117
Cont wallace 100 committee	12,600	-	12,600	12,600	-
Commerce Road	35,000	-	-	-	35,000
Bunge Project	<u>56,485</u>	<u>-</u>	<u>56,485</u>	<u>56,485</u>	<u>-</u>
<b>Total expenditures</b>	<b><u>4,173,969</u></b>	<b><u>310,286</u></b>	<b><u>493,880</u></b>	<b><u>804,166</u></b>	<b><u>3,369,803</u></b>
Revenues over (under) expenditures	(218,717)	13,620	100,476	114,096	332,813
<b>Other financing sources (uses)</b>					
Transfers - in (out)					
From (To) other funds	218,717	68,717	-	68,717	(150,000)
From (To) General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<b><u>218,717</u></b>	<b><u>68,717</u></b>	<b><u>-</u></b>	<b><u>68,717</u></b>	<b><u>(150,000)</u></b>
Revenues and other financing sources over (under) expenditures and other financing use	<u>\$ -</u>	<u>\$ 82,337</u>	100,476	<u>\$ 182,813</u>	<u>\$ 182,813</u>
Fund balance at beginning of year			<u>82,337</u>		
Fund balance at end of year			<u>\$ 182,813</u>		

Duplin County, North Carolina  
**CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**

From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit E-4

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
State grants	\$ 82,550	\$ 82,550	\$ -	\$ 82,550	\$ -
Investment earnings	12,140	12,580	-	12,580	440
Total revenues	94,690	95,130	-	95,130	440
<b>Expenditures</b>					
Antenna Upgrade	1,250	1,250	-	1,250	-
Jail Roof	64,800	-	64,800	64,800	-
Jail Water Heater	15,000	-	15,000	15,000	-
Jail HVAC	10,035	-	10,035	10,035	-
EMS - Vehicles	60,039	-	57,416	57,416	2,623
Senior Center	189,415	167,250	-	167,250	22,165
Total expenditures	340,539	168,500	147,251	315,751	24,788
Revenues over (under) expenditures	(245,849)	(73,370)	(147,251)	(220,621)	25,228
<b>Other financing sources</b>					
Transfers in (out)					
From other funds	245,849	73,370	147,251	220,621	(25,228)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance at beginning of year			-		
Fund balance at end of year			<u>\$ -</u>		

Duplin County, North Carolina  
 CAPITAL PROJECT FUND - SCHOOL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2011

Exhibit E-5

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Investment earnings	\$ 36	\$ 1,358	\$ 1,322
Sales tax 1/2 (30%)	566,205	613,050	46,845
Sales tax 1/2 (60%)	601,189	691,623	90,434
Total revenues	1,167,430	1,306,031	138,601
<b>Expenditures</b>			
Education			
School capital outlay - Recreation High School	200,000	200,000	-
School capital outlay - Recreation Elem School	50,000	35,686	14,314
School capital outlay - Imp. to Sites	475,000	459,944	15,056
School capital outlay - Equipment/furniture	316,000	236,435	79,565
School capital outlay - Vehicles	182,000	180,889	1,111
Total expenditures	1,223,000	1,112,954	110,046
Revenues over (under) expenditures	(55,570)	193,077	248,647
<b>Other financing sources (uses):</b>			
Transfers - in (out)			
From General Fund	550,222	534,477	(15,745)
To Debt Service Fund	(1,240,488)	(1,240,456)	32
Total transfers	(690,266)	(705,979)	(15,713)
Revenues and other financing sources over (under) expenditures and other financing uses	(745,836)	(512,902)	232,934
Appropriated fund balance	745,836	-	(745,836)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	(512,902)	\$ (512,902)
Fund balance at beginning of year		1,793,069	
Fund balance at end of year		\$ 1,280,167	

Duplin County, North Carolina  
 CAPITAL PROJECT FUND - JSCC  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2011

Exhibit E-6

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment earnings	\$ -	\$ 259	\$ 259
Expenditures			
Capital outlay	-	-	-
Revenues over (under) expenditures	-	259	259
Fund balance appropriated	-	-	-
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	259	<u>\$ 259</u>
Fund balance at beginning of year		<u>210,680</u>	
Fund balance at end of year		<u>\$ 210,939</u>	

## 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 for the County

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

**Duplin County Water District 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 NET ASSETS**  
 June 30, 2011

Exhibit F-1

	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 54,487	\$ 285,954	\$ 683,660	\$ 1,024,101
Accounts receivables (net)	20,544	2,918	41,352	64,814
Due from other funds	-	59,728	-	59,728
Inventory	-	25,579	-	25,579
Intergovernmental receivable	-	232,000	-	232,000
Total current assets	<u>75,031</u>	<u>606,179</u>	<u>725,012</u>	<u>1,406,222</u>
Fixed assets (net of accumulated depreciation)	<u>353,279</u>	<u>3,361,916</u>	<u>3,251,193</u>	<u>6,966,388</u>
Total assets	<u>428,310</u>	<u>3,968,095</u>	<u>3,976,205</u>	<u>8,372,610</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liability	308	181	-	489
Due to other funds	-	-	6,590	6,590
Customer deposits	-	2,525	34,284	36,809
Current portion of noncurrent liabilities	-	-	18,405	18,405
Total current liabilities	<u>308</u>	<u>2,706</u>	<u>59,279</u>	<u>62,293</u>
Non-current liabilities:				
Compensated absences payable	27,200	28,215	-	55,415
Long-term obligations	<u>33,464</u>	<u>72,506</u>	<u>202,461</u>	<u>308,431</u>
Total noncurrent liabilities	<u>60,664</u>	<u>100,721</u>	<u>202,461</u>	<u>363,846</u>
Total liabilities	<u>60,972</u>	<u>103,427</u>	<u>261,740</u>	<u>426,139</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	353,279	3,361,916	3,030,327	6,745,522
Unrestricted	<u>14,059</u>	<u>502,752</u>	<u>684,138</u>	<u>1,200,949</u>
Total net assets	<u>\$ 367,338</u>	<u>\$ 3,864,668</u>	<u>\$ 3,714,465</u>	<u>\$ 7,946,471</u>

Duplin County, North Carolina  
**NON-MAJOR PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN RETAINED EARNINGS**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-2

	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>OPERATING REVENUES:</b>				
Water sales	\$ -	\$ 42,127	\$ 347,601	\$ 389,728
Administration fees	-	649,288	-	649,288
Miscellaneous	-	48,637	-	48,637
Charges for Services	<u>502,920</u>	<u>-</u>	<u>-</u>	<u>502,920</u>
Total operating revenues	502,920	740,052	347,601	1,590,573
<b>OPERATING EXPENSES:</b>				
Operating expenses	1,056,143	738,468	158,922	1,953,533
Depreciation	<u>123,896</u>	<u>118,394</u>	<u>81,522</u>	<u>323,812</u>
Total operating expenses	<u>1,180,039</u>	<u>856,862</u>	<u>240,444</u>	<u>2,277,345</u>
Operating income (loss)	(677,119)	(116,810)	107,157	(686,772)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	98	3,450	921	4,469
Interest expense	-	-	(6,868)	(6,868)
Gain (loss) on sale of assets	4,752	(2,146)	-	2,606
Miscellaneous	<u>528</u>	<u>15,575</u>	<u>121</u>	<u>16,224</u>
Total non-operating revenue (expense)	<u>5,378</u>	<u>16,879</u>	<u>(5,826)</u>	<u>16,431</u>
Net income (loss) before contributions and transfer	(671,741)	(99,931)	101,331	(670,341)
Capital contributions	484,943	-	-	484,943
Transfers from other funds	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>145,000</u>
Change in net assets	(41,798)	(99,931)	101,331	(40,398)
TOTAL NET ASSETS, beginning of year	<u>409,136</u>	<u>3,964,599</u>	<u>3,613,134</u>	<u>7,986,869</u>
TOTAL NET ASSETS, end of year	<u>\$ 367,338</u>	<u>\$ 3,864,668</u>	<u>\$ 3,714,465</u>	<u>\$ 7,946,471</u>

Duplin County, North Carolina  
**NON-MAJOR PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-3  
Page 1 of 2

	Transportation Development Plan Fund	County Water Fund	Albertson Water and Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 561,697	\$ 739,804	\$ 346,464	\$ 1,647,965
Cash paid for goods and services	(548,919)	(222,027)	(159,036)	(929,982)
Cash paid to employees for services	(492,331)	(495,819)	-	(988,150)
Customer deposits received	-	650	4,251	4,901
Net cash provided by operating activities	(479,553)	22,608	191,679	(265,266)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in (out)	145,000	-	-	145,000
Miscellaneous	528	12,875	121	13,524
Net cash provided by non-capital financing activities	145,528	12,875	121	158,524
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	484,943	-	-	484,943
Proceeds from sale of fixed assets	8,053	-	-	8,053
Advances from (to) other funds	-	(5,314)	149	(5,165)
Acquisition and construction of capital assets	(122,093)	(13,304)	(186,397)	(321,794)
Principal paid on bond maturities and equipment contracts	-	-	(18,406)	(18,406)
Interest paid on bond maturities and equipment contracts	-	-	(6,868)	(6,868)
Net cash provided by (used in) capital and related financing activities	370,903	(18,618)	(211,522)	140,763
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	98	3,450	921	4,469
Net increase (decrease) in cash and cash equivalents	36,976	20,315	(18,801)	38,490
Cash and cash equivalents at beginning of year	17,511	265,639	702,461	985,611
Cash and cash equivalents at end of year	<u>\$ 54,487</u>	<u>\$ 285,954</u>	<u>\$ 683,660</u>	<u>\$ 1,024,101</u>

Duplin County, North Carolina  
**NON-MAJOR PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-3  
Page 2 of 2

	<u>Transportation Development Plan Fund</u>	<u>County Water Fund</u>	<u>Albertson Water and Sewer Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (677,119)	\$ (116,810)	\$ 107,157	\$ (686,772)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	123,896	118,394	81,522	323,812
Changes in assets and liabilities				
(Increase) decrease in accounts receivable	58,777	(250)	(1,221)	57,306
(Increase) decrease in inventory	-	(667)	-	(667)
Increase (decrease) in accounts payable	308	(59)	(30)	219
Increase (decrease) in customer deposits	-	650	4,251	4,901
Increase (decrease) in OPEB obligation	11,380	24,657	-	36,037
Increase (decrease) in accrued vacation pay	<u>3,205</u>	<u>(3,307)</u>	<u>-</u>	<u>(102)</u>
Total adjustments	<u>197,566</u>	<u>139,418</u>	<u>84,522</u>	<u>421,506</u>
Net cash provided (used) by operating activities	<u>\$ (479,553)</u>	<u>\$ 22,608</u>	<u>\$ 191,679</u>	<u>\$ (265,266)</u>

Duplin County, North Carolina  
 AIRPORT COMMISSION FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES-  
 BUDGET AND ACTUAL (NON-GAAP)  
 For the Fiscal Year Ended June 30, 2011

Exhibit F-4  
 Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Sales and rentals	\$ 518,271	\$ 507,905	\$ (10,366)
Non-operating revenues			
Investments earnings	500	476	(24)
Miscellaneous	1,000	812	(188)
Total non-operating revenues	<u>1,500</u>	<u>1,288</u>	<u>(212)</u>
Total revenues	519,771	509,193	(10,578)
Expenditures			
Operating expenditures			
Salaries and employee benefits		154,452	
Purchases		317,325	
Other operating expenditures		<u>122,971</u>	
Total operating expenditures		<u>594,748</u>	<u>19,119</u>
Revenues over (under) expenditures	(94,096)	(85,555)	8,541
Transfer from other funds			
General fund	134,697	134,697	-
Transfer to:			
Debt Service Fund	(51,600)	(51,600)	-
Capital Projects	<u>(58,125)</u>	<u>(58,125)</u>	
Total other financing sources (uses)	<u>24,972</u>	<u>24,972</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	(69,124)	(60,583)	8,541
Appropriated fund balance	<u>69,124</u>	<u>-</u>	<u>(69,124)</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (60,583)</u>	<u>\$ (60,583)</u>

Duplin County, North Carolina  
 AIRPORT COMMISSION FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES-  
 BUDGET AND ACTUAL (NON-GAAP)  
 For the Fiscal Year Ended June 30, 2011

Exhibit F-4  
 Page 2 of 2

	2011
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ (60,583)
Reconciling items	
Depreciation	(490,944)
Earnings from Capital Project	16
Capital Contribution	120,779
Transfers to Debt Service	51,600
Interest and fees	(13,305)
Transfers to Capital Projects	58,125
Basis in assets sold	(4,070)
Increase in OPEB obligation	(3,793)
Total reconciling items	(281,592)
Net income (loss)	\$ (342,175)

Duplin County, North Carolina  
**AIRPORT COMMISSION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-5

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental					
State grant	\$ 2,920,000	\$ 2,109,809	\$ 671,918	\$ 2,781,727	\$ (138,273)
Sales Tax Refunds	29,198	29,198	-	29,198	-
Investment earnings	18,122	19,386	16	19,402	1,280
Total revenues	<u>2,967,320</u>	<u>2,158,393</u>	<u>671,934</u>	<u>2,830,327</u>	<u>(136,993)</u>
<b>Expenditures</b>					
Vision 100	166,667	141,925	23,448	165,373	1,294
Land acquisition	958,125	205,702	684,015	889,716	68,409
South Parallel Taxiway #1	1,140,309	1,132,033	-	1,132,033	8,276
South Parallel Taxiway #3	900,000	895,020	-	895,020	4,980
Terminal Design and Bid	150,000	-	32,923	32,923	117,077
Cont. South Parallel	-	-	-	-	-
Total expenditures	<u>3,315,101</u>	<u>2,374,680</u>	<u>740,386</u>	<u>3,115,065</u>	<u>200,036</u>
Revenues over (under) expenditures	(347,781)	(216,287)	(68,451)	(284,738)	63,043
<b>Other financing sources (uses)</b>					
Transfer from Airport Commission Fund	<u>347,781</u>	<u>289,785</u>	<u>58,125</u>	<u>347,910</u>	<u>129</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 73,498</u>	<u>\$ (10,326)</u>	<u>\$ 63,172</u>	<u>\$ 63,172</u>

Duplin County, North Carolina  
**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-6  
Page 1 of 2

	2011		Variance - Positive (Negative)
	Budget	Actual	
<b>Operating Revenues</b>			
Rural Availability Disposal Fees	\$ 1,436,321	\$ 1,448,672	\$ 12,351
User Fees	1,295,000	1,106,062	(188,938)
Other revenues	143,758	122,434	(21,324)
Sales and rentals	<u>109,393</u>	<u>159,118</u>	<u>49,725</u>
Total operating revenues	2,984,472	2,836,286	(148,186)
<b>Non-operating revenues</b>			
Investments earnings	3,724	5,672	1,948
State grant	87,341	126,459	39,118
Miscellaneous	<u>-</u>	<u>812</u>	<u>812</u>
Total non-operating revenues	<u>91,065</u>	<u>132,943</u>	<u>41,878</u>
<b>Total revenues</b>	<b>3,075,537</b>	<b>2,969,229</b>	<b>(106,308)</b>
<b>Expenditures</b>			
<b>Collections</b>			
Salaries and benefits		669,033	
Operating expenditures		570,993	
<b>Disposals</b>			
Salaries and benefits		217,325	
Operating expenditures		997,512	
<b>Recycling</b>			
Salaries and benefits		124,714	
Operating expenditures		72,156	
<b>Tire Collection</b>			
Salaries and benefits		2,173	
Operating expenditures		105,140	
<b>White Goods</b>			
Salaries and benefits		2,402	
Operating expenditures		<u>51,497</u>	
Total operating expenditures		2,812,946	
Capital outlay		<u>108,811</u>	
Total expenditures		<u>3,211,108</u>	<u>289,351</u>
Revenues over (under) expenditures	(135,571)	47,472	183,043
<b>Other financing sources:</b>			
Transfer from General Fund	-	-	-
Sales of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	(135,571)	47,472	183,043
Appropriated fund balance	<u>135,571</u>	<u>-</u>	<u>135,571</u>
Revenues, other financing sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 47,472</u>	<u>\$ 47,472</u>

Duplin County, North Carolina  
SOLID WASTE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-6  
Page 2 of 2

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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues and appropriated fund balance over (under) expenditures	\$ 47,472
Reconciling items	
Depreciation	(268,548)
Increase in OPEB obligation	(28,450)
Basis of assets retired	(2,042)
Capital outlay	<u>108,811</u>
Total reconciling items	<u>(190,229)</u>
Net income (loss)	<u>\$ (142,757)</u>

Duplin County, North Carolina  
 TRANSPORTATION DEVELOPMENT PLAN FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (Non-GAAP)  
 For The Fiscal Year Ended June 30, 2011

Exhibit F-7  
 Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Charges for services	\$ 504,518	\$ 502,920	\$ (1,598)
Total operating revenues	504,518	502,920	(1,598)
Non-operating revenues			
Investments earnings	-	98	98
State grant	633,689	484,943	(148,746)
Miscellaneous	50	528	478
Total non-operating revenues	633,739	485,569	(148,170)
Total revenues	1,138,257	988,489	(149,768)
Expenditures			
Salaries and benefits		506,916	
Operating expenditures		282,892	
ARRA NCDOT 10AR012 expenditures		-	
Rural General Public expenditures		149,335	
Workfirst assistance expenditures		23,294	
EDTAP assistance expenditures		82,326	
Capital outlay		122,093	
Total expenditures	1,297,450	1,166,856	130,594
Revenues over (under) expenditures	(159,193)	(178,367)	(19,174)
Other financing sources (uses)			
Transfer from general fund	145,000	145,000	-
Proceeds from sale of assets	6,000	8,053	2,053
Total other financing sources (uses)	151,000	153,053	2,053
Revenues and other financing sources over (under) expenditures and other financing uses	(8,193)	(25,314)	(17,121)
Appropriated fund balance	8,193	-	8,193
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	\$ -	\$ (25,314)	\$ (25,314)

Duplin County, North Carolina  
TRANSPORTATION DEVELOPMENT PLAN FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-7  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues and appropriated fund balance over (under) expenditures	\$ (25,314)
Reconciling items	
Depreciation	(123,896)
Basis in assets sold	(3,301)
Increase in OPEB obligation	(11,379)
Capital outlay	<u>122,093</u>
Total reconciling items	<u>(16,483)</u>
Net income (loss)	<u>\$ (41,798)</u>

Duplin County, North Carolina  
COUNTY WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-8  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating revenues			
Charges for services	\$ 15,940	\$ 28,307	\$ 12,367
Sales to Districts	9,000	10,300	1,300
Water taps	1,682	3,520	1,838
Administration fees	689,178	649,288	(39,890)
Other operating revenues	<u>55,500</u>	<u>48,637</u>	<u>(6,863)</u>
Total operating revenues	771,300	740,052	(31,248)
Non-operating revenues			
Investment earnings	3,318	3,450	132
Miscellaneous	<u>-</u>	<u>12,875</u>	<u>12,875</u>
Total operating revenues	<u>3,318</u>	<u>16,325</u>	<u>13,007</u>
 Total revenues	 774,618	 756,377	 (18,241)
Expenditures			
Administration expenditures			
Salaries and benefits		517,169	
Other administration expenditures		115,165	
Operating expenditures			
Administration expenditures		7,142	
Repairs		6,525	
Other operating expenditures		67,810	
Capital outlays		<u>13,304</u>	
Total expenditures	<u>774,618</u>	<u>727,115</u>	<u>47,503</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 29,262</u>	<u>\$ 29,262</u>

Duplin County, North Carolina  
COUNTY WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-8  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues over (under) expenditures	\$ 29,262
Reconciling items	
Depreciation	(118,394)
Basis in assets sold	(2,146)
Increase in OPEB obligation	(24,657)
Capital contributions	2,700
Capital outlay	<u>13,304</u>
Total reconciling items	<u>(129,193)</u>
Net income (loss)	<u>\$ (99,931)</u>

Duplin County, North Carolina  
**ALBERTSON WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-9  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Operating Revenues</b>			
Charges for services	\$ 162,796	\$ 308,430	\$ 145,634
Sales to Districts	24,000	25,366	1,366
Water taps	10,000	13,805	3,805
Total operating revenues	196,796	347,601	150,805
<b>Non-operating revenues</b>			
Investments earnings	-	921	921
Miscellaneous	-	121	121
Total non-operating revenues	-	1,042	1,042
<b>Total revenues</b>	196,796	348,643	151,847
<b>Expenditures</b>			
Operating expenditures			
Administration expenditures		65,876	
Other operating expenditures		93,130	
Total	171,522	159,006	12,516
<b>Debt service</b>			
Interest		6,868	
Principal retirements		18,406	
Total	25,274	25,274	-
<b>Total expenditures</b>	196,796	184,280	12,516
Revenues over (under) expenditures	-	164,363	164,363
<b>Other financing sources (uses)</b>			
Transfer to project	(205,686)	(186,397)	19,289
Revenues and other financing sources over (under) expenditures and other financing uses	(205,686)	(22,034)	183,652
Appropriated fund balance	205,686	-	(205,686)
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ (22,034)	\$ (22,034)

Duplin County, North Carolina  
**ALBERTSON WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-9  
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	2011
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ (22,034)
Reconciling items	
Project administrative costs	84
Debt principal retirement	18,406
Transfer to project	186,397
Depreciation	(81,522)
Total reconciling items	123,365
Net income (loss)	\$ 101,331

Duplin County, North Carolina  
WATER FUND -DISTRICT B  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-10  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating revenues			
Charges for services	\$ 362,799	\$ 446,695	\$ 83,896
Sales to districts	68,000	66,512	(1,488)
Water taps	<u>18,000</u>	<u>20,100</u>	<u>2,100</u>
Total operating revenues	448,799	533,307	84,508
Non-operating revenues			
Penalties and investment earnings	<u>-</u>	<u>944</u>	<u>944</u>
Total revenues	448,799	534,251	85,452
Expenditures			
Operating expenditures			
Administration expenditures		111,039	
Repairs and maintenance		77,880	
Other operating expenditures		<u>82,083</u>	
Total operating expenditures	304,180	271,002	33,178
Debt Service			
Interest		106,601	
Principal retirements		<u>50,500</u>	
Total debt service	<u>157,101</u>	<u>157,101</u>	<u>-</u>
Total expenditures	<u>461,281</u>	<u>428,103</u>	<u>33,178</u>
Revenues over (under) expenditures	(12,482)	106,148	118,630
Fund balance appropriated	<u>12,482</u>	<u>-</u>	<u>(12,482)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 106,148</u>	<u>\$ 106,148</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT B  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-10  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues over expenditures	\$ 106,148
Reconciling items	
Depreciation	(144,201)
Debt principal retirement	<u>50,500</u>
Total reconciling items	<u>(93,701)</u>
Net income (loss)	<u>\$ 12,447</u>

Duplin County, North Carolina  
**WATER FUND - DISTRICT D**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
For The Fiscal Year Ended June 30, 2011

Exhibit F-11  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating revenues			
Charges for services	\$ 431,500	\$ 418,164	\$ (13,336)
Sales to districts	45,000	43,010	(1,990)
Water taps	23,670	24,117	447
Administration fee	-	975	975
Total operating revenues	<u>500,170</u>	<u>486,266</u>	<u>(13,904)</u>
Non-operating revenues			
Investment earnings	-	188	188
Miscellaneous	5,000	5,641	641
Total nonoperating revenues	<u>5,000</u>	<u>5,829</u>	<u>829</u>
Total revenues	505,170	492,095	(13,075)
Expenditures			
Administration expenditures		105,348	
Repairs and maintenance		5,539	
Operating expenditures		<u>73,160</u>	
Total	197,566	184,047	13,519
Debt service			
Interest		203,879	
Principal retirements		<u>103,725</u>	
Total debt service	<u>307,604</u>	<u>307,604</u>	-
Total expenditures	<u>505,170</u>	<u>491,651</u>	<u>13,519</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 444</u>	<u>\$ 444</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT D  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-11  
Page 2 of 2

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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues and appropriated fund balance over (under) expenditures	\$ 444
Reconciling items	
Capital contributions	111,991
Depreciation	(217,496)
Principal debt retirements	<u>103,725</u>
Total reconciling items	<u>(1,780)</u>
Net income (loss)	<u>\$ (1,336)</u>

Duplin County, North Carolina  
 WATER FUND - DISTRICT E  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (Non-GAAP)  
 For The Fiscal Year Ended June 30, 2011

Exhibit F-12  
 Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating revenues			
Charges for services	\$ 442,212	\$ 549,939	\$ 107,727
Sales to districts	44,000	44,831	831
Water taps	<u>24,000</u>	<u>30,708</u>	<u>6,708</u>
Total operating revenues	510,212	625,478	115,266
Non-operating revenues			
Investment earnings	-	1,196	1,196
Miscellaneous	<u>-</u>	<u>1,742</u>	<u>1,742</u>
Total non-operating revenues	<u>-</u>	<u>2,938</u>	<u>2,938</u>
Total revenues	510,212	628,416	118,204
Expenditures			
Operating expenditures			
Administration expenditures		119,021	
Repairs and maintenance		112,611	
Other operating expenditures		<u>89,410</u>	
Total operating expenditures	342,200	321,042	21,158
Debt service			
Principal		64,500	
Interest		<u>187,729</u>	
Total debt service	<u>252,229</u>	<u>252,229</u>	<u>-</u>
Total expenditures	<u>594,429</u>	<u>573,271</u>	<u>21,158</u>
Revenue over (under) expenditures	(84,217)	55,145	139,362
Transfers to capital project	(30,000)	-	30,000
Fund balance appropriated	<u>114,217</u>	<u>-</u>	<u>(114,217)</u>
Revenue and appropriated fund balance over (under) expenditures and transfers	<u>\$ -</u>	<u>\$ 55,145</u>	<u>\$ 55,145</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT E  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-12  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues and other financing sources over (under) expenditures	\$ 55,145
Reconciling items	
Depreciation	(155,301)
Basis in retired assets	(2,700)
Capital contributions	6,151
Principal debt retirement	<u>64,500</u>
Total reconciling items	<u>(87,350)</u>
Net income (loss)	<u>\$ (32,205)</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT F  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-13  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Operating Revenues</b>			
Charges for services	\$ 649,149	\$ 736,787	\$ 87,638
Sales to districts	77,961	74,281	(3,680)
Water taps	<u>23,689</u>	<u>26,380</u>	<u>2,691</u>
Total operating revenues	750,799	837,448	86,649
<b>Non-operating revenues</b>			
Miscellaneous	-	-	-
Investments earnings	-	<u>772</u>	<u>772</u>
Total non-operating revenues	-	<u>772</u>	<u>772</u>
<b>Total revenues</b>	<b>750,799</b>	<b>838,220</b>	<b>87,421</b>
<b>Expenditures</b>			
<b>Operating expenditures</b>			
Administration expenditures		139,958	
Repairs and maintenance		69,517	
Other operating expenditures		<u>161,753</u>	
Total operating expenditures	395,602	371,228	24,374
<b>Debt Service</b>			
Interest		231,186	
Principal retirements		<u>124,010</u>	
Total debt service	<u>355,197</u>	<u>355,196</u>	<u>1</u>
<b>Total expenditures</b>	<b>750,799</b>	<b>726,424</b>	<b>24,375</b>
Revenues over (under) expenditures	-	111,796	111,796
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 111,796</u>	<u>\$ 111,796</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT F  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-13  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues, other financing sources, and appropriated fund balance	\$ 111,796
Reconciling items	
Depreciation	(212,296)
Capital contributions	21,491
Debt principal retirement	<u>124,010</u>
Total reconciling items	<u>(66,795)</u>
Net income (loss)	<u>\$ 45,001</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT G  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-14  
Page 1 of 2

	2011		Variance Positive (Negative)
	Budget	Actual	
Operating revenues			
Charges for services	\$ 344,700	\$ 402,790	\$ 58,090
Sales to districts	53,500	51,867	(1,633)
Water taps	<u>22,000</u>	<u>25,437</u>	<u>3,437</u>
Total operating revenues	420,200	480,094	59,894
Non-operating revenues			
Miscellaneous	-	73	73
Investments earnings	<u>-</u>	<u>789</u>	<u>789</u>
Total non-operating revenues	<u>-</u>	<u>862</u>	<u>862</u>
Total revenues	420,200	480,956	60,756
Expenditures			
Operating expenditures			
Administration expenditures		100,907	
Repairs and maintenance		12,709	
Other operating expenditures		<u>76,104</u>	
Total operating expenditures	212,061	189,720	22,341
Debt Service			
Interest		148,139	
Principal retirements		<u>60,000</u>	
Total debt service	<u>208,139</u>	<u>208,139</u>	-
Total expenditures	<u>420,200</u>	<u>397,859</u>	<u>22,341</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 83,097</u>	<u>\$ 83,097</u>

Duplin County, North Carolina  
WATER FUND - DISTRICT G  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit F-14  
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	<u>2011</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues over (under) expenditures	\$ 83,097
Reconciling Items	
Depreciation	(148,611)
Capital Contributions	-
Debt principal payment	<u>60,000</u>
Total reconciling items	<u>(88,611)</u>
Net income (loss)	<u>\$ (5,514)</u>

Duplin County, North Carolina  
WATER DISTRICT D ARRA WATER IMPROVEMENTS CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-15

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental					
ARRA revenues					
ARRA loan	\$ 464,500	\$ 359,334	\$ 45,100	\$ 404,434	\$ (60,066)
ARRA grant	464,500	359,334	45,100	404,434	(60,066)
Sales tax refund	<u>18,508</u>	<u>18,508</u>	<u>-</u>	<u>18,508</u>	<u>-</u>
Total revenues	947,508	737,176	90,200	827,376	(120,132)
<b>Expenditures</b>					
ARRA project expenditures	<u>947,508</u>	<u>737,176</u>	<u>90,200</u>	<u>827,376</u>	<u>120,132</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Duplin County, North Carolina  
**WATER DISTRICT G CLEAN WATER (GHSRGW89063) PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-16

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Restricted intergovernmental					
State grant	\$ 3,200,000	\$ 3,179,577	\$ -	\$ 3,179,577	\$ (20,423)
Sales tax refund	50,168	51,383	-	51,383	1,215
Total revenues	3,250,168	3,230,960	-	3,230,960	(19,208)
<b>Expenditures</b>					
Clean water	3,248,151	3,029,932	-	3,029,932	218,219
Revenues over (under) expenditures	2,017	201,028	-	201,028	199,011
<b>Other financing sources (uses)</b>					
Transfer to other funds	(2,017)	(2,017)	-	(2,017)	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 199,011	\$ -	\$ 199,011	\$ 199,011

Duplin County, North Carolina  
WATER DISTRICT F CLEAN WATER (FHSRGN990624) PROJECT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (Non-GAAP)  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-17

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Restricted intergovernmental					
Sales tax refund	\$ 43,249	\$ 43,891	\$ -	\$ 43,891	642
State grant	<u>3,200,000</u>	<u>3,171,181</u>	<u>21,492</u>	<u>3,192,673</u>	<u>(7,327)</u>
Total restricted intergovernmental revenues	3,243,249	3,215,072	21,492	3,236,564	(6,685)
<b>Expenditures</b>					
Clean water	<u>3,243,249</u>	<u>3,215,252</u>	<u>21,312</u>	<u>3,236,564</u>	<u>6,685</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (180)</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ -</u>

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 Fiscal Year Ended June 30, 2011

Exhibit F-18

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental					
Sales tax refund	\$ 12,796	\$ 12,796	-	\$ 12,796	\$ -
State grant	<u>549,389</u>	<u>510,284</u>	-	<u>510,284</u>	<u>(39,105)</u>
Total revenues	562,185	523,080	-	523,080	(39,105)
<b>Expenditures</b>					
Clean water E	<u>562,185</u>	<u>528,855</u>	-	<u>528,855</u>	<u>33,330</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (5,775)</u>	<u>\$ -</u>	<u>\$ (5,775)</u>	<u>\$ (5,775)</u>

Duplin County, North Carolina  
 ALBERTSON WATER DISTRICT NC RURAL 2008 (30840101112) PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (Non-GAAP)  
 From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-19

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Restricted intergovernmental	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Sales tax refund	-	1,566	4,030	5,596	5,596
Total revenues	500,000	1,566	4,030	5,596	(494,404)
<b>Expenditures</b>					
Total expenditures	1,000,000	295,880	190,427	486,307	513,693
Revenues over (under) expenditures	(500,000)	(294,314)	(186,397)	(480,711)	19,289
<b>Other financing sources</b>					
Transfer from other funds	500,000	294,314	186,397	480,711	(19,289)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Duplin County, North Carolina  
**WATER DISTRICT D ROSEMARY COMMUNITY SEWER PROJECT**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-20

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental	\$ 460,000	\$ 284,398	\$ 10,123	\$ 294,521	\$ (165,479)
Sales tax refund	-	80	-	80	80
Total revenues	460,000	284,478	10,123	294,602	(165,398)
<b>Expenditures</b>					
Total expenditures	460,000	284,398	10,123	294,521	165,479
Revenues over (under) expenditures	\$ -	\$ 80	\$ -	\$ 80	\$ 80

Duplin County, North Carolina  
**WATER DISTRICT G 140-373 SEWER PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (Non-GAAP)**  
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit F-21

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental					
Sales tax refund	\$ 20,000	\$ -	\$ -	\$ -	(20,000)
USDA grant	936,000	-	-	-	936,000
USDA loan	646,000	-	-	-	646,000
Rural Center grant	500,000	-	-	-	(500,000)
Total restricted intergovernmental revenues	2,102,000	-	-	-	(2,102,000)
<b>Expenditures</b>					
Project expenditures	2,202,000	-	1,859	1,859	2,200,141
Revenues over (under) expenditures	(100,000)	-	(1,859)	(1,859)	98,141
<b>Other financing sources (uses)</b>					
Transfers from other funds	100,000	-	-	-	(100,000)
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,859)</u>	<u>\$ (1,859)</u>	<u>\$ (1,859)</u>

## **DEBT SERVICE FUND**

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

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Duplin County, North Carolina  
**DEBT SERVICE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2011

Exhibit G-1

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Investment earnings	\$ -	\$ 3,092	\$ 3,092
Expenditures			
Debt Service			
Principal retirement		1,974,780	
Interest and fees		784,577	
Total expenditures	2,759,401	2,759,357	44
Revenues under expenditures	(2,759,401)	(2,756,265)	3,136
Other financing sources			
Capital Contribution	514,590	1,460,672	946,082
Transfers-in (out)			
From General Fund	1,004,323	1,004,272	(51)
From Airport Commission Fund	51,601	51,600	(1)
Airport Commission Fund Debt payment	(51,601)	(51,600)	1
From Capital Reserve Fund - School Fund	1,240,488	1,240,456	(32)
Total transfers-in (out)	2,244,811	2,244,728	(83)
Total other financing sources	2,759,401	3,705,400	945,999
Revenues and other financing sources over (under) expenditures	\$ -	949,135	\$ 949,135
Fund balance at beginning of the year		447,771	
Fund balance at end of year		\$ 1,396,906	

## TRUST AND AGENCY FUNDS

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

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### Individual Fund Descriptions:

#### Trust Funds

**County Trust Fund** – Accounts for the monies of numerous programs.

#### Agency Funds

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

**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 that are collected by the County on behalf of the 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 of each fee collected by the register of deeds for registering a deed of trust or mortgage

Duplin County, North Carolina  
COUNTY TRUST FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For The Fiscal Year Ended June 30, 2011

Exhibit H-1

	2011		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Investment earnings	\$ 1	\$ 81	\$ 80
Fees and commissions	19,838	48,843	29,005
Donations	4,331	6,355	2,024
Total revenues	24,170	55,279	31,109
<b>Expenditures:</b>			
General Government			
Operating expenditures	71,733	58,728	13,005
Capital outlay	29,089	18,227	10,862
Total expenditures	100,823	76,955	23,868
Revenues over (under) expenditures	(76,653)	(21,676)	54,977
Appropriated fund balance	76,653	-	(76,653)
Revenues, other financing sources and appropriated fund balance over (under) expenditures	\$ -	(21,676)	\$ (21,676)
Fund balance at beginning of year		76,663	
Fund balance at end of year		\$ 54,987	

Duplin County, North Carolina  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
 June 30, 2011

Exhibit H-2

	Agency					Total
	County Agency Fund	Motor Vehicle Tax	Motor Vehicle 3% Fund	Register of Deeds Trust Fund	Social Services Fund	June 30, 2011
<b>Assets</b>						
<b>Current Assets</b>						
Cash and investments	\$ 121,039	\$ -	\$ 2,485	\$ 513	\$ 20,588	144,625
Intergovernmental receivable	-	812	-	-	472	1,284
<b>Total assets</b>	<b>\$ 121,039</b>	<b>\$ 812</b>	<b>\$ 2,485</b>	<b>\$ 513</b>	<b>\$ 21,060</b>	<b>\$ 145,909</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Miscellaneous	\$ 113,129	\$ 812	\$ 2,485	\$ 513	\$ 21,060	\$ 137,999
Intergovernmental payable	7,910	-	-	-	-	7,910
<b>Total liabilities</b>	<b>121,039</b>	<b>812</b>	<b>2,485</b>	<b>513</b>	<b>21,060</b>	<b>145,909</b>
<b>Fund Balance</b>						
Unassigned	-	-	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 121,039</b>	<b>\$ 812</b>	<b>\$ 2,485</b>	<b>\$ 513</b>	<b>\$ 21,060</b>	<b>\$ 145,909</b>

Duplin County, North Carolina  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 June 30, 2011

Exhibit H-3  
 Page 1 of 2

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>Motor Vehicle Tax:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 327,614	\$ 327,614	\$ -
Intergovernmental receivable	<u>187</u>	<u>4,701</u>	<u>4,076</u>	<u>812</u>
<b>Total assets</b>	<u>\$ 187</u>	<u>\$ 332,315</u>	<u>\$ 331,690</u>	<u>\$ 812</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	<u>\$ 187</u>	<u>\$ 332,315</u>	<u>\$ 331,690</u>	<u>\$ 812</u>
<b>County Agency Fund:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 131,568	\$ 321,967	\$ 332,496	\$ 121,039
Intergovernmental receivable	<u>76</u>	<u>22,188</u>	<u>22,264</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 131,644</u>	<u>\$ 344,155</u>	<u>\$ 354,760</u>	<u>\$ 121,039</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	\$ 131,644	\$ 344,155	\$ 362,670	\$ 113,129
Intergovernmental payable	<u>-</u>	<u>7,910</u>	<u>-</u>	<u>7,910</u>
<b>Total liabilities</b>	<u>\$ 131,644</u>	<u>\$ 352,065</u>	<u>\$ 362,670</u>	<u>\$ 121,039</u>
<b>Motor Vehicle Tax 3% Interest:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,105	\$ 35,417	\$ 35,037	\$ 2,485
Intergovernmental receivable	<u>-</u>	<u>35,418</u>	<u>35,418</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 2,105</u>	<u>\$ 70,835</u>	<u>\$ 70,455</u>	<u>\$ 2,485</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	<u>\$ 2,105</u>	<u>\$ 70,835</u>	<u>\$ 70,455</u>	<u>\$ 2,485</u>
<b>Social Services:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 19,753	\$ 79,496	\$ 78,661	\$ 20,588
Intergovernmental receivable	<u>-</u>	<u>472</u>	<u>-</u>	<u>472</u>
<b>Total assets</b>	<u>\$ 19,753</u>	<u>\$ 79,968</u>	<u>\$ 78,661</u>	<u>\$ 21,060</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	<u>\$ 19,753</u>	<u>\$ 79,968</u>	<u>\$ 78,661</u>	<u>\$ 21,060</u>

Duplin County, North Carolina  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
 June 30, 2011

Exhibit H-3  
 Page 2 of 2

	<u>Balance</u> July 1, 2010	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> June 30, 2011
<b>Register of Deeds:</b>				
<b>Assets</b>				
Cash and cash equivalents	-	10,274	9,761	513
Intergovernmental receivable	\$ 3,915	\$ 2,066	\$ 5,981	\$ -
<b>Total assets</b>	<u>3,915</u>	<u>12,340</u>	<u>15,742</u>	<u>513</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	\$ 3,915	\$ 12,340	\$ 15,742	\$ 513
<b>Totals - All Agency Funds:</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 153,426	\$ 774,768	\$ 783,569	\$ 144,625
Intergovernmental receivable	4,178	64,845	67,739	1,284
<b>Total assets</b>	<u>\$ 157,604</u>	<u>\$ 839,613</u>	<u>\$ 851,308</u>	<u>\$ 145,909</u>
<b>Liabilities</b>				
Miscellaneous Liabilities	\$ 157,604	\$ 839,613	\$ 859,218	\$ 137,999
Intergovernmental payable	-	7,910	-	7,910
<b>Total liabilities</b>	<u>157,604</u>	<u>847,523</u>	<u>859,218</u>	<u>145,909</u>

## INTERNAL SERVICE FUND

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

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Employee Insurance Fund - This fund is used to account for the accumulation and allocation of costs associated with the County's hospitalization insurance.

Duplin County, North Carolina  
HOSPITAL INSURANCE FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
FINANCIAL PLAN AND ACTUAL (Non-GAAP)  
For The Fiscal Year Ended June 30, 2011

Exhibit I-1

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating revenues			
Charges for services	\$ 3,800,000	\$ 3,884,653	\$ 84,653
Non-operating revenues			
Investment earnings	-	776	776
Total revenues	3,800,000	3,885,429	85,429
Expenditures:			
General Government			
Operating expenditures	4,463,774	3,823,616	640,158
Revenues over (under) expenditures	(663,774)	61,813	725,587
Other financing sources:			
Transfer from other funds	663,774	663,774	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures	<u>\$ -</u>	725,587	<u>\$ 725,587</u>
Fund balance at beginning of year		736,970	
Fund balance at end of year		<u>\$ 1,462,557</u>	

## OTHER SCHEDULES

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This section includes additional information on property 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
- Schedule of Ten Largest Tax Payers
- Computation of Legal Debt Margin
- Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita

Duplin County, North Carolina  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
June 30, 2011

Exhibit J-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2009-2010	\$ -	\$ 25,952,188	\$ 24,537,688	\$ 1,414,500
2008-2009	1,483,013		913,293	569,720
2007-2008	547,375		167,070	380,305
2006-2007	335,682		74,474	261,208
2005-2006	247,931		41,385	206,546
2004-2005	169,164		23,878	145,286
2003-2004	149,882		15,292	134,590
2002-2003	138,812		13,080	125,732
2001-2002	144,645		11,112	133,533
2000-2001	101,310		9,628	91,682
1999-2000	93,202		93,202	-
	<u>\$ 3,411,016</u>	<u>\$ 25,952,188</u>	<u>\$ 25,900,102</u>	<u>3,463,102</u>
Less allowance for uncollectible accounts General Fund				<u>(1,099,088)</u>
Ad valorem taxes receivable - net General Fund				<u>\$ 2,364,014</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 25,586,214
Reconciling items				
Interest and penalty collected				(384,136)
Discounts allowed				236,777
Taxes written off				191,752
Prior year's releases				<u>269,495</u>
Total Collections and credits				<u>\$ 25,900,102</u>

Duplin County, North Carolina  
**ANALYSIS OF CURRENT TAX LEVY**  
**COUNTY-WIDE LEVY**  
For the Fiscal Year Ended June 30, 2011

Exhibit J-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	\$ 3,728,895,072	0.690	\$ 25,729,376	\$ 23,343,486	\$ 2,385,890
Penalties			24,073	24,073	-
	3,728,895,072		25,753,449	23,367,559	2,385,890
Discoveries:					
Current year taxes	15,984,783	0.690	110,295	101,356	8,939
Prior year's taxes	-		88,444	88,444	-
Total	15,984,783		198,739	189,800	8,939
Total property valuation	\$ 3,744,879,855				
Net Levy			25,952,188	23,557,359	2,394,829
Uncollected taxes at June 30, 2011			1,414,500	928,757	485,743
Current years taxes collected			\$ 24,537,688	\$ 22,628,602	\$ 1,909,086
Current levy collection percentage			94.55%	96.06%	79.72%

Duplin County, North Carolina  
ANALYSIS OF CURRENT TAX LEVY  
SECONDARY MARKET DISCLOSURES  
For the Fiscal Year Ended June 30, 2011

Exhibit J-3

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Assessed Valuation:		
Assessment Ratio*		100%
Real property	\$	3,189,344,488
Personal property		399,644,269
Public service companies**		<u>155,891,098</u>
Total assessed valuation		3,744,879,855
Tax rate per \$100		<u>0.690</u>
Levy (included discoveries, releases and abatements)***	\$	<u><u>25,952,188</u></u>

\* 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  
**Ten Largest Tax Payers**  
 June 30, 2011  
 (amount expressed in thousands)  
 (unaudited)

Exhibit J-4

<u>Name</u>	<u>Type of Enterprise</u>	<u>Assessed Valuation</u>	<u>Tax Levy</u>	<u>Percentage of Total Assessed Valuation</u>
Murphy-Brown LLC	Feed	\$ 105,445,663	\$ 762,851	2.82%
Butterball, Inc.	Poultry Processing	92,216,621	700,208	2.46%
Duplin Land Development	Real Estate	80,519,123	596,745	2.15%
Nash Johnson & Sons	Livestock	46,134,555	331,399	1.23%
House of Raeford	Livestock	43,936,877	315,869	1.17%
Murphy Family Ventures	Livestock	42,140,262	302,544	1.13%
Progress Energy	Utility	37,605,503	269,446	1.00%
Guilford Mills, Inc.	Textiles	29,095,526	224,107	0.78%
Coastal Carolina Green Power	Utility	24,828,918	190,171	0.66%
Four County EMC	Utility	24,457,345	175,557	0.65%
		<u>\$ 526,380,393</u>	<u>\$ 3,868,897</u>	<u>11.24%</u>

Duplin County, North Carolina  
COMPUTATION OF LEGAL DEBT MARGIN  
June 30, 2011  
(unaudited)

Exhibit J-5

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Assessed value of taxable property	\$ 3,744,879,855
	x 0.08
Debt limit - 8 percent of assessed value	<u>299,590,388</u>
Gross debt:	
Total bonded debt	17,868,500
Certificates of participation	5,180,000
Notes payable	11,928,304
Capital lease	<u>-</u>
Total gross debt	34,976,804
Less: Utility Debt	<u>18,253,021</u>
Total amount of debt applicable to debt limit (net debt)	<u>16,723,783</u>
Legal Debt Margin	<u><u>\$ 282,866,605</u></u>

Duplin County, North Carolina  
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
 LAST FIVE FISCAL YEARS

Exhibit J-6

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Fiscal Year Ended June 30	GO Debt	Assessed Valuation	Total GO Debt to Assessed Valuation	GO Debt Population	Total Per Capita
2007	2,870,000	2,941,280,236	0.10%	58,505 <sup>2</sup>	49.06
2008	2,360,000	3,063,479,367	0.08%	58,505 <sup>2</sup>	40.34
2009	1,865,000	3,161,675,064	0.08%	58,505 <sup>2</sup>	31.88
2010	1,380,000	3,255,829,494	0.04%	58,505 <sup>2</sup>	23.59
2011	910,000	3,744,879,855	0.02%	58,505 <sup>2</sup>	15.55

<sup>1</sup> United States Department of Commerce, Bureau of the Census.

<sup>2</sup> For purposes of this schedule the 2010 population is being used.

## **COMPLIANCE SECTION**

**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  
Kenansville, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Duplin County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprises Duplin County's basic financial statements, and have issued our report thereon dated November 28, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Duplin County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Duplin County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Duplin County in a separate letter dated November 28, 2011.

This report is intended solely for the information and use of management, others within the organization, members of the Board, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Pittard Perry & Crone, Inc.*

La Grange, North Carolina  
November 28, 2011

**Report On Compliance With Requirements Applicable To Each Major Federal  
Program And 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  
Kenansville, North Carolina

Compliance

We have audited the compliance of Duplin County, North Carolina, 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 the County's major federal programs for the year ended June 30, 2011. Duplin County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Duplin County's management. Our responsibility is to express an opinion on Duplin County's compliance based on our audit.

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 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'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. Our audit does not provide a legal determination of Duplin County's compliance with those requirements.

In our opinion, Duplin County complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of Duplin County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Duplin County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 the County's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, members of the Board, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Pittard Perry & Crone, Inc.*  
La Grange, North Carolina  
November 28, 2011

**Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With Applicable Sections  
of OMB Circular A-133 and the State Single Audit Implementation Act**

To The Board of County Commissioners  
Duplin County, North Carolina

Compliance

We have audited the compliance of Duplin County, North Carolina, with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2011. Duplin County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Duplin County's management. Our responsibility is to express an opinion on Duplin County's compliance based on our audit.

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; applicable sections of OMB Circular A-133, as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, applicable sections of 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's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Duplin County's compliance with those requirements.

In our opinion, Duplin County complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of Duplin County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Duplin County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, members of the Board, federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Pittard Perry & Crone, Inc.*  
La Grange, North Carolina  
November 28, 2011



Duplin County, North Carolina  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2011

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Section I. Summary of Auditor's Results (Continued)

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Dollar threshold used to distinguish  
between Type A and Type B Programs \$1,762,128

Auditee qualified as low-risk auditee?      \_\_\_\_yes    X\_no

State Awards

Internal control over major State programs:

-- Material weaknesses identified?      \_\_\_\_yes    X\_no

-- Reportable conditions identified  
that are not considered to be  
material weaknesses      \_\_\_\_yes    X\_none reported

Noncompliance material to State awards      \_\_\_\_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

Identification of major State programs:

Program Names

State/County Special Assistance for Adults  
Lottery Revenue  
Parallel Taxiway - DOT  
DWSRF Funds

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Section II - Financial Statement Findings

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None reported

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Section III- Federal Award Findings and Questioned Costs

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None reported

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Section IV - State Award Findings and Questioned Costs

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None reported

Duplin County, North Carolina  
CORRECTIVE ACTION PLAN  
For the Fiscal Year Ended June 30, 2011

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**Section II - Financial Statement Findings**

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None reported

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

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None reported

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

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None reported

Duplin County, North Carolina  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2011

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None reported

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>				
<b><u>U.S. Department Of Agriculture:</u></b>				
<b><u>Food and Nutrition Service</u></b>				
Passed through N.C. Department of Health and Human Services:				
Division of Social Services				
Administration:				
<b><u>Food Stamp Cluster:</u></b>				
State Administrative Matching Grants for the Food Stamp Program	10.561	\$ 511,333	\$ -	\$ 446,928
Direct Benefit Payments				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	1,482,194	-	-
Division of Public Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	491,523	-	-
Total U.S. Department of Agriculture		2,485,050	-	446,928
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through N.C. Department of Commerce:				
Community Development Block Grant - States Program:				
08-C-1875	14.228	227,958	-	-
09-C-1989	14.228	302,195	-	-
		530,153	-	-
<b><u>U.S. Department of Crime Control and Public Safety</u></b>				
Passed through N.C. Dept. of Crime Control and Public Safety:				
Emergency Management	97.042	25,690	-	-
<b><u>U.S. Department of Transportation</u></b>				
Passed through N.C. Dept. of Health and Human Services:				
Airport Improvement Program	20.106	2,290	-	-
ARRA - Public Transportation for Nonurbanized Areas	20.509	122,093	-	-
Public Transportation for Nonurbanized areas	20.509	148,205	10,881	-
Total U.S. Department of Transportation		272,588	10,881	-

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services:</u></b>				
<b><u>Administration on Aging</u></b>				
Passed through N.C. Dept. of Health and Human Services				
Division of Aging				
Passed through Eastern Carolina Council:				
<u>Aging Cluster:</u>				
Special Programs for the Aging				
Title III - Preventive Health				
Title III-D				
Title III B - Grants for Supportive Services and Senior Centers				
Legal				
Access				
In-Home				
Title III C - Nutrition Services				
C-1 Congregate Meals				
C-2 Home Delivered Meals				
Family Caregiver Support Services				
NSIP-Nutrition				
HCCBG - In Home/Support Services				
Fan/Heat Program				
Total Aging Cluster				
	93.043	\$ 4,651	\$ 274	\$ 547
	93.044	2,492	147	293
	93.044	26,833	41,579	7,601
	93.044	46,626	54,356	11,220
	93.045	149,147	20,797	18,883
	93.045	39,557	36,236	8,421
	93.052	25,367	1,691	-
	93.053	36,032	-	-
	93.667	6,180	177	706
	N/A	-	3,062	1,020
		336,885	158,319	48,691
 <b><u>Office of Population Affairs</u></b>				
Passed-through N.C. Dept. of Health and Human Services:				
Office of Population Affairs				
Family Planning Services				
	93.217	53,595	-	-
 <b><u>Administration for Children and Families</u></b>				
Passed-through N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Family Preservation				
Work First/Temporary Assistance for Needy Families (TANF)				
Work First/TANF - Direct Benefit Payments				
AFDC - Direct Benefit Payments				
N.C. Child Support Enforcement Section				
Low-Income Home Energy Assistance Block Grant - Administration				
Energy Assistance Payments - Direct Benefit Payments				
Permanency Planning - Families for Kids				
	93.556	2,259	-	-
	93.558	635,066	-	484,770
	93.558	643,125	4	653
	93.560	(476)	(130)	(130)
	93.563	533,320	13	274,728
	93.568	235,962	-	-
	93.568	414,136	-	-
	93.645	14,570	-	5,036

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services (continued):</u></b>				
Passed-through N.C. Dept. of Health and Human Services:				
Division of Social Services:				
Foster Care and Adoption Cluster:				
Title IV-E Foster Care	93.658	\$ 315,558	\$ 54,459	\$ 235,076
Foster Care - Direct Benefit Payments	93.658	166,588	44,693	44,692
Adoption Assistance - Direct Benefit Payments	93.659	171,707	38,599	38,599
Total Foster Care and Adoption Cluster		653,853	137,751	318,367
Social Services Block Grant (SSBG)	93.667	231,207	24,237	83,356
Independent Living Grant	93.674	1,366	341	-
Independent Living Transitional - Direct Benefit Payment	93.674	3,556	-	-
<u>Subsidized Child Care Cluster:</u>				
Division of Social Services:				
Child Care Development Fund - Administration	93.596	135,948	-	-
Division of Child Development:				
Child Care and Development Fund - Discretionary	93.575	854,532	-	-
Child Care and Development Fund - Mandatory	93.596	389,564	-	-
Child Care and Development Fund - Match	93.596	302,541	164,165	-
Social Services Block Grant (SSBG)	93.667	5,834	-	-
Temporary Assistance For Needy Families (TANF)	93.558	300,555	-	-
Temporary Assistance For Needy Families State Programs	93.714	149,608	-	-
Smart Start	N/A	-	41,799	-
State Appropriations	N/A	-	571,421	-
TANF-MOE	N/A	-	281,455	-
Total Subsidized Child Care Cluster		2,138,582	1,058,840	-
<u>Centers for Medicare and Medicaid Services</u>				
Passed-through N.C. Dept. of Health and Human Services:				
Medical Assistance Program	93.778	48,321	-	-
<u>Health Care Financing Administration</u>				
Passed through N.C. Dept. of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	47,955,028	19,243,141	92,004
Division of Social Services:				
Medical Assistance Program	93.778	1,096,822	49,680	1,011,829
Health Choice	93.767	66,437	2,703	18,494

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b><u>U.S. Department of Health and Human Services (continued):</u></b>				
<b><u>Centers for Disease Control</u></b>				
Passed through N.C. Dept. of Health and Human Services:				
Division of Public Health:				
Public Health Emergency Preparedness	93.069	\$ 17,058	\$ -	\$ -
Projects Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	32,202	-	-
Prevention Investigations & Technical Assistance	93.283	111,867	-	-
Immunization Program/Aid to County Funding	93.268	19,170	-	-
Temporary Assistance for Needy Families	93.558	8,928	-	-
Preventive Health and Health Services Block Grant	93.991	13,369	-	-
 <b><u>Health Resources and Services Administration</u></b>				
Passed through N.C. Department of Health and Human Services:				
Division of Public Health:				
Maternal and Child Health Services Block Grant	93.994	157,915	-	-
Total U.S. Department of Health and Human Services		<u>55,424,123</u>	<u>20,674,899</u>	<u>2,337,798</u>
 <b>State Awards:</b>				
<b><u>N.C. Department of Health and Human Services:</u></b>				
Division of Social Services:				
State/County Special Assistance to Adults - Administration		-	-	57,515
State/County Special Assistance to Adults - Direct Benefit Payments		-	648,542	648,542
State Adult Protective Service		-	32,648	-
Energy Assistance Private Grants		-	435	-
DCD Smart Start		-	48,631	-
AFDC Incentive/Program Integrity		-	106	-
TANF Incentive/Program Integrity		-	4,292	-
County Funded Programs		-	-	60,621
Adoption/Foster Care		-	47,665	-
State Foster Care HIV - Direct Benefit Payments		-	14,400	-
State Foster Home - Direct Benefit Payments		-	24,805	24,805
Foster Care At Risk - Direct Benefit Payments		-	(14)	(3)

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b><u>N.C. Department of Health and Human Services (continued):</u></b>				
Division of Social Services (continued):				
Foster Care Special Provision - Direct Benefit Payments		\$ -	\$ 15,064	\$ -
SFHF Maximization - Direct Benefit Payments		-	34,819	34,819
Child Welfare Services Adoption Subsidy - Direct Benefit Payment		-	78,778	11,475
Other Local Expenditures		-	-	3,514,641
Total Division of Social Services		-	950,171	4,352,415
Division of Public Health:				
General		-	115,712	-
Communicable Disease		-	4,440	-
Minority Health		-	69,000	-
Tuberculosis		-	34,549	-
AIDS		-	500	-
Risk Reduction/Health Promotion		-	15,540	-
Women's Preventative Health		-	8,142	-
Total Division of Public Health		-	247,883	-
Total N.C. Department of Health and Human Services		-	1,198,054	4,352,415
<b><u>N.C. Department of Transportation</u></b>				
Public Transportation Division	<u>State No.</u>			
Parallel Taxiway	DOT-8	-	578,959	-
Rural Operating Assistance Program (ROAP)				
Elderly and Disabled Transportation Assistance Program (E&DTAP)	DOT-16CL	-	81,323	-
Rural General Public Program (RGP)	DOT-16CL	-	89,685	-
Work First/Employment Transportation Operating Assistance	DOT-16CL	-	23,923	-
Road Improvements	DOT-18	-	56,485	-
Total N.C. Department of Transportation		-	830,375	-
<b><u>N.C. Department of Environment and Natural Resources</u></b>				
Division of Environmental Health:				
Soil and Water Conservation		-	44,727	-
Environmental Health Service		-	4,000	-
Food and Lodging Fee Collection		-	8,326	-
Lead Screening		-	600	-
DWSRF Economic Recovery Project		-	418,449	-
			476,102	

Duplin County, North Carolina  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 Year Ended June 30, 2011

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b><u>N.C. Department of Environment and Natural Resources (continued)</u></b>				
Division of Waste Management:				
Scrap Tire Fund		\$ -	\$ 4,326	\$ -
Total N.C. Department of Environment and Natural Resources		-	480,428	-
<b><u>N.C. Office of Juvenile Justice</u></b>				
4-H Outreach		-	52,733	-
Gang Awareness		-	9,746	-
Taskforce		-	390	-
Juvenile Human Services		-	1,350	-
Parenting Education & Support		-	37,339	-
Juvenile Court Psychology		-	6,000	-
Teen Court		-	61,314	-
Total N.C. Office of Juvenile Justice		-	168,872	-
<b><u>N.C. Department of Administration :</u></b>				
Division of Veterans Affairs:				
State Veterans Matching Funds		-	2,000	-
<b><u>N.C. Dept. of Public Instruction</u></b>				
Lottery Revenue		-	731,597	-
<b><u>N.C. Dept. of Cultural Resources</u></b>				
State Library of North Carolina				
Aid to Public Libraries		-	130,028	-
<b><u>N.C. Department of Corrections :</u></b>				
Division of Community Corrections:				
Criminal Justice Partnership Program		-	73,938	-
Total expenditures		\$ 58,737,604	\$ 24,301,072	\$ 7,137,141

DUPLIN COUNTY, NORTH CAROLINA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2011

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1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Duplin County 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 county's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

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