

**SAMPSON COUNTY
NORTH CAROLINA
JUNE 30, 2014**

**SAMPSON COUNTY
NORTH CAROLINA**

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

**Prepared Under the Direction
of the Sampson County Finance Department**

**David K. Clack
Finance Officer**

Sampson County, North Carolina

Principal Officials

June 30, 2014

Board of Commissioners

**Jefferson B. Strickland
Chairman**

**Jarvis H. McLamb
Vice Chairman**

Albert D. Kirby, Jr.

Billy C. Lockamy

Harry L. Parker

County Manager

Edwin W. Causey

Finance Officer

David K. Clack

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FINANCIAL SECTION





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R. Bryon Scott, CPA
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Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year then ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Sampson County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Sampson Regional Medical Center, Inc. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sampson Regional Medical Center, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Board were not audited in accordance with *Governmental Auditing Standards*.

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Schools Capital Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 74-75 and pages 76-77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015 on our consideration of Sampson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A
Elizabethtown, North Carolina
January 14, 2015



Management's Discussion and Analysis

As management of Sampson County, we offer readers of Sampson County's financial statements this narrative overview and analysis of the financial activities of Sampson County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

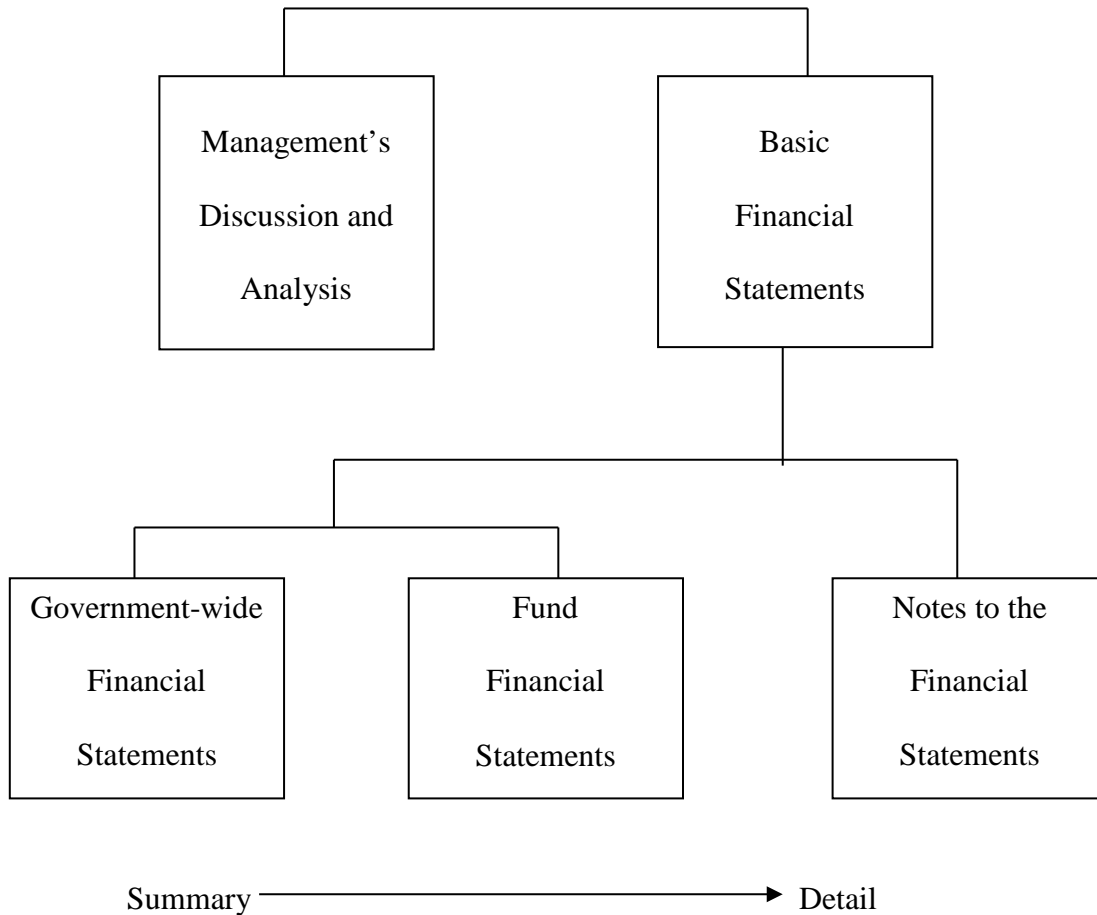
Financial Highlights

- The assets and deferred outflows of resources of Sampson County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$43,747,037(*net position*).
- The government's total net position decreased by \$837,266, primarily due to decreases in net position for both the Governmental Activities and Business-Type Activities.
- As of the close of the current fiscal year, Sampson County's governmental funds reported combined ending fund balances of \$29,005,410, a decrease of \$714,892. Airport apron construction decreased the fund balance by \$12,947, School Capital Projects fund activity decreased the fund balance by \$884,659 and School Construction Fund activity increased the fund balance by \$103,565. General fund activity decreased fund balance by \$316,041. Approximately fourteen percent (14%) of the fund balance amount, \$4,178,141, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,178,141, or six percent (6%) of total general fund expenditures for the fiscal year.
- Sampson County's total long term obligations decreased by \$2,802,799. Several factors led the decrease in total debt as follows:
 - Scheduled payments of principal on other loans.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer services offered by Sampson County. The final category is the component units. Sampson Regional Medical Center is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has issued debt on its behalf. Sampson County Tourism Development Authority was created to develop tourism within the County.

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. Sampson 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 Sampson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

Proprietary Funds – Sampson 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. Sampson County uses enterprise funds to account for its water and sewer activities. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Sampson County has nine fiduciary funds, one of which is a pension trust fund and eight of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 32 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Sampson County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide post-employment health care benefits to eligible employees. Required supplementary information can be found beginning on page 71 of this report.

Interdependence with Other Entities: The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the County is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Sampson County exceeded its liabilities and deferred inflows of resources by \$43,747,037 as of June 30, 2014. The County's net position decreased by \$837,266 for the fiscal year ended June 30, 2014. The

largest portion \$29,833,590 (68%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Sampson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net position \$20,626,468 (47%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$6,713,021 (-15%).

Sampson County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 37,866,930	\$ 36,796,193	\$ 3,276,693	\$ 4,196,501	\$ 41,143,623	\$ 40,992,694
Capital assets	<u>140,674,057</u>	<u>144,044,404</u>	<u>25,305,418</u>	<u>24,985,014</u>	<u>165,979,475</u>	<u>169,029,418</u>
Total assets	<u>\$ 178,540,987</u>	<u>\$ 180,840,597</u>	<u>\$ 28,582,111</u>	<u>\$ 29,181,515</u>	<u>\$ 207,123,098</u>	<u>\$ 210,022,112</u>
Deferred outflows of resources	\$ 332,351	\$ 347,458	\$ -	\$ -	332,351	347,458
Long-term liabilities outstanding	\$ 138,443,127	\$ 140,515,200	\$ 14,694,241	\$ 15,078,159	\$ 153,137,368	\$ 155,593,359
Other liabilities	<u>9,949,146</u>	<u>9,358,408</u>	<u>583,920</u>	<u>790,183</u>	<u>10,533,066</u>	<u>10,148,591</u>
Total liabilities	<u>\$ 148,392,273</u>	<u>\$ 149,873,608</u>	<u>\$ 15,278,161</u>	<u>\$ 15,868,342</u>	<u>\$ 163,670,434</u>	<u>\$ 165,741,950</u>
Deferred inflows of resources	\$ 37,978	\$ 43,317	\$ -	\$ -	\$ 37,978	\$ 43,317
Net position:						
Net investment in capital assets	\$ 19,506,755	\$ 32,532,915	\$ 10,326,835	\$ 9,614,474	\$ 29,833,590	\$ 42,147,389
Restricted	20,626,468	18,305,547	-	-	20,626,468	18,305,547
Unrestricted	<u>(9,690,136)</u>	<u>(19,567,332)</u>	<u>2,977,115</u>	<u>3,698,699</u>	<u>(6,713,021)</u>	<u>(15,868,633)</u>
Total net position	<u>\$ 30,443,087</u>	<u>\$ 31,271,130</u>	<u>\$ 13,303,950</u>	<u>\$ 13,313,173</u>	<u>\$ 43,747,037</u>	<u>\$ 44,584,303</u>

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

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of approximately 96%.
- Change in the billing and collection of property taxes levied on motor vehicles as initiated by the State of North Carolina.
- Collections in excess of budget on property taxes, ambulance fees, and sales taxes.

Other factors negatively influenced the total unrestricted governmental net position.

- Payment on debt service increases that were planned to be paid from reserves.

Sampson County's Changes in Net Position
Figure 3

	Governmental Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 10,182,475	\$ 10,217,050	\$ 2,623,450	\$ 2,575,457	\$ 12,805,925	\$ 12,792,507
Operating grants and contributions	13,102,880	12,657,071	-	-	13,102,880	12,657,071
Capital grants and contributions	2,014,514	240,312	255,641	-	2,270,155	240,312
General revenues:						
Property taxes	36,306,974	34,493,494	-	-	36,306,974	34,493,494
Other taxes	9,270,494	9,091,383	-	-	9,270,494	9,091,383
Investment earnings, unrestricted	6,336	20,486	653	1,429	6,989	21,915
Other	<u>220,784</u>	<u>307,342</u>	<u>-</u>	<u>-</u>	<u>220,784</u>	<u>307,342</u>
Total revenues	<u>71,104,457</u>	<u>67,027,138</u>	<u>2,879,744</u>	<u>2,576,886</u>	<u>73,984,201</u>	<u>69,604,024</u>
Expenses:						
General government	9,836,881	9,522,738	-	-	9,836,881	9,522,738
Public safety	19,517,854	18,376,532	-	-	19,517,854	18,376,532
Economic and physical development	1,005,634	1,170,583	-	-	1,005,634	1,170,583
Environmental protection	946,751	1,469,785	-	-	946,751	1,469,785
Human services	20,027,875	20,083,198	-	-	20,027,875	20,083,198
Cultural and recreation	2,126,817	2,022,108	-	-	2,126,817	2,022,108
Education	12,580,680	11,944,414	-	-	12,580,680	11,944,414
Interest on long-term debt	5,863,408	5,531,213	-	-	5,863,408	5,531,213
Water and sewer Dist. I	-	-	489,682	535,383	489,682	535,383
Water and sewer Dist. II	-	-	<u>2,425,885</u>	<u>2,389,068</u>	<u>2,425,885</u>	<u>2,389,068</u>
Total expenses	<u>71,905,900</u>	<u>70,120,571</u>	<u>2,915,567</u>	<u>2,924,451</u>	<u>74,821,467</u>	<u>73,045,022</u>
Change in net position before transfers & special items	(801,443)	(3,093,433)	(35,823)	(347,565)	(837,266)	(3,440,998)
Transfers	<u>(26,600)</u>	<u>(26,600)</u>	<u>26,600</u>	<u>26,600</u>	<u>-</u>	<u>-</u>
Change in net position	(828,043)	(3,120,033)	(9,223)	(320,965)	(837,266)	(3,440,998)
Net position, beginning	<u>31,271,130</u>	<u>34,391,163</u>	<u>13,313,173</u>	<u>13,634,138</u>	<u>44,584,303</u>	<u>48,025,301</u>
Net position, ending	<u>\$ 30,443,087</u>	<u>\$ 31,271,130</u>	<u>\$ 13,303,950</u>	<u>\$ 13,313,173</u>	<u>\$ 43,747,037</u>	<u>\$ 44,584,303</u>

Governmental activities: Governmental activities decreased the County's net position by \$828,043, thereby accounting for ninety-nine percent 99% of the total reduction in the net position of Sampson County. Key elements of this decrease are as follows:

- Increased expenditures in public safety and education.

Business-type activities: Business-type activities decreased Sampson County's net position by \$9,223, accounting for the remaining reduction in the government's total net position. Key elements of this decrease as compared to the prior year are as follows:

- Current year receipt of grant revenue over the prior year created a smaller decrease in net position.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Sampson County. At the end of the current fiscal year, unassigned fund balance of the General fund was \$4,178,141, while total fund balance was \$22,736,274. 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 balance represents six percent (6%) of total General Fund expenditures, while total fund balance represents thirty-three percent (33%) percent of that same amount.

At June 30, 2014, the governmental funds of Sampson County reported a combined fund balance of \$29,005,410, a five percent (2%) decrease over last year. The primary reason for this decrease is the decrease in the fund balance in all major governmental funds.

The other major governmental funds include the Schools Capital Projects Fund, the Airport Apron Construction capital project fund, and the School Construction capital project fund. The Schools Capital Projects Fund accounts for the accumulation of resources to fund capital needs and debt for capital needs for the County's school districts. In the current fiscal year, restricted fund balance of the Schools Capital Projects Fund was \$2,656,884.

The Schools Capital Projects Fund fund balance decreased \$884,659. This decrease was due to revenues that were less than the expenditures for capital outlay and debt service for the school systems. The amount of fund balance decrease was less than the amount of fund balance appropriated for the fiscal year by \$1,038,634. The reasons we did not use all of the fund balance appropriated in the fiscal year were that sales taxes collected exceeded projections and the capital outlay budgeted by the school systems was not completely expended.

The County's two major capital project funds are the Airport Construction and the Schools Construction Fund. The Airport Construction fund accounts for the resources and costs to construct a taxi-way and apron at the Clinton-Sampson Airport. This construction is funded primarily grant funds from the North Carolina Department of Transportation. The School Construction fund accounts for the resources and costs to construct new school facilities in the County. This fund currently has a fund balance of \$2,132,339.

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 revenues by \$2,819,265 or two percent (4%).

Proprietary Funds. Sampson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. During the year, net position decreased by \$9,223. This decrease was smaller than the year before due to grant funds received for the well project.

Capital Asset and Debt Administration

Capital assets. Sampson County's capital assets for its governmental and business-type activities as of June 30, 2014, totals \$165,979,475 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, and construction in progress.

Major capital asset transactions during the year include:

- Construction in progress for Airport.
- Construction in progress for County buildings.
- Purchases of new equipment and vehicles.

SAMPSON COUNTY'S CAPITAL ASSETS
(net of depreciation)
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 6,172,038	\$ 6,172,038	\$ 225,319	\$ 225,319	\$ 6,397,357	\$ 6,397,357
Buildings and Systems	121,959,303	125,543,601	22,747,986	23,529,042	144,707,289	149,072,643
Machinery and Equipment	6,506,253	6,694,458	162,157	177,437	6,668,410	6,871,895
Vehicles and Motorized Equipment	1,856,527	1,645,693	167,503	183,620	2,024,030	1,829,313
Construction in Progress	4,179,936	3,988,614	2,002,453	869,596	6,182,389	4,858,210
Total	<u>\$ 140,674,057</u>	<u>\$ 144,044,404</u>	<u>\$ 25,305,418</u>	<u>\$ 24,985,014</u>	<u>\$ 165,979,475</u>	<u>\$ 169,029,418</u>

Additional information on the County's capital assets can be found in note III.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2014, Sampson County had total bonded debt outstanding of \$11,663,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$78,012,756 outstanding in installment/purchase contracts, \$10,000,000 outstanding in installment purchase revenue bonds and \$47,185,000 outstanding in Certificates of Participation – all of which are being paid from general fund, school capital reserve fund, NC Education Lottery and water district service revenues.

Sampson County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ -	\$ -	\$ 11,663,000	\$ 11,895,500	\$ 11,663,000	\$ 11,895,500
Revenue Bonds	10,000,000	11,045,000	-	-	10,000,000	11,045,000
Installment Purchases	74,697,173	76,025,381	3,315,583	3,475,038	78,012,756	79,500,419
Certification of Participation	47,185,000	48,760,000	-	-	47,185,000	48,760,000
Total	<u>\$ 131,882,173</u>	<u>\$ 135,830,381</u>	<u>\$ 14,978,583</u>	<u>\$ 15,370,538</u>	<u>\$ 146,860,756</u>	<u>\$ 151,200,919</u>

Sampson County's total outstanding debt decreased by \$4,340,163 or three percent (3%) during the past fiscal year, primarily due to the scheduled debt payments.

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 Sampson County is \$211,905,251.

Additional information regarding Sampson County's long-term debt can be found in note III.B.8 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate as of December, 2013 of 6.3% was lower than the state average of 6.6%.
- The property tax base grew 4.94%. This was largely due to the fact the County billed four (4) extra months of vehicles due to a change in the general statutes..
- The tax collection rate of approximately 95% remained steady for the year.

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2015 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2015

Governmental Activities: Sampson County is currently working on a well construction project that is due to be completed during the year. The anticipated cost of this project is \$2,626,850. In fiscal year June 30, 2015, the County tax rate was increased to \$.83 cents per \$100 of value. The increase was due to reductions in grant revenues and increases in expenditures. The total operating budget decreased by approximately \$1,300,000, primarily due to increases in capital costs to repair buildings.

General Fund revenues are projected to increase \$2,018,668 or four percent (4%). Increase in property tax revenue represents the largest increases in revenues.

Budgeted expenditures in the General Fund are expected to increase four percent (4%) to \$78,973,625. The largest increases are in costs for additional security at the Courthouse and additional costs for Human Services activities.

Business-type Activities: The water rates in the County will remain steady. General operating expenses are expected to remain steady.

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 Finance Officer, Sampson County, P.O. Box 257, Clinton, N.C. 28329.

BASIC FINANCIAL STATEMENTS



**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION**

Exhibit 1

June 30, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Sampson County	Sampson
	Activities	Activities		Tourism Development Authority	Reg. Medical Center, Inc.
ASSETS					
Cash and cash equivalents	\$ 19,423,283	\$ 2,836,686	\$ 22,259,969	\$ 77,407	\$ 3,892,378
Receivables (net)	12,766,915	306,405	13,073,320	5,999	9,663,941
Inventories	18,690	133,602	152,292	-	1,405,592
Prepays	-	-	-	-	376,412
Restricted cash and cash equivalents	5,658,042	-	5,658,042	-	14,430,173
Other non-current receivables	-	-	-	-	96,915
Capital assets:					
Land, improvements, and construction in progress	10,351,974	2,227,772	12,579,746	-	2,152,646
Other capital assets, net of depreciation	130,322,083	23,077,646	153,399,729	-	23,399,910
Total capital assets	140,674,057	25,305,418	165,979,475	-	25,552,556
Total assets	<u>\$ 178,540,987</u>	<u>\$ 28,582,111</u>	<u>\$ 207,123,098</u>	<u>\$ 83,406</u>	<u>\$ 55,417,967</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>332,351</u>	<u>-</u>	<u>332,351</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 4,654,632	\$ 151,393	\$ 4,806,025	\$ 11,740	\$ 7,414,305
Long-term liabilities:					
Due within one year	5,294,514	432,527	5,727,041	-	3,711,799
Due in more than one year	138,443,127	14,694,241	153,137,368	-	7,480,503
Total liabilities	<u>148,392,273</u>	<u>15,278,161</u>	<u>163,670,434</u>	<u>11,740</u>	<u>18,606,607</u>
DEFERRED INFLOWS OF RESOURCES					
Prepaid Taxes	37,978	-	37,978	-	-
Total Deferred Inflows of Resources	<u>37,978</u>	<u>-</u>	<u>37,978</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in capital assets	19,506,755	10,326,835	29,833,590	-	16,597,654
Restricted for:					
Stabilization by state statute	11,321,940	-	11,321,940	5,999	-
Revaluation	681,916	-	681,916	-	-
Public safety	1,534,385	-	1,534,385	-	-
Debt Service	2,868,644	-	2,868,644	-	-
Education	4,219,583	-	4,219,583	-	-
Capital acquisitions	-	-	-	-	463,369
Unrestricted	(9,690,136)	2,977,115	(6,713,021)	65,667	19,395,068
Net position of controlled organization	30,443,087	13,303,950	43,747,037	71,666	36,456,091
Noncontrolling interest in entity	-	-	-	-	355,269
Total net position	<u>\$ 30,443,087</u>	<u>\$ 13,303,950</u>	<u>\$ 43,747,037</u>	<u>\$ 71,666</u>	<u>\$ 36,811,360</u>

The accompanying notes are an integral part of this financial statement.

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES**

**Exhibit 2
Page 1 of 2**

For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 9,836,881	\$ 681,425	\$ -	\$ -
Public safety	19,517,854	5,258,014	727,040	-
Economic and physical development	1,005,634	62,975	50,306	150,986
Environmental protection	946,751	1,927,134	166,480	-
Human services	20,027,875	1,932,415	12,143,954	-
Culture and recreation	2,126,817	320,512	15,100	-
Education	12,580,680	-	-	1,863,528
Interest on long-term debt	5,863,408	-	-	-
Total governmental activities	<u>71,905,900</u>	<u>10,182,475</u>	<u>13,102,880</u>	<u>2,014,514</u>
Business-type activities:				
Water District II	2,425,885	2,036,173	-	255,641
Water District I	489,682	587,277	-	-
Total business-type activities	<u>2,915,567</u>	<u>2,623,450</u>	<u>-</u>	<u>255,641</u>
Total primary government	<u>\$ 74,821,467</u>	<u>\$ 12,805,925</u>	<u>\$ 13,102,880</u>	<u>\$ 2,270,155</u>
Component unit:				
Sampson County Tourism Dev Authority	78,967	656	3,612	-
Sampson Regional Medical Ctr. Inc.	58,580,121	59,884,560	-	46,277
Total component unit	<u>\$ 58,659,088</u>	<u>\$ 59,885,216</u>	<u>\$ 3,612</u>	<u>\$ 46,277</u>

The accompanying notes are an integral part of this financial statement.

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES**

**Exhibit 2
Page 2 of 2**

For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Sampson County Tourism Development Authority	Sampson Reg. Medical Center, Inc.
Primary Government:					
Governmental Activities:					
General government	\$ (9,155,456)	\$ -	\$ (9,155,456)		
Public safety	(13,532,800)	-	(13,532,800)		
Economic and physical development	(741,367)	-	(741,367)		
Environmental protection	1,146,863	-	1,146,863		
Human services	(5,951,506)	-	(5,951,506)		
Culture and recreation	(1,791,205)	-	(1,791,205)		
Education	(10,717,152)	-	(10,717,152)		
Interest on long-term debt	(5,863,408)	-	(5,863,408)		
Total governmental activities	<u>(46,606,031)</u>	<u>-</u>	<u>(46,606,031)</u>		
Business-type activities:					
Water District II	-	(134,071)	(134,071)		
Water District I	-	97,595	97,595		
Total business-type activities	<u>-</u>	<u>(36,476)</u>	<u>(36,476)</u>		
Total primary government	<u>\$ (46,606,031)</u>	<u>\$ (36,476)</u>	<u>\$ (46,642,507)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (74,699)	\$ -
Sampson Regional Medical Ctr. Inc.				-	1,350,716
Total component units				<u>\$ (74,699)</u>	<u>\$ 1,350,716</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	36,306,974	-	36,306,974	-	-
Other taxes and fees	9,270,494	-	9,270,494	62,595	-
Investment earnings, unrestricted	6,336	653	6,989	-	25,670
Miscellaneous, unrestricted	220,784	-	220,784	-	(13,271)
Total general revenues excluding transfers	45,804,588	653	45,805,241	62,595	12,399
Transfers	(26,600)	26,600	-	-	-
Total general revenues and transfers	<u>45,777,988</u>	<u>27,253</u>	<u>45,805,241</u>	<u>62,595</u>	<u>12,399</u>
Change in net position	(828,043)	(9,223)	(837,266)	(12,104)	1,363,115
Net position - beginning	31,271,130	13,313,173	44,584,303	83,770	35,092,976
Net position - ending	<u>\$ 30,443,087</u>	<u>\$ 13,303,950</u>	<u>\$ 43,747,037</u>	<u>\$ 71,666</u>	<u>\$ 36,456,091</u>

The accompanying notes are an integral part of this financial statement.

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

**Exhibit 3
Page 1 of 3**

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Apron 19.6.1
Assets:				
Cash and cash equivalents	\$ 14,496,052	\$ -	\$ -	\$ -
Restricted cash	1,438,459	2,087,244	2,132,339	-
Taxes receivable (net)	2,296,955	-	-	-
Accounts receivable	7,793,080	569,640	-	1,118,926
Due from other funds	1,475,759	-	-	-
Inventories	18,690	-	-	-
Total Assets	<u>\$ 27,518,995</u>	<u>\$ 2,656,884</u>	<u>\$ 2,132,339</u>	<u>\$ 1,118,926</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,447,788	\$ -	\$ -	\$ -
Due to general fund	-	-	-	1,385,211
Total Liabilities	<u>2,447,788</u>	<u>-</u>	<u>-</u>	<u>1,385,211</u>
Deferred Inflows of Resources:				
Property taxes receivable	2,296,955	-	-	-
Prepaid Taxes	37,978	-	-	-
Total Deferred Inflows of Resources	<u>2,334,933</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Inventories	18,690	-	-	-
Restricted:				
Stabilization by State Statute	9,493,668	569,640	-	1,118,926
Public safety	756,543	-	-	-
Debt service	2,868,644	-	-	-
Education	-	2,087,244	2,132,339	-
Revaluation	681,916	-	-	-
Committed:				
Nonmajor funds	-	-	-	-
Capital projects	1,101,551	-	-	(1,385,211)
Assigned:				
Subsequent year's expenditures	3,637,121	-	-	-
Unassigned	4,178,141	-	-	-
Total fund balances	<u>22,736,274</u>	<u>2,656,884</u>	<u>2,132,339</u>	<u>(266,285)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,518,995</u>	<u>\$ 2,656,884</u>	<u>\$ 2,132,339</u>	<u>\$ 1,118,926</u>

The notes to the financial statements are an integral part of this statement.

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

**Exhibit 3
Page 2 of 3**

	<u>Non-Major Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and cash equivalents	\$ 1,729,599	\$ 16,225,651
Restricted cash	-	5,658,042
Taxes receivable (net)	143,081	2,440,036
Accounts receivable	139,706	9,621,352
Due from other funds	-	1,475,759
Inventories	-	18,690
Total Assets	<u>\$ 2,012,386</u>	<u>\$ 35,439,530</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 32,559	\$ 2,480,347
Due to general fund	90,548	1,475,759
Total Liabilities	<u>123,107</u>	<u>3,956,106</u>
Deferred Inflows of Resources:		
Property taxes receivable	143,081	2,440,036
Prepaid Taxes	-	37,978
Total Deferred Inflows of Resources	<u>143,081</u>	<u>2,478,014</u>
Fund balances:		
Nonspendable:		
Inventories	-	18,690
Restricted:		
Stabilization by State Statute	139,706	11,321,940
Public safety	777,842	1,534,385
Debt service	-	2,868,644
Education	-	4,219,583
Revaluation	-	681,916
Committed:		
Nonmajor funds	828,650	828,650
Capital projects	-	(283,660)
Assigned:		
Subsequent year's expenditures	-	3,637,121
Unassigned		
	-	4,178,141
Total fund balances	<u>1,746,198</u>	<u>29,005,410</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,012,386</u>	<u>\$ 35,439,530</u>

The notes to the financial statements are an integral part of this statement.

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

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

Total Fund Balance, Governmental Funds	29,005,410
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	140,674,057
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds	535,019
Deferred inflows of resources for taxes.	2,440,036
Charges related to bonding refunding issue.	332,351
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(137,513,145)
Pension and other post-employment benefits liability	(8,205,011)
Internal service fund allocation	<u>3,174,370</u>
Net position of governmental activities	<u>\$ 30,443,087</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 4
Page 1 of 3

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Apron 19.6.1
REVENUES				
Ad Valorem taxes	\$ 34,166,473	\$ -	\$ -	\$ -
Other taxes and licenses	7,165,154	2,105,340	-	-
Intergovernmental Revenues:				
Restricted	14,203,027	-	-	150,986
Permits and fees	715,129	-	-	-
Sales and services	6,543,175	-	-	-
Investment earnings	4,592	486	121	-
Miscellaneous	2,624,324	-	131,528	-
Total revenues	<u>65,421,874</u>	<u>2,105,826</u>	<u>131,649</u>	<u>150,986</u>
EXPENDITURES				
Current:				
General government	6,324,076	-	-	-
Public safety	16,485,153	-	-	-
Environmental protection	967,223	-	-	-
Economic and physical development	955,221	-	-	-
Human services	19,190,139	-	-	-
Culture and recreation	2,085,005	-	-	-
Education	12,579,985	-	-	-
Debt service				
Principal	3,948,208	-	-	-
Interest and fees	5,893,639	-	-	-
Administration	98,275	-	-	-
Capital expansion	-	-	28,084	163,933
Total expenditures	<u>68,526,924</u>	<u>-</u>	<u>28,084</u>	<u>163,933</u>
Excess (deficiency) of revenues over expenditures	<u>(3,105,050)</u>	<u>2,105,826</u>	<u>103,565</u>	<u>(12,947)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,990,485	-	-	-
Transfers out	(201,476)	(2,990,485)	-	-
Loan Proceeds	-	-	-	-
Total other financing sources (uses)	<u>2,789,009</u>	<u>(2,990,485)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(316,041)</u>	<u>(884,659)</u>	<u>103,565</u>	<u>(12,947)</u>
Fund balances-beginning	<u>23,052,315</u>	<u>3,541,543</u>	<u>2,028,774</u>	<u>(253,338)</u>
Fund balances-ending	<u>\$ 22,736,274</u>	<u>\$ 2,656,884</u>	<u>\$ 2,132,339</u>	<u>\$ (266,285)</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 4
Page 2 of 3

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
REVENUES		
Ad Valorem taxes	\$ 2,635,011	\$ 36,801,484
Other taxes and licenses	-	9,270,494
Intergovernmental Revenues:		
Restricted	713,557	15,067,570
Permits and fees	385,014	1,100,143
Sales and services	-	6,543,175
Investment earnings	392	5,591
Miscellaneous	380	2,756,232
Total revenues	<u>3,734,354</u>	<u>71,544,689</u>
EXPENDITURES		
Current:		
General government	-	6,324,076
Public safety	2,581,141	19,066,294
Environmental protection	5,568	972,791
Economic and physical development	-	955,221
Human services	927,331	20,117,470
Culture and recreation	-	2,085,005
Education	-	12,579,985
Debt service		
Principal	-	3,948,208
Interest and fees	-	5,893,639
Administration	-	98,275
Capital expansion	-	192,017
Total expenditures	<u>3,514,040</u>	<u>72,232,981</u>
Excess (deficiency) of revenues over expenditures	<u>220,314</u>	<u>(688,292)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	174,876	3,165,361
Transfers out	-	(3,191,961)
Installment purchase debt issued	-	-
Total other financing sources (uses)	<u>174,876</u>	<u>(26,600)</u>
Net change in fund balance	395,190	(714,892)
Fund balances-beginning	1,351,008	29,720,302
Fund balances-ending	<u>\$ 1,746,198</u>	<u>\$ 29,005,410</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 4
Page 3 of 3

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

Net changes in fund balances - total governmental funds	\$ (714,892)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(3,367,593)
Cost of capital asset disposed of during the year, not recongized on modified accrual basis	(2,754)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(494,510)
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 funancial resources of governmental funds. Neither transaction has any effect on net position. 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 realted items.	4,017,652
Difference in insurance expense between fund statements (modified accrual) and government-wide statements (full accrual) due to the allocation of profit from internal service fund	1,284,054
Some expenses reported in the statement of activites do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,550,000)</u>
Total changes in net position of governmental funds	<u><u>(828,043)</u></u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-GENERAL FUND
For the Fiscal Year Ended June 30, 2014

Exhibit 5
Page 1 of 3

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad Valorem taxes	\$ 31,728,571	\$32,975,787	\$34,044,473	\$ 1,068,686
Other taxes and licenses	6,938,000	7,007,000	7,165,154	158,154
Intergovernmental Revenues:				
Restricted	13,277,066	14,064,536	14,203,027	138,491
Permits and fees	677,700	679,400	715,129	35,729
Sales and services	6,310,121	6,646,960	6,543,175	(103,785)
Investment earnings	41,000	16,000	4,140	(11,860)
Miscellaneous	<u>2,105,138</u>	<u>2,507,178</u>	<u>2,624,324</u>	<u>117,146</u>
Total revenues	<u>61,077,596</u>	<u>63,896,861</u>	<u>65,299,422</u>	<u>1,402,561</u>
Expenditures				
Current:				
General government	5,636,997	6,780,133	6,324,076	456,057
Public safety	15,192,033	16,576,143	16,485,153	90,990
Environmental protection	1,140,342	1,122,071	967,223	154,848
Economic and physical dev	1,186,305	1,177,957	955,221	222,736
Human services	18,372,976	20,266,750	19,190,139	1,076,611
Education	12,077,279	13,602,939	12,579,985	1,022,954
Culture and recreation	2,058,941	2,208,907	2,085,005	123,902
Debt service				
Principal	4,332,113	4,295,773	3,948,208	347,565
Interest and fees	5,909,934	5,909,874	5,893,639	16,235
Administration	86,393	86,393	98,275	(11,882)
Contingency	<u>827,560</u>	<u>86,706</u>	<u>-</u>	<u>86,706</u>
Total expenditures	<u>66,820,873</u>	<u>72,113,646</u>	<u>68,526,924</u>	<u>3,586,722</u>
Revenues over (under) expenditures	<u>(5,743,277)</u>	<u>(8,216,785)</u>	<u>(3,227,502)</u>	<u>4,989,283</u>
Other Financing Sources (Uses)				
Transfers in	2,719,487	4,115,462	3,135,801	(979,661)
Transfers out	(601,281)	(392,205)	(392,205)	-
Loan proceeds	<u>548,343</u>	<u>398,970</u>	<u>-</u>	<u>(398,970)</u>
Total other financing sources (uses)	<u>2,666,549</u>	<u>4,122,227</u>	<u>2,743,596</u>	<u>(1,378,631)</u>

The notes to the financial statements are an integral part of this statement.

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-GENERAL FUND
For the Fiscal Year Ended June 30, 2014**

**Exhibit 5
Page 2 of 3**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Positive (Negative)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,076,728)	(4,094,558)	(483,906)	3,610,652
Appropriated Fund Balance	<u>3,076,728</u>	<u>4,154,094</u>	<u>-</u>	<u>(4,154,094)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 59,536</u>	(483,906)	<u>\$ (543,442)</u>
Fund balance -beginning			<u>21,436,713</u>	
Fund balance - ending			<u>\$20,952,807</u>	

The legally budgeted Tax Revaluation and Capital Projects Funds are consolidated into the General Fund for reporting purposes:

Property taxes & Interest income	122,452
Expenditures	-
Transfers to General Fund	(145,316)
Transfer from General Fund	190,729
Transfer to Other Funds	<u>-</u>
Fund Balance Beginning	<u>1,615,602</u>
Fund Balance Ending(Exhibit 4)	<u>\$22,736,274</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-SCHOOLS CAPITAL PROJECT FUND
For the Fiscal Year Ended June 30, 2014

Exhibit 5
Page 3 of 3

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Positive (Negative)
Revenues				
Other taxes and licenses	\$ 2,037,653	\$ 2,037,653	\$ 2,105,340	\$ 67,687
Investment earnings	<u>-</u>	<u>-</u>	<u>486</u>	<u>486</u>
Total revenues	<u>2,037,653</u>	<u>2,037,653</u>	<u>2,105,826</u>	<u>68,173</u>
Other Financing Sources (Uses)				
Transfers (out)				
To General Fund for:				
County schools capital outlay	(660,900)	(1,464,739)	(1,044,335)	420,404
City schools capital outlay	(220,900)	(659,900)	(109,843)	550,057
Debt service	<u>(1,836,307)</u>	<u>(1,836,307)</u>	<u>(1,836,307)</u>	<u>-</u>
Total other financing uses	<u>(2,718,107)</u>	<u>(3,960,946)</u>	<u>(2,990,485)</u>	<u>970,461</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(680,454)</u>	<u>(1,923,293)</u>	<u>(884,659)</u>	<u>1,038,634</u>
Appropriated Fund Balance	<u>680,454</u>	<u>1,923,293</u>	<u>-</u>	<u>(1,923,293)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(884,659)	<u>\$ (884,659)</u>
Fund balance - beginning			<u>3,541,543</u>	
Fund balance - ending			<u>\$ 2,656,884</u>	

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2014

Exhibit 6

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,171,183	\$ 1,665,503	\$ 2,836,686	\$ 3,197,632
Accounts receivable (net)	53,867	234	54,101	170,508
Water fees receivable (net)	220,989	31,315	252,304	-
Inventory	113,186	20,416	133,602	-
Total current assets	<u>1,559,225</u>	<u>1,717,468</u>	<u>3,276,693</u>	<u>3,368,140</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	2,210,965	16,807	2,227,772	-
Other capital assets net of depreciation	20,962,484	2,115,162	23,077,646	-
Total capital assets	<u>23,173,449</u>	<u>2,131,969</u>	<u>25,305,418</u>	<u>-</u>
Total assets	<u>24,732,674</u>	<u>3,849,437</u>	<u>28,582,111</u>	<u>3,368,140</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	126,494	24,899	151,393	193,770
Compensated absences	18,645	11,427	30,072	-
Notes payable	139,005	20,450	159,455	-
General obligation bonds payable	218,000	25,000	243,000	-
Total Current Liabilities	<u>502,144</u>	<u>81,776</u>	<u>583,920</u>	<u>193,770</u>
Noncurrent liabilities:				
Compensated absences	1,676	1,027	2,703	-
Other post-employment benefits	74,532	40,878	115,410	-
Notes payable	3,135,678	20,450	3,156,128	-
General obligation bonds payable	10,631,000	789,000	11,420,000	-
Total noncurrent liabilities	<u>13,842,886</u>	<u>851,355</u>	<u>14,694,241</u>	<u>-</u>
Total liabilities	<u>14,345,030</u>	<u>933,131</u>	<u>15,278,161</u>	<u>193,770</u>
NET POSITION				
Net Investment in Capital Assets	9,049,766	1,277,069	10,326,835	-
Unrestricted	1,337,878	1,639,237	2,977,115	3,174,370
Total net position	<u>\$ 10,387,644</u>	<u>\$ 2,916,306</u>	<u>\$ 13,303,950</u>	<u>\$ 3,174,370</u>

The notes to the financial statements are an integral part of this statement.



SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 7

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
OPERATING REVENUES				
Charges for services	\$ 1,925,471	\$ 559,007	\$ 2,484,478	\$ 6,905,307
Water tap fees	32,700	5,625	38,325	-
Miscellaneous	78,002	22,645	100,647	-
Total operating revenues	<u>2,036,173</u>	<u>587,277</u>	<u>2,623,450</u>	<u>6,905,307</u>
OPERATING EXPENSES				
Administration	329,792	100,997	430,789	-
Water Distribution	566,103	164,353	730,456	-
Operations and maintenance	252,079	73,182	325,261	-
Depreciation	706,706	105,747	812,453	-
Claims paid	-	-	-	5,621,998
Total operating expenses	<u>1,854,680</u>	<u>444,279</u>	<u>2,298,959</u>	<u>5,621,998</u>
Operating income (loss)	<u>181,493</u>	<u>142,998</u>	<u>324,491</u>	<u>1,283,309</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	261	392	653	745
USDA grant	255,641	-	255,641	-
Interest expense	(571,205)	(45,403)	(616,608)	-
Total nonoperating revenues (expenses)	<u>(315,303)</u>	<u>(45,011)</u>	<u>(360,314)</u>	<u>745</u>
Income (loss) before contributions and transfers	(133,810)	97,987	(35,823)	1,284,054
Transfer from general fund	26,600	-	26,600	-
Change in net position	(107,210)	97,987	(9,223)	1,284,054
Total net position - beginning	<u>10,494,854</u>	<u>2,818,319</u>	<u>13,313,173</u>	<u>1,890,316</u>
Total net position - ending	<u>\$ 10,387,644</u>	<u>\$ 2,916,306</u>	<u>\$ 13,303,950</u>	<u>\$ 3,174,370</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 8
Page 1 of 2

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
Cash flows from operating activities:				
Cash received from customers	\$ 1,954,045	\$ 593,013	\$ 2,547,058	\$ 6,375,917
Cash paid for goods and services	(1,095,044)	(283,970)	(1,379,014)	(5,553,327)
Cash paid to employees for services	(296,100)	(85,964)	(382,064)	-
Other operating revenues	38,876	13,147	52,023	423,593
Net cash provided (used) by operating activities	<u>601,777</u>	<u>236,226</u>	<u>838,003</u>	<u>1,246,183</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	26,600	-	26,600	-
Net cash provided by noncapital and related financing activities	26,600	-	26,600	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,131,565)	-	(1,131,565)	-
Loan proceeds	-	-	-	-
Capital contributions-grants	255,641	-	255,641	-
Principal paid on bond maturities and equipment contracts	(348,005)	(43,950)	(391,955)	-
Interest paid on bond maturities and equipment contracts	(572,499)	(45,593)	(618,092)	-
Net cash provided (used) by capital and related financing activities	<u>(1,796,428)</u>	<u>(89,543)</u>	<u>(1,885,971)</u>	<u>-</u>
Cash flows from investing activities:				
Interest	261	392	653	745
Net increase (decrease) in cash and cash equivalents	(1,167,790)	147,075	(1,020,715)	1,246,928
Cash and cash equivalents, July 1	2,338,973	1,518,428	3,857,401	1,950,704
Cash and cash equivalents, June 30	<u>\$ 1,171,183</u>	<u>\$ 1,665,503</u>	<u>\$ 2,836,686</u>	<u>\$ 3,197,632</u>

The notes to the financial statements are an integral part of this statement.

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit 8
Page 2 of 2

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 181,493	\$ 142,998	\$ 324,491	\$ 1,283,309
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	706,706	105,747	812,453	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(82,128)	(232)	(82,360)	(105,798)
Inventory	(19,009)	-	(19,009)	-
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	(203,790)	(23,288)	(227,078)	68,672
Compensated absences	6,143	4,127	10,270	-
Other post-employment benefits	12,362	6,874	19,236	-
Total adjustments	<u>420,284</u>	<u>93,228</u>	<u>513,512</u>	<u>(37,126)</u>
Net cash provided (used) by operating activities	<u>\$ 601,777</u>	<u>\$ 236,226</u>	<u>\$ 838,003</u>	<u>\$ 1,246,183</u>

The notes to the financial statements are an integral part of this statement.

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2014**

Exhibit 9

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 285,179	\$ 315,673
Accounts receivable	-	33,133
Total assets	<u>\$ 285,179</u>	<u>\$ 348,806</u>
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 26,164
Miscellaneous liabilities	-	322,642
Total liabilities	<u>-</u>	<u>348,806</u>
Net position:		
Assets held in trust for pension benefits	<u>\$ 285,179</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2014**

Exhibit 10

	<u>Pension Trust Fund</u>
Additions:	
Employer Contributions	\$ 25,000
Investment income	
Interest	<u>68</u>
Total Additions	25,068
Deductions:	
Benefits	<u>38,145</u>
Total Deductions	<u>38,145</u>
Change in net position	(13,077)
Net position - beginning	<u>298,256</u>
Net position - ending	<u>\$ 285,179</u>

The notes to the financial statements are an integral part of this statement.



SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. Sampson County Water & Sewer Districts I and II (the Districts) exist to provide and maintain a water system for the County residents within the Districts. The Districts are reported as an enterprise fund in the County's financial statements. Sampson County Industrial Facility and Pollution Control Financing Authority (the IFP 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. Sampson Area Development Corporation (the Corporation) exists to issue debt for the construction of public buildings, school buildings, and shell buildings for economic development purposes. The Corporation has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. Sampson Regional Medical Center, Incorporated (the Hospital), which has a September 30 year-end is presented as if it is a separate proprietary fund of the County (discrete presentation). Sampson County Tourism Development Authority (the Authority) is presented as if it is a separate proprietary fund of the County (discrete presentation) and was created to promote travel and tourism in Sampson County using an occupancy tax levied on gross receipts from accommodations. The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Report Method	Criteria for Inclusion	Separate Financial Statements
Sampson County Water & Sewer Districts I and II	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the Districts	None issued
Sampson County Industrial Facility and Pollution Control Authority	Discrete	The Authority is governed by a seven-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
Sampson Area Development Corporation	Discrete	The Corporation is governed by a five-member board of directors that is appointed by the county commissioners. The County can remove any director of the Corporation with or without cause.	None issued
Sampson Regional Medical Center, Incorporated.	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation which has leased the hospital facilities from the County. The County appoints the board of trustees for the hospital. The County also issues debt for Hospital buildings and equipment.	Sampson Regional Medical Center, Inc. 607 Beamon Street Clinton, NC 28328
Sampson County Tourism Development Authority	Discrete	The Authority is governed by a twelve-member board of directors that is appointed by the county commissioners. The County can remove any director of the Corporation with or without cause.	Sampson County Finance Office PO Box 257 Clinton, NC 28329

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

School Capital Projects Fund: This fund accounts for receipts and disbursements of sales tax funds that are earmarked for school capital outlay and debt service.

School Construction Capital Project Fund: This fund accounts for the resources and costs to build and renovate school buildings in the County.

Airport Expansion Apron Capital Project Fund: This fund accounts for the resources and costs to build and expand the Clinton-Sampson Airport.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

The County reports the following major enterprise funds:

Sampson County Water District II Fund: This fund is used to account for the operations of Water and Sewer District II within the County.

Sampson County Water District I Fund: This fund is used to account for the operations of Water and Sewer District I within the County.

The County reports the following fund types:

Pension Trust Fund. The County has a Pension Trust Fund- the Special Separation Allowance Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans or defined contribution plans. The Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; 4-H fund, which accounts for moneys deposited with County for use by the 4-H program; Tax Collection Fund, which accounts for property taxes billed and collected for various municipalities within the County; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Sampson County Boards of Education; Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; Detention Center Trust Fund, which accounts for monies deposited with the County for use by inmates at the County Detention Center; Miscellaneous Agency Funds; which accounts for monies deposited with the County for use by various boards and organization in the County.

Internal Service Fund. Internal service funds are proprietary in nature and account for services performed by one government organization or department for others. Sampson County has one Internal Service Fund, the Employee Health Insurance Fund. This fund pays for the health care of permanent County employees.

Nonmajor Funds. The County maintains seventeen legally budgeted funds. The Emergency Telephone System Fund, Sampson Area Transportation, Head Start, the Fire Districts Fund, Soil and Water District, two Community Development Grants, Governor's Highway Safety Program, Urgent Home Repair, Recreation Western District Park, Homeland Security Equipment, Employment and Training, and three CDBG grant projects are reported as nonmajor special revenue funds. The Airport Taxiway, Airport Construction, Airport Construction, Courthouse Annex Renovations, County Buildings Construction are reported as capital projects funds.

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, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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 is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

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 Fund, the Special Revenue Funds (excluding grant projects), Debt Service Funds and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Fund, the Special Revenue Grant Projects, and the Enterprise Capital Projects Fund, which are consolidated with the related enterprise operating fund for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the Reserve Fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The governing body must approve all amendments. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County, the Authority and the Sampson Regional Medical Center, Inc. are made in board-designated official depositories and are secured as required by State law (G.S.159-31). The County, the Authority and the Hospital may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County, the Authority and the Hospital may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposits.

State law (G.S.159-30(c)) authorizes the County, the Authority and the Hospital 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, the Authority and the Hospital'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.

2. Cash and Cash Equivalents

The County and the Authority pool money from several funds except the Pension Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Sampson Regional Medical Center, Inc. considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

3. Restricted Assets

Cash held for unspent funds for debt service, school capital and public safety as required by state statute or debt covenants. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Sampson County Restricted Cash

Governmental Activities		
General Fund	Tax Revaluation	\$ 681,916
General Fund	Public Safety	756,543
Schools Capital Projects		2,087,244
School Construction Fund		<u>2,132,339</u>
Total Governmental Activities		<u>5,658,042</u>
Total Restricted Cash		<u>\$ 5,658,042</u>

Sampson Regional Medical Center, Inc. has designated investments aggregating \$14,430,173 to be used for future major capital acquisition and/or improvements.

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, 2013. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The Hospital inventories are valued at the lower of cost, derived primarily by use of the weighted average valuation method, or market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventories of the County's enterprise funds as well as those of the Hospital consist of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds and that of the Hospital is recorded as an expense as it is consumed. The Authority has no inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The minimum capitalization threshold for land, buildings, improvements, lines and other plant and distribution systems, furniture and equipment, and vehicles is \$2,500. 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.

The County holds title to certain Sampson County and Clinton City Boards of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Boards of Education give the Boards of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Boards of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Sampson County and Clinton City Boards of Education.

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

	<u>Years</u>
Buildings	40
Water distribution systems	40
Improvements	20
Furniture and equipment	5-20
Vehicles	3-10

Property and equipment acquisitions of the Hospital are recorded at cost. Property and equipment donated for hospital operations are recorded as additions to the donor-restricted plant replacement and expansion funds of the Hospital at fair value at the date of receipt and as a transfer to the Hospital's general fund balance when the assets are placed in service.

Depreciation of hospital property and equipment is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Hospital equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Estimated useful lives of the assets are as follows:

	<u>Useful Life</u>
Land improvements	5 to 15 years
Buildings	5 to 40 years
Fixed equipment	8 to 20 years
Movable equipment	3 to 20 years
Vehicles	4 to 6 years

The Authority has no fixed assets.

8. Deferred outflows/inflows of resources

SAMPSON COUNTY, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2014

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – prepaid insurance cost on a COPS bond issuance.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only one item that meets the criterion for this category - prepaid taxes.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

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

10. Compensated Absences

The vacation policies of the County and the Hospital provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund, and Hospital statements.

The sick leave policies of the County and the Hospital 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 none of the entities have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made by the County or its component units.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014**

Inventories – portion of fund balance that 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 law.

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

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for E-911 expenditures, portion of fund balance that is restricted by revenue source for expenditures in the Sherriff's department and portion of fund balance that is restricted by revenue source for fire protection expenditures.

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

Restricted for Debt Service - portion of fund balance required to be maintained in accordance with debt covenants.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Sampson County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for various departments – portion of fund balance not available for appropriation because it represents revenues that were for specific purposes. This includes committed portion of fund balance in the nonmajor funds.

Assigned Fund Balance - portion of fund balance that the Sampson County governing board 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.

Sampson County adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the County in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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 position.

The governmental fund balance sheet includes a reconciliation between total fund balance for governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$1,437,677 consists of the following:

<u>Description</u>	<u>Amount</u>
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)	\$ 178,486,178
Less accumulated depreciation	<u>37,812,121</u>
Net capital assets	140,674,057
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable and in the fund statements	535,019
Deferred charges related to bond issued - included on government-wide statement of net position but are not current financial resources.	332,351
Equity of internal service fund which is used by management to charge the costs of employee health insurance to individual funds is reported in the government-wide statements but not the fund statements.	3,174,370
Liabilities for deferred inflows of resources reported in the funds statements but not the government-wide.	2,440,036
Unearned revenue for unamortized premium received on debt issuance.	(1,860,122)
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	(131,882,173)
Compensated absences	(1,790,335)
Law enforcement special separation allowance pension liability	(257,797)
Other postemployment benefits	(7,947,214)
Accrued interest payable	<u>(1,980,515)</u>
Total adjustment	<u>\$ 1,437,677</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(113,151) consists of the following:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,457,024
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.	(4,824,617)
Cost of disposed asset.	(2,754)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	3,948,208
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.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	43,955
Amortization of deferred charge on bond refunding.	(15,107)
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	1,284,054
Difference in retirement expense between fund statements (modified accrual) and government-wide (full accrual) due to payments from law-enforcement officers special separation allowance pension fund, resulting in reduction of intangible asset	(43,153)
Other postemployment benefits are accrued in the government-wide statements but not the fund statements because they do not use current resources.	(1,320,310)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(230,492)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in accrued interest on taxes receivable	(33,395)
Amortization of debt premium	84,551
Decrease in deferred inflows of resources - taxes receivable - at end of year	<u>(461,115)</u>
Total adjustment	<u>\$ (113,151)</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Position of Individual Funds

The County experienced deficit fund balances in the following funds: Special Revenue Funds: Urgent Home Repair Project \$(19,215); Capital Project Funds: Airport Taxiway 12.6.2 \$(2,335), Airport Construction 12.8.1 \$(8,109), Airport Apron 19.6.1 \$(266,285) and Airport Construction 12.9.1 \$(10,224). The deficits occurred because of the timing of payments. Management intends to appropriate funds as necessary to cover deficit fund balance.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, Authority's and all of the Hospital's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, Authority's or the Hospital's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, Authority and the Hospital, 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, Authority or the Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Authority or the Hospital 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, Authority and the Hospital rely on the State Treasurer to monitor those financial institutions. The County, Authority and the Hospital analyze the financial soundness of any other financial institution used by them. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, Authority and the Hospital do not have policies regarding custodial credit risk for deposits.

At June 30, 2014, the County's deposits had a carrying amount of \$6,209,017 and a bank balance of \$6,708,135. Of the bank balance, \$1,000,000 was covered by federal depository insurance, \$5,708,135 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2014, Sampson County had \$4,269 cash on hand.

The Hospital's deposits had a carrying amount of \$2,259,051 and a bank balances of \$2,421,286 as of September 30, 2013. Of the bank balances, \$250,000 is covered by federal depository insurance as of September 30, 2013 and the remainder is covered under the Pooling Method.

The Authority's deposits had a carrying amount of \$77,407 and a bank balance of \$77,407 as of June 30, 2014. Of the bank balance, \$77,407 was in interest bearing deposits and were covered by collateral held under the Pooling Method.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014**

2. Investments

At June 30, 2014, the County's investments consisted of \$22,305,577 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At September 30, 2013, the Hospital's investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Cash	\$2,261,936	\$2,261,936
U.S. Treasury and agency bonds	11,667,014	11,440,298
NC Capital Management Trust	<u>4,620,317</u>	<u>4,620,317</u>
Total:	<u>\$18,549,267</u>	<u>\$18,322,551</u>

The Hospital's investment in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. Investment grade bonds include U.S. Treasury issues with ratings of A or better by Standards & Poor's and corporate bonds guaranteed by the FDIC. All cash and investments above have maturities of less than one year except for certain U.S. Treasury and agency bonds. U.S. Treasury and agency bonds with maturities greater than one year amounted to \$4,186,618 at September 30, 2013 and they mature between 2014 and 2016. All FDIC guaranteed corporate bonds matured in 2013.

3. Property Tax – Use Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forest land 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 <u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,704,126	\$ 629,701	\$ 4,333,827
2012	3,778,063	302,245	4,080,308
2013	<u>3,414,156</u>	<u>-</u>	<u>3,414,156</u>
	<u>\$10,896,345</u>	<u>\$ 931,946</u>	<u>\$ 11,828,291</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

4. Receivables

Receivables at the government-wide level at June 30, 2014, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,085,908	\$ 2,464,955	\$ 5,707,172	\$ 170,508	\$ 10,428,543
Accrued interest	-	535,019	-	-	535,019
Other Governmental	<u>116,523</u>	<u>152,881</u>	<u>1,711,749</u>	-	<u>1,981,153</u>
Total receivables	2,202,431	3,152,855	7,418,921	170,508	12,944,715
Allowance for doubtful accounts	<u>-</u>	<u>(177,800)</u>	<u>-</u>	<u>-</u>	<u>(177,800)</u>
Total governmental activities	<u>\$ 2,202,431</u>	<u>\$ 2,975,055</u>	<u>\$ 7,418,921</u>	<u>\$ 170,508</u>	<u>\$ 12,766,915</u>
Business-type Activities					
Water Districts I and II	<u>\$ 374,534</u>	<u>\$ -</u>	<u>\$ 53,062</u>	<u>\$ 1,039</u>	<u>\$ 428,635</u>
Total receivables	374,534	-	53,062	1,039	428,635
Allowance for doubtful accounts	<u>(122,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,230)</u>
Total business-type activities	<u>\$ 252,304</u>	<u>\$ -</u>	<u>\$ 53,062</u>	<u>\$ 1,039</u>	<u>\$ 306,405</u>

The due from other governments that is owed to the County consists of the following:

Local option sales tax	\$ 2,505,051
State & federal grants	<u>4,913,870</u>
	<u>\$ 7,418,921</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$10,102,000.

The Authority's accounts receivable are presented net of the allowance for uncollectible accounts of \$0.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,172,038	\$ -	\$ -	\$ 6,172,038
Construction in progress	3,988,614	191,322	-	4,179,936
Total capital assets not being depreciated	<u>10,160,652</u>	<u>191,322</u>	<u>-</u>	<u>10,351,974</u>
Capital assets being depreciated:				
Buildings and improvements	148,928,458	-	2,754	148,925,704
Equipment	11,762,925	509,754	-	12,272,679
Vehicles and motor equipment	6,595,706	755,948	415,833	6,935,821
Total capital assets being depreciated	<u>167,287,089</u>	<u>1,265,702</u>	<u>418,587</u>	<u>168,134,204</u>
Less accumulated depreciation for:				
Buildings and improvements	23,384,857	3,581,544	-	26,966,401
Equipment	5,068,467	697,959	-	5,766,426
Vehicles and motor equipment	4,950,013	545,114	415,833	5,079,294
Total accumulated depreciation	<u>33,403,337</u>	<u>\$ 4,824,617</u>	<u>\$ 415,833</u>	<u>37,812,121</u>
Total capital assets being depreciated, net	<u>133,883,752</u>			<u>130,322,083</u>
Governmental activity capital assets, net	<u>\$ 144,044,404</u>			<u>\$ 140,674,057</u>

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

General government	\$ 3,867,866
Public safety	790,176
Economic & physical development	31,385
Human services	89,046
Environmental protection	12,459
Cultural and recreational	<u>33,685</u>
Total depreciation expense	<u>\$ 4,824,617</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Business-type activities:				
Water District 2 Capital assets being depreciated:				
Distribution systems	\$ 27,311,103	\$ -	\$ -	\$ 27,311,103
Equipment	287,364	-	-	287,364
Vehicles	118,514	-	-	118,514
Total capital assets being depreciated	<u>27,716,981</u>	<u>-</u>	<u>-</u>	<u>27,716,981</u>
Accumulated depreciation distribution	5,912,390	682,779	-	6,595,169
Accumulated depreciation equipment	110,521	15,019	-	125,540
Accumulated depreciation vehicles	24,880	8,908	-	33,788
Total accumulated depreciation	<u>6,047,791</u>	<u>\$ 706,706</u>	<u>\$ -</u>	<u>6,754,497</u>
Water District 2 net capital assets being depreciated	<u>21,669,190</u>			<u>20,962,484</u>
Capital assets not being depreciated:				
Land	208,512	\$ -	\$ -	208,512
Construction in progress	869,596	1,132,857	-	2,002,453
Water capital assets not depreciated	<u>1,078,108</u>	<u>\$ 1,132,857</u>	<u>\$ -</u>	<u>2,210,965</u>
Water District 2 net capital assets	<u>\$ 22,747,298</u>			<u>\$ 23,173,449</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	21,076	-	-	21,076
Vehicles	115,483	-	-	115,483
Total capital assets being depreciated	<u>4,067,640</u>	<u>-</u>	<u>-</u>	<u>4,067,640</u>
Accumulated depreciation distribution	1,800,752	\$ 98,277	\$ -	1,899,029
Accumulated depreciation equipment	20,482	261	-	20,743
Accumulated depreciation vehicles	25,497	7,209	-	32,706
Total accumulated depreciation	<u>1,846,731</u>	<u>\$ 105,747</u>	<u>\$ -</u>	<u>1,952,478</u>
Water District 1 net capital assets being depreciated	<u>2,220,909</u>			<u>2,115,162</u>
Capital assets not being depreciated:				
Land	16,807	-	-	16,807
Water District 1 net capital assets	<u>\$ 2,237,716</u>			<u>\$ 2,131,969</u>
Business-type activities capital assets, net	<u>\$ 24,985,014</u>			<u>\$ 25,305,418</u>

Construction commitments

The government has active construction project as of June 30, 2014. The project include the water district well project. At June 30, 2014, the government's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Well Construction Project	\$ 1,139,285	\$ 149,256

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

Discretely presented component units

The Authority does not have any fixed assets.

Capital asset activity for Sampson Regional Medical Center for the year ended September 30, 2013, was as follows:

	September 30, 2012	Additions	Retirements	September 30, 2013
Capital assets not being depreciated:				
Land	\$ 1,955,053	\$ -	\$ -	\$ 1,955,053
Construction in progress	186,392	11,201	-	197,593
Total capital assets not being depreciated	<u>2,141,445</u>	<u>11,201</u>	<u>-</u>	<u>2,152,646</u>
Capital assets being depreciated:				
Land improvements	2,078,515	42,560	-	2,121,075
Buildings and improvements	35,795,765	471,843	(110,926)	36,378,534
Furniture and equipment	50,014,462	1,749,935	-	51,764,397
Total capital assets being depreciated	<u>87,888,742</u>	<u>2,264,338</u>	<u>(110,926)</u>	<u>90,264,006</u>
Less accumulated depreciation for:				
Land improvements	1,580,393	71,718	-	1,652,111
Buildings and improvements	20,144,388	1,275,152	(110,926)	21,530,466
Furniture and equipment	41,323,061	2,358,458	-	43,681,519
Total accumulated depreciation	<u>63,047,842</u>	<u>3,705,328</u>	<u>(110,926)</u>	<u>66,864,096</u>
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 26,982,345</u>			<u>\$ 25,552,556</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2014, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental activities:				
General	\$ 2,516,458	\$ 125,100	\$ 1,980,515	\$ 4,622,073
Other governmental	28,805	3,754	-	32,559
Total governmental activities	<u>\$ 2,545,263</u>	<u>\$ 128,854</u>	<u>\$ 1,980,515</u>	<u>\$ 4,654,632</u>
Business-type activities:				
Water District II	\$ 70,872	\$ 727	\$ 53,965	\$ 125,564
Water District I	20,576	201	3,506	24,283
Total business-type activities	<u>\$ 91,448</u>	<u>\$ 928</u>	<u>\$ 57,471</u>	<u>\$ 149,847</u>

**SAMPSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2014**

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description – Sampson County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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 and contribution requirements to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.070% and 7.55%, respectively, of annual covered payroll. The contribution requirements of members and of Sampson County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012 were \$1,120,863, \$1,120,863, and \$1,242,417, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

Sampson 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. The plan does not issue a separate stand-alone financial report. The Separation Allowance is reported in the County's Comprehensive Annual Financial Report as a pension trust fund.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	95
Total	<u>97</u>

2. Summary of Significant Account 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.

SAMPSON COUNTY, NORTH CAROLINA
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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 the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County allocated \$30,000 or .98% 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. Administrative costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the fiscal year ended June 30, 2014 was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25%-7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include postretirement 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, 2013 was 18 years.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ended 6/30/2014

(a) Employer annual required contribution	\$ 79,909
(b) Interest on net pension obligation	10,732
(c) Adjustment to annual required contribution	<u>(17,488)</u>
(d) Annual pension cost	73,153
(e) Employer contributions made for fiscal year 6/30/2014	<u>30,000</u>
(f) Increase in net pension obligation	43,153
(g) Net pension obligation beginning of fiscal year	<u>214,644</u>
(h) Net pension obligation end of fiscal year	<u><u>\$ 257,797</u></u>

For the Year Ended June 30	3 Year Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage Of APC Contributed	
2012	\$ 73,891	40.60%	\$ 166,108
2013	78,536	38.20%	214,644
2014	73,153	41.01%	257,797

4. Funding Status and Funding Progress

As of December 31 2013, the most recent actuarial valuation date, the plan was 36.63 percent funded. The actuarial accrued liability for benefits was \$835,655, and the actuarial value of assets was \$306,120, resulting in an unfunded actuarial accrued liability (UAAL) of \$529,535. The covered payroll (annual payroll of active employees covered by the plan) was \$3,329,568, and the ratio of the UAAL to the covered payroll was 15.90 percent.

**SAMPSON COUNTY, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2014**

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 5 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, 2014 were \$194,152 which consisted of \$135,708 from the County and \$58,444 from the law enforcement officers. The County contributes 2.35% of each non-law enforcement employees' salary who are vested under this plan. Non law enforcement contributions were \$423,491 which consisted of \$287,122 from the County and \$136,369 from the employees.

d. Deferred Compensation Plan

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

e. Registers of Deeds' Supplemental Pension Fund

Plan Description - Sampson 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.

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

**SAMPSON COUNTY, NORTH CAROLINA
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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, 2014, the County's required and actual contributions were \$4,133.

f. Other Post-Employment Benefits

Healthcare Benefits

Plan Description - Under the County's annual budget ordinance, Sampson County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have worked at least 15 continuous years in local or State government with the last 10 years worked with Sampson County. Employees must be eligible to retire under retirement system guidelines. The County pay 100% of the individual premium for employees who have worked 20 continuous years in local or State government with the last 10 years worked with Sampson County and 75% of the individual premium for employees who have worked at least 15 continuous years in local or State government with the last 10 years worked with Sampson County. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. Also, the County's 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 June 30, 2014, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	50	5
Terminated plan members entitled to but not yet receiving benefits	0	0
Active Plan Members	<u>396</u>	<u>90</u>
Total	<u>446</u>	<u>95</u>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under the County budget ordinance that can be amended by the Board of Commissioners. The County's members pay \$245 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 8.11% of annual covered payroll. For the current year, the County contributed \$847,000 or 5% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 3.09% and 2.66% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$48,031. The County's obligation to contribute to the 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 bases of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

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

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

Annual required contribution	\$ 2,191,000
Interest on net OPEB obligation	269,000
Adjustment to annual required contribution	<u>275,000</u>
Annual OPEB cost (expense)	2,185,000
Contributions made	<u>(847,000)</u>
Increase in net OPEB obligation	1,338,000
Net OPEB obligation, beginning of year	<u>6,724,624</u>
Net OPEB obligation, end of year	<u>\$ 8,062,624</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 1,924,000	31.5%	\$ 5,438,624
2013	2,078,000	38.1	6,724,624
2014	2,185,000	38.8	8,062,624

Funded Status and Funding Progress. As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$17,523,000. The covered payroll (annual payroll of active employees covered by the plan) was \$16,887,916, and the ratio of the UAAL to the covered payroll was 103.76 percent.

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 is increasing or decreasing over time relative to the actuarial accrued liabilities 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 the 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 assets, consistent with the long-term perspective of the calculations.

**SAMPSON COUNTY, NORTH CAROLINA
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In the June 30, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent 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 percent annually. The investment rate included a 2.5 percent inflation assumption. The actuarial value of assets, if 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 June 30, 2014, 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2014, the County made contributions to the State for death benefits of \$0. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

No. Years Contributing	Years Relief	FY Contributions Resume
less than 10	1	2014
10 - 20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. Sampson County will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

h. Sampson Regional Medical Center, Inc. Pension Plan

Benefit Plans – The Sampson Regional Medical Center, Inc. Plan (Plan) is a single-employer defined contribution plan. Employees become eligible for the plan after completing one year of employment and 1,000 hours of service. The Hospital may contribute 2% of participant earnings. The Hospital may also make a year end discretionary contribution which shall be determined by the Board of Trustees on an annual basis. The funding in calendar year 2013 for plan year 2012 was \$484,006.

The Hospital also has a tax deferred retirement savings plan. All full time employees of the Hospital and part-time employees who work at least 1,000 hours during the plan year are eligible to participate. The Hospital matches 50% of the first 4% of the compensation deferred by each participant. The Hospital contributed \$992,964 to the Plan for the current year.

3. Closure and Post-closure Care Costs – Landfill Facility

On October 9, 1993, the County leased its interests in all landfill sites to a commercial concern. Under the agreement, the County is not responsible for closure and post-closure requirements defined by the Environmental Protection Agency’s regulation, Solid Waste Disposal Facility Criteria.

4. Deferred Outflows and Inflows of Resources

The amount of deferred outflows of resources is a charge on refunding of debt of \$332,351.

The balance in deferred inflows of resources on the fund statements and on the government-wide statements at year end is comprised of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 37,978
Prepaid revenues not yet earned (General)	-	-
Taxes receivable, net (General)	2,296,955	-
Taxes receivable, net (Special Revenue)	143,081	-
Total	<u>\$ 2,440,036</u>	<u>\$ 37,978</u>

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for all of these risks of loss. The County’s general insurance coverage provides property and contents insurance up to \$19,500,000 and liability coverage up to \$9 million. Worker’s compensation insurance provides coverage for bodily injury by accident of \$3,100,000 for each accident and coverage for bodily injury or disease up to \$3,550,000 for each employee. There is a policy limit of \$3,100,000 for bodily injury by disease. Settled claims for these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

The County does not carry flood insurance because no County structures have been designated as being in a flood plane by the Federal Emergency Management Agency.

SAMPSON COUNTY, NORTH CAROLINA
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In accordance with G.S. 159-29, The County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond in the amount of \$25,000 each.

The following officials are separately bonded as follows: Finance Officer (\$100,000), Tax Collector (\$150,000), Tax Assessor (\$200,000), Assistant Tax Assessor (\$100,000), Register of Deeds (\$50,000), Sheriff (\$75,000) and Public Works Director (\$100,000).

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settle claims have not exceeded coverage in any of the past three fiscal years.

The County is the provider of an employee health care plan administered by Blue Cross and Blue Shield of North Carolina to provide health insurance to its employees. This plan, which is accounted for in the Employee Health Insurance Internal Service Fund, provides coverage of up to \$50,000 per incident for each employee. The excess over \$50,000, up to \$1,000,000, is covered by Blue Cross and Blue Shield. The pool is self-sustaining through employee and employer premiums.

Aggregate liabilities for claims for the current year was estimated by the Plan Administrator. Each year the Plan Administrator provides a financial projection of total claims for the coming year, which includes a premium for aggregate stop loss insurance. This amount is budgeted and paid in 12 monthly installments. If claims exceed the financial projection provided by the Plan Administrator, there is aggregate stop loss insurance to cover these claims.

A reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

	June 30, 2014
Claims payable, beginning	_____
Of year	\$ 64,711
Add: Claims received	5,621,998
Less: Claims paid	5,492,939
Claims payable, end of year	\$ 193,770

The Hospital is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illness; natural disasters; and professional and general liability claims and judgments. The Hospital has purchased commercial insurance which, in the opinion of the Hospital's management, is adequate to prevent the outcome of such claims arising from such matters from having a material adverse effect on the financial position and results of operations of the Hospital. The basic level of coverage is \$1,000,000 for any one claim and \$3,000,000 in the annual aggregate. No accrual has been made for incurred but not reported claims because the amount is not reasonably estimable based upon the Hospital's claims history. The Hospital's insurance coverages are generally provided under claims made policies. Should the claims made policies not be renewed or replaced with equivalent insurance, claims based on occurrences during their terms, but reported subsequently, would be uninsured. Management anticipates that such coverages will be renewed or replaced with equivalent insurance as they expire.

6. Contingent Liabilities

At June 30, 2014, 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.

SAMPSON COUNTY, NORTH CAROLINA
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7. Long-Term Obligations
a. Installment Purchases

The County's installment purchase agreements payable at June 30, 2014 are comprised of the following individual issues:

Serviced by the Governmental Funds:

Installment agreement with USDA for the construction of a new Midway High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2014, there were 36 payments remaining.	\$ 3,660,954
Installment agreement with the United States Department of Agriculture (USDA) for the renovation of a previously purchased building into courthouse and office space and renovation of the existing courthouse, secured by building and land. The interest rate is 4.25%. The loan will be repaid in 29 annual installments of \$129,809 including interest at 4.25 percent. At June 30, 2014, there were 20 installments remaining.	1,604,819
Installment agreement with USDA for the construction of a new Law Enforcement and Detention Center, secured by the building and land. The total loan is \$11,125,000 and will be repaid in 38 annual installments of \$595,213 including interest at 4.25%. At June 30, 2014, there were 32 payments remaining.	10,131,754
Installment agreement with USDA for the construction of a new Cooperative Extension Building and Animal Shelter Building, secured by the buildings and land. The total loan is \$2,263,000 and will be repaid in 38 annual installments of \$121,076 including interest at 4.37%. At June 30, 2014 there were 33 payments remaining.	2,100,863
Installment agreement with USDA for the construction of a new Clinton High School, secured by the building and land. The total loan is \$30,000,000. The loan will be repaid in 38 annual installments of \$1,605,068 including interest at 4.25%. At June 30, 2014 there were 33 payments remaining.	28,025,245
Installment purchase agreement with Bank of America for renovations on Clinton City Board of Education owned facilities. These are Qualified Zone Academy Bonds in the amount of \$2,000,000 secured by the building and land of Clinton High School. The loan will be repaid in 14 annual installments of \$103,572 including interest at 0%. At June 30, 2014 there were 8 payments remaining.	1,274,993
Installment agreement with USDA for the construction and renovation of buildings to house Human Services and County Administration, secured by the buildings and land. The total loan is \$9,585,000 and will be repaid in 38 annual installments of \$512,819 including interest at 4.125%. At June 30, 2014 there were 34 payments remaining.	8,983,458

SAMPSON COUNTY, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2014

<p>Installment purchase agreement with USDA for the renovation of a County owned building to house the Public Works and Data Processing Departments. This agreement is secured by the building and land. The loan amount is \$862,800 and will be repaid in 28 annual installments of \$53,283 including interest at 4.125%. At June 30, 2014 there were 24 payments remaining.</p>	770,788
<p>Installment agreement with USDA for the construction of a new Union High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2014, there were 36 payments remaining.</p>	3,660,954
<p>Installment purchase agreement with Regions Bank for renovations on Sampson County Board of Education owned facilities. These are Qualified Zone Academy Bonds in the amount of \$2,000,000 secured by the buildings and land. The loan will be repaid in 14 annual installments of \$155,667 including interest at 1%. At June 30, 2014 there were 10 payments remaining.</p>	1,300,000
<p>Installment purchase agreement with USDA for the renovation of a County owned building to various departments. This agreement is secured by the buildings and land. The loan amount is \$904,846 and will be repaid over a 30 year period. The payments will made annually in the amount of \$59,096 including interest at 4.75%. At June 30, 2014 there were 27 payments remaining.</p>	861,109
<p>Installment agreement with USDA for the construction of a Roseboro Elementary School, secured by the building and land. The total loan is \$12,400,000 and will be repaid in two interest only payments due December 16, 2011 and 2012 of 3.75% then 38 annual installments of \$617,520 including interest at 3.75%. Principal and interest repayment will begin in fiscal year 2013-2014. At June 30, 2014, there were 38 payments remaining.</p>	12,247,480
<p>Installment purchase propane equipment vehicles. This agreement is secured by the equipment and calls for 36 monthly payments of \$4,117 each including interest. At June 30, 2014 there were 20 payments remaining.</p>	74,756
	<u>\$ 74,697,173</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

For Sampson County, the future minimum payments as of June 30, 2014, including \$61,199,658 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2015	\$ 1,454,963	\$ 3,004,038
2016	1,488,815	2,952,318
2017	1,504,555	2,902,239
2018	1,553,864	2,851,530
2019	1,605,235	2,798,759
2020-2024	8,228,751	13,123,402
2025-2029	8,912,305	11,459,960
2030-2034	10,791,870	9,450,589
2035-2039	12,565,953	7,052,210
2040-2044	14,897,104	4,265,526
2045-2049	10,165,362	1,258,841
2050-2051	1,528,396	80,246
Total principal payments	<u>\$ 74,697,173</u>	
Total interest payments		<u>\$ 61,199,658</u>

Serviced by the Water and Sewer Districts.

Installment agreements with USDA for the construction of water wells, secured by the equipment and land. The total of the loans is \$1,792,000 and will be repaid in 38 annual installments of \$82,293 including interest at 2.75% & 3.5%. Principal and interest repayment will begin in fiscal year 2015-2016. At June 30, 2014, there were 38 payments remaining.

\$ 1,792,000

For Sampson County, the future minimum payments as of June 30, 2014, including \$1,473,279 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2015	\$ -	\$ 58,970
2016	23,323	58,970
2017	24,084	58,209
2018	24,871	57,422
2019	25,684	56,609
2020-2024	141,578	269,887
2025-2029	166,324	245,141
2030-2034	195,448	216,017
2035-2039	229,735	181,730
2040-2044	270,108	141,356
2045-2049	317,661	93,804
2050-2053	373,184	35,164
Total principal payments	<u>\$ 1,792,000</u>	
Total interest payments		<u>\$ 1,473,279</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

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. Sampson County Water and Sewer District 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 and Sewer District Funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The Water and Sewer District's general obligation bonds payable at June 30, 2014 are comprised of the following individual issues which are serviced by the Water and Sewer Districts:

\$4,982,000 Water Series A bonds issued on February 28, 2000, due in annual installments of \$51,000 to \$202,000 through June 1, 2039 with the first installment due June 1, 2002; 5.125 percent interest rate.	\$ 4,084,000
\$421,000 Water Series B bonds issued on February 28, 2000 Due in annual installments of \$5,000 to \$20,000 through June 1, 2039 with the first installment due June 1, 2002; 4.75 percent interest rate.	341,000
\$1,093,000 Water and Sewer bonds issued on August 7, 1995, due in annual installments of \$11,500 to \$46,000 Through June 1, 2035 with the first installment due June 1, 1998; 5.125 percent interest rate.	814,000
\$2,486,000 Water Series A bonds issued on January 26, 2004, due in annual installments of \$37,545 to \$112,725 Through June 1, 2043 with the first installment due June 1, 2004; 4.375 percent interest rate	2,197,000
\$948,000 Water Series B bonds issued on January 26, 2004 due in annual installments of \$14,726 to \$41,800 Through June 1, 2043 with the first installment due June 1, 2004; 4.5 percent interest rate.	837,000
\$2,297,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$97,623 to 123,753 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate	2,058,000
\$1,486,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$63,155 to 80,395 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate	1,332,000
	<u>\$ 11,663,000</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$8,811,316 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2015	\$ 243,000	\$ 545,079
2016	255,500	533,565
2017	266,500	521,453
2018	280,000	508,817
2019	290,500	495,538
2020-2024	1,678,500	2,256,793
2025-2029	2,101,000	1,819,184
2030-2034	2,498,000	1,279,913
2035-2039	2,604,000	676,329
2040-2044	1,446,000	174,645
Total principal payments	<u>\$ 11,663,000</u>	
Total interest payments		<u>\$ 8,811,316</u>

c. Refunding Bonds

On April 7, 2010 the Sampson Area Development Corporation amended the Installment Payment Revenue Bonds dated January 15, 1999, of which \$15,675,000 was currently outstanding, to refund that bond issue that financed the construction of schools in Sampson County. The installment purchase of \$15,560,000 was issued pursuant to a deed of trust that requires that legal title remain with the Corporation as long as the debt is outstanding. The Corporation has entered into a lease with the Sampson County and Clinton City Boards of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Boards of Education. The lease calls for \$0 lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education.

The installment purchase was executed on April 7, 2010 to the outstanding amount of the January, 1999 issue. The transactions calls for 15 annual principal payments of \$985,000 to \$1,280,000 and thirty semiannual interest payments, due on December 1 and June 1, at interest rates varying from 2.00 percent to 5.25 percent. These refunding bonds which mature through June 1, 2024 are reported in the general fund because they are being repaid from general fund revenues. Balance outstanding at June 30, 2014 is \$10,000,000.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$2,601,938 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,030,000	\$ 456,875
2016	1,020,000	415,675
2017	1,020,000	364,675
2018	1,010,000	323,875
2019	1,000,000	283,475
2020-2024	<u>4,920,000</u>	<u>757,363</u>
Total principal payments	<u>\$ 10,000,000</u>	
Total interest payments		<u>\$ 2,601,938</u>

d. Revenue Bonds

On September 22, 2004, the County issued \$5.7 million of Hospital Revenue Bonds, Series 2004A, to finance capital improvements at Sampson Regional Medical Center, Inc. The bonds carry an interest rate at adjusted one month LIBOR rate plus .90 percent, due in monthly installments of principal of \$55,556 plus interest, maturing April, 2013. During the fiscal year ended June 30, 2006 the County issued \$4.3 million of Hospital Revenue Bonds, Series 2004B, dated September 22, 2004. The bonds carry an interest rate at adjusted one month LIBOR rate plus .90 percent, due in monthly installments of principal of \$55,556 plus interest. Payments begin in May 2013 and the bonds mature in September 2019. On January 29, 2007 the County issued \$5.5 million in Hospital Refund Bonds, Series 2007. The bonds carry an interest of 70% of the adjusted one month LIBOR rate plus .813% through February 2009 and 70% of the adjusted one month LIBOR rate plus .748% thereafter. Interest only is due monthly through February 2009. Monthly installments of principal in the amount of \$22,917 plus interest is due beginning March 2009 and maturing March 2029. The revenue bonds are reported on the Hospital's financial statements because the principal and interest on the bonds are payable from the net revenues of the Hospital. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$634,430, are as follows:

Year Ending September 30	Principal	Interest
2014	\$ 941,667	\$ 144,464
2015	941,667	122,332
2016	941,667	100,199
2017	941,667	78,066
2018	941,667	55,933
2019-2023	2,063,887	100,704
2024-2028	1,375,000	32,575
2029	91,666	157
Total principal payments	<u>\$ 8,238,888</u>	
Total interest payments		<u>\$ 634,430</u>

e. State Clean Water Bond Loan

The County has a State Clean Water Bond Loan for construction of water lines. The loan calls for 20 annual payments of \$20,450 plus interest at 5.5948 percent beginning September 30, 1997. This debt is serviced by the Water and Sewer District I Enterprise Fund. \$40,900

Debt service requirements to maturity, including interest of \$1,774 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2015	\$ 20,450	\$ 1,493
2016	20,450	281
Total principal payments	<u>\$ 40,900</u>	
Total interest payments		<u>\$ 1,774</u>

The County has a State Clean Water Bond Loan for construction of water lines. The loan calls for 20 annual payments of \$46,374 plus interest at 2.87 percent beginning June 1, 2004. This debt is serviced by the Water and Sewer District II Enterprise Fund. \$ 463,736

The County has a State Clean Water Bond Loan for construction of water lines. The loan calls for 20 annual payments of \$92,632 plus interest at 5.25 percent beginning June 1, 2008. This debt is serviced by the Water and Sewer District II Enterprise Fund. 1,018,947
\$1,482,683

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014**

Debt service requirements to maturity, including interest of \$314,414 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 139,005	\$ 52,778
2016	139,005	48,935
2017	139,005	44,161
2018	139,005	39,107
2019	139,005	33,217
2020-2024	695,026	92,492
2025	<u>92,632</u>	<u>3,724</u>
Total principal payments	<u>\$ 1,482,683</u>	
Total interest payments		<u>\$ 314,414</u>

f. Certificates of Participation

On November 29, 2006, the Sampson Area Development Corporation issued \$55,060,000 in Certificates of Participation to finance the construction of schools in Sampson County. This is a installment purchase issue. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the Corporation as long as the debt is outstanding. The Corporation has entered into a lease with the Sampson County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Boards of Education. The lease calls for \$10 annual lease payments and also contains a fair market value purchase option. The lease term is until the facilities are transferred to the County Board of Education. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded as an asset of the County.

The installment purchase was executed on November 29, 2007 to finance the construction of two new high school buildings. The transactions calls for twenty-seven annual principal payments of \$1,575,000 to \$2,620,000 and fifty-nine semiannual interest payments, due on November 15 and May 15, at interest rates varying from 4.00 percent to 5.00 percent. These certificates of participation which mature through June 1, 2036 are reported in the general fund because they are being repaid from general fund revenues.

This debt was issued at a premium that is included in the net debt service and is being amortized over the term of the debt.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

Annual debt service requirements to maturity for the County's certificates of participation, including interest of \$29,011,410 and unamortized bond premium of \$1,860,122 are as follows: The balance of the obligation is 47,185,000 plus the unamortized premium of \$1,860,122 will equal the below amount.

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,659,551	\$ 2,269,185
2016	1,659,551	2,206,185
2017	1,659,551	2,127,435
2018	1,659,551	2,048,685
2019	1,659,551	1,969,935
2020-2024	8,297,755	8,697,175
2025-2029	13,522,755	6,247,450
2030-2034	13,517,755	3,096,900
2035-2036	<u>5,409,102</u>	<u>348,460</u>
Total principal payments	<u>\$ 49,045,122</u>	
Total interest payments		<u>\$ 29,011,410</u>

g. Conduit Debt Obligations

Sampson County Industrial Facility and Pollution Control 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 involved. Ownership of the acquired facilities is in the name of the private business 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, 2014, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$40,625,000.

h. Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$12,574,993 relates to assets the County does not hold title.

Sampson County had a legal debt margin of \$211,905,251 at June 30, 2014.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

i. 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, 2014:

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

	Balance July 1,	Increases	Decreases	Balance June 30,	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 76,025,381	\$ -	\$ 1,328,208	\$ 74,697,173	\$ 1,454,963
Revenue bonds	11,045,000	-	1,045,000	10,000,000	1,030,000
Certificates of Participation	48,760,000	-	1,575,000	47,185,000	1,575,000
Unamortized premium on COPs	1,944,673	-	84,551	1,860,122	84,551
Net Pension Obligation	214,644	73,153	30,000	257,797	-
Other post-employment benefits	6,626,904	2,167,310	847,000	7,947,214	-
Compensated absences	1,559,843	1,180,697	950,205	1,790,335	1,150,000
Total governmental activities	<u>\$ 146,176,445</u>	<u>\$ 3,421,160</u>	<u>\$ 5,859,964</u>	<u>\$ 143,737,641</u>	<u>\$ 5,294,514</u>
Business-type activities:					
General obligation debt	\$ 11,895,500	\$ -	\$ 232,500	\$ 11,663,000	\$ 243,000
Installment purchases	1,792,000	-	-	1,792,000	-
State Clean Water bonds	1,683,038	-	159,455	1,523,583	159,455
Other post-employment benefits	97,720	17,690	-	115,410	-
Compensated absences	22,505	17,972	7,702	32,775	30,072
Total business-type activities	<u>\$ 15,490,763</u>	<u>\$ 35,662</u>	<u>\$ 399,657</u>	<u>\$ 15,126,768</u>	<u>\$ 432,527</u>
Discretely presented component units:					
Revenue bonds	\$ 9,158,333	\$ -	\$ 919,445	\$ 8,238,888	\$ 941,667
Notes payable	1,054,639	-	1,054,639	-	-
Capital Leases	1,222,055	-	506,041	716,014	532,732
Compensated absences	2,466,144	-	228,744	2,237,400	2,237,400
Total discretely presented component units:	<u>\$ 13,901,171</u>	<u>\$ -</u>	<u>\$ 2,708,869</u>	<u>\$ 11,192,302</u>	<u>\$ 3,711,799</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2014, consists of the following:

From the General fund to the County Capital Project fund to provide for County building improvements	\$ 190,729
From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	174,876
From the General fund to Sampson County Water District 2 fund to supplement other funding resources	<u>26,600</u>
Total Transfers out from the General Fund	<u>\$ 392,205</u>
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	\$ 2,990,485
From the County Capital Project fund to the General Fund to pay building repair costs for Sampson Community College	43,416
From the County Capital Project fund to the General Fund to pay software upgrade costs at Tax Office	101,000
From the County Capital Project fund to the General Fund to pay maintenance and repair costs on the Livestock Arena	<u>900</u>
Total Transfers in to the General Fund	<u>3,135,801</u>
Total	<u>\$ 3,528,006</u>

Interfund balances at June 30, 2014, consists of the following:

Due to the General fund from:	
Airport Apron 19.6.1 Capital Project Fund	\$ 1,385,211
Nonmajor Governmental Funds:	
Urgent Home Repair Project Special Revenue Fund	9,735
Governor's Highway Safety Program Special Revenue Fund	-
Sampson Area Transportation Special Revenue Fund	60,145
Airport Construction 12.9.1 Capital Project Fund	10,224
Airport Construction 12.8.1 Capital Project Fund	8,109
Airport Taxiway 12.6.2 Capital Project Fund	<u>2,335</u>
Total nonmajor (other) governmental funds	<u>90,548</u>
Total all funds	<u>\$ 1,475,759</u>

The balances above are advances from the General fund. Grant funds have been requested to repay the General fund. Capital project advances will be repaid from loan funds.

D. Fund Balance

Sampson County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, 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.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014**

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	\$22,736,274
Less:	
Inventories	18,690
Stabilization by State Statute	9,493,668
Public Safety	756,543
Debt Service	2,868,644
Revaluation	681,916
Capital Projects	1,101,551
Appropriated Fund Balance in 2014-2015 Budget	3,637,121
Remaining Fund Balance	4,178,141

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	Other Fund
	\$224,829	\$0

IV. Related Organization

The Sampson County Board of Commissioners is responsible for appointing the members of the board of the Sampson County Industrial Facilities and Pollution Control Financing Authority, but the County's accountability for this organization does not extend beyond making these appointments. The authority exists to aid in the financing of industrial and manufacturing facilities and to aid in financing pollution control facilities for industry in connection with manufacturing and industrial facilities and/or public utilities for the purpose of stimulating economic development.

V. Joint Ventures

The County, in conjunction with the County of Duplin, the County of Lenoir and the County of Wayne participates in the Eastpointe Area Mental Health Developmental Disabilities and Substance Abuse Services Center. Each participating government appoints members to the fifteen-member board – Wayne County appoints six members and Duplin, Lenoir and Sampson each appoint three members. The center is a joint venture established to administer the mental health, mental developmental disabilities and substance abuse programs of Duplin, Lenoir, Sampson, and Wayne Counties.

The County has an ongoing financial responsibility for the joint venture because the center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the center, so no equity interest has been reflected in the financial statements at June 30, 2014. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$274,678 to the center to supplement its activities. Complete financial statements for the center may be obtained from the center's offices in Beulaville, North Carolina.

The County, in conjunction with the State of North Carolina and the Sampson County Board of Education participates in a joint venture to operate the Sampson 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 association serves as a non-voting, ex officio member of the board of trustees. The Community College is

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014

included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,217,137 and \$0 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2014. 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, 2014. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

VI. Benefit Payments Issued by the State

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

	Federal	State
State/County Spec Assist	\$ -	\$ 587,989
Temporary Assistance to Needy Families	283,933	-
Medicaid	61,880,049	34,243,653
NC Health Choice	1,935,885	462,073
Energy Assistance	301,000	-
Program for Women, Infants & Children	1,671,388	-
Title IV-E Foster Care	267,531	69,736
Totals	\$ 66,339,786	\$ 35,363,451

VII. 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 money 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.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2014**

VIII. Related Party Transactions

The County appoints the board members of the TDA based on citizens who represent lodging providers within the county. The legislation that created the TDA gives the County the authority to levy and collect an occupancy tax and remit to the TDA. For the year, \$ 62,595 was collected, \$62,595 was remitted to the Authority, and \$ 0 is remaining to be distributed to the Authority. The County finance officer also serves as the finance officer of the TDA.

The TDA operates an office out of a County owned facility (Agri-Expo Center) and pays rent to the County for use of facility.

IX. Subsequent Events

Management has evaluated subsequent events through December 20, 2014, the date which the financial statements were available for issue.



REQUIRED SUPPLEMENTAL FINANCIAL DATA



**SAMPSON COUNTY, NORTH CAROLINA
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit A-1

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)
12/31/2008	\$ 237,323	\$ 490,969	\$ 253,646	48.34 %	\$ 2,795,847	9.07 %
12/31/2009	259,295	510,161	250,866	50.83	3,203,717	7.83
12/31/2010	293,392	644,370	350,978	45.53	3,032,769	11.57
12/31/2011	306,403	712,895	406,492	42.98	3,177,658	12.79
12/31/2012	336,592	705,747	369,155	47.69	3,243,504	11.38
12/31/2013	306,120	835,655	529,535	36.63	3,329,568	15.90

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2012	\$ 73,891	40.60 %
2013	78,536	38.20
2014	73,153	41.01

**SAMPSON COUNTY, NORTH CAROLINA
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit A-2

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)
12/31/09	\$ -	\$ 11,510,000	\$ 11,510,000	- %	\$ 17,990,691	63.98 %
6/30/11	-	15,224,000	15,224,000	-	18,983,789	80.19
6/30/13	-	17,523,000	17,523,000	-	16,887,916	103.76

Schedule of Employer Contributions

Year Ended June 30	Annual OPEB Cost	Percentage Contributed
2009	\$ 1,677,000	14.52 %
2010	1,677,000	14.37
2011	1,825,000	31.40
2012	1,924,000	31.50
2013	2,078,000	38.10
2014	2,185,000	38.80

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
BALANCE SHEET
June 30, 2014**

Exhibit B-1

Assets:

Cash and cash equivalents	\$ 14,496,052
Restricted cash	1,438,459
Receivables (net)	
Taxes	2,296,955
Accounts	7,793,080
Due from other funds	1,475,759
Inventories	18,690
Total Assets	<u>\$ 27,518,995</u>

Liabilities:

Accounts payable and accrued liabilities	<u>\$ 2,447,788</u>
Total Liabilities	<u>2,447,788</u>

Deferred Inflows of Resources:

Property taxes receivable	2,296,955
Prepaid taxes	<u>37,978</u>
Total Deferred Inflows of Resources	<u>2,334,933</u>

Fund Balances:

Nonspendable	
Inventories	18,690
Restricted:	
Stabilization by State Statute	9,493,668
Public safety	756,543
Debt service	2,868,644
Education	-
Revaluation	681,916
Committed:	
Economic development	-
Capital projects	1,101,551
Assigned:	
Subsequent year's expenditures	3,637,121
Unassigned	<u>4,178,141</u>
Total Fund Balances	<u>22,736,274</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,518,995</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 1 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes:			
Ad valorem	\$	\$ 33,537,601	\$
Penalties and interest		506,872	
Total	<u>32,975,787</u>	<u>34,044,473</u>	<u>1,068,686</u>
Sales Tax:			
One cent		3,270,761	
One half cent article 40		2,165,690	
One half cent article 42		784,792	
One quarter cent article 46		943,911	
Total	<u>7,007,000</u>	<u>7,165,154</u>	<u>158,154</u>
Restricted:			
State grants		13,482,659	
Federal grants		471,491	
Court facility fees		169,685	
Local grants		79,192	
Total	<u>14,064,536</u>	<u>14,203,027</u>	<u>138,491</u>
Permits and Fees:			
Register of deeds		330,877	
Inspection		308,379	
Local subdivision fees		35,325	
Franchise		40,548	
Total	<u>679,400</u>	<u>715,129</u>	<u>35,729</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 2 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Tax Collection Fees:			
Town of Turkey		426	
Town of Salemburg		106	
Town of Roseboro		629	
Town of Newton Grove		263	
Town of Garland		3,741	
Town of Autryville		85	
Town of Harrells		630	
City of Clinton		55,320	
Tax collection		152,788	
Jail fees		1,292,125	
Sheriff fees		842,052	
Health fees		1,031,848	
Ambulance fees		2,465,660	
Aging services fees		697,502	
Total	<u>6,646,960</u>	<u>6,543,175</u>	<u>(103,785)</u>
Investment Earnings	<u>16,000</u>	<u>4,140</u>	<u>(11,860)</u>
Miscellaneous:			
Board of elections		26,677	
Short-term vehicle lease		14,992	
Recreation		33,943	
Agri-Exposition center		249,241	
Rent		1,972,903	
Other		326,568	
Total	<u>2,507,178</u>	<u>2,624,324</u>	<u>117,146</u>
Total revenues	<u>63,896,861</u>	<u>65,299,422</u>	<u>1,402,561</u>
Expenditures			
General Government			
Governing Body			
Salaries and employee benefits		112,024	
Operations and maintenance		51,627	
Total	<u>166,696</u>	<u>163,651</u>	<u>3,045</u>
Administration			
Salaries and employee benefits		284,265	
Operations and maintenance		33,686	
Total	<u>359,464</u>	<u>317,951</u>	<u>41,513</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 3 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Airport			
Operations and maintenance		50,908	
Total	59,020	50,908	8,112
Finance			
Salaries and employee benefits		1,080,742	
Operations and maintenance		430,489	
Total	1,532,203	1,511,231	20,972
Data Processing			
Salaries and employee benefits		270,652	
Operations and maintenance		240,461	
Capital outlay		-	
Total	605,909	511,113	94,796
Communications Tower			
Operations and maintenance		16,068	
Capital outlay		-	
Total	24,201	16,068	8,133
Tax Administration			
Salaries and employee benefits		867,321	
Operations and maintenance		390,046	
Total	1,262,502	1,257,367	5,135
Legal			
Professional services		17,673	
Total	55,000	17,673	37,327
Courts			
Operations and maintenance		5,663	
		130,721	
Total	272,140	136,384	135,756
Criminal Justice Partnership Program			
Operations and maintenance	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 4 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Salaries and employee benefits		87,879	
Operations and maintenance		171,283	
Total	290,323	259,162	31,161
Register of Deeds			
Salaries and employee benefits		389,481	
Operations and maintenance		84,257	
Total	496,571	473,738	22,833
Public Buildings			
Salaries and employee benefits		472,478	
Operations and maintenance		955,602	
Capital outlay		180,750	
Total	1,656,104	1,608,830	47,274
Total General Government	6,780,133	6,324,076	456,057
Public Safety			
Sheriff			
Salaries and employee benefits		4,657,457	
Operations and maintenance		1,381,791	
Capital outlay		732,354	
Total	6,827,931	6,771,602	56,329
Jail			
Salaries and employee benefits		2,005,310	
Operations and maintenance		1,276,221	
Capital outlay		30,979	
Total	3,312,696	3,312,510	186
Communications			
Salaries and employee benefits		906,093	
Operations and maintenance		81,805	
Capital outlay		-	
Total	992,265	987,898	4,367

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 5 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Emergency Management			
Salaries and employee benefits		346,357	
Operations and maintenance		165,207	
Capital outlay		41,268	
Total	<u>553,763</u>	<u>552,832</u>	<u>931</u>
Volunteer Fire Departments			
Assistance to County fire departments	<u>254,121</u>	<u>251,221</u>	<u>2,900</u>
Inspections			
Salaries and employee benefits		348,524	
Operations and maintenance		44,054	
Capital outlay		4,667	
Total	<u>405,164</u>	<u>397,245</u>	<u>7,919</u>
Coroner			
Professional services	<u>43,600</u>	<u>40,450</u>	<u>3,150</u>
Rescue			
Salaries and employee benefits		2,832,654	
Assistance to County rescue units		211,716	
Operations and maintenance		740,848	
Capital outlay		91,550	
Total	<u>3,876,937</u>	<u>3,876,768</u>	<u>169</u>
Dive Team			
Contracted services	<u>14,796</u>	<u>14,796</u>	<u>-</u>
Animal Control			
Salaries and employee benefits		160,655	
Operations and maintenance		119,176	
Total	<u>294,870</u>	<u>279,831</u>	<u>15,039</u>
Total Public Safety	<u>16,576,143</u>	<u>16,485,153</u>	<u>90,990</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 6 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Solid Waste			
Contracted services		759,928	
Operations and maintenance		12,327	
Total	869,355	772,255	97,100
Forestry			
State forestry program	138,641	130,241	8,400
4-H Programs	3,780	644	3,136
Horticulture Project	2,423	150	2,273
Master Gardener Program	2,020	1,124	896
Lagoon Management	6,450	5,233	1,217
Senior Health Information Program	4,800	4,778	22
Cooperative Extension Seminars	2,000	1,932	68
Environmental Defense Fund Project			
Salaries and employee benefits		-	
Operations and maintenance		3,923	
Capital Outlay		1,325	
Total	43,937	5,248	38,689
4-H Prevention Program			
Salaries and employee benefits		25,820	
Operations and maintenance		19,798	
Total	48,665	45,618	3,047
Total Environmental Protection	1,122,071	967,223	154,848
Economic and Physical Development			
Planning and Zoning			
Contracted services		143,285	
Total	167,591	143,285	24,306

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 7 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Industrial Development			
Salaries and employee benefits		150,266	
Operations and maintenance		122,393	
Total	384,086	272,659	111,427
Industrial Utility			
Operations and maintenance		3,729	
Total	8,150	3,729	4,421
N.C. Cooperative Extension Service			
Salaries and employee benefits		271,536	
Operations and maintenance		49,992	
Total	395,035	321,528	73,507
Soil Conservation			
Salaries and employee benefits		207,293	
Operations and maintenance		6,727	
Total	223,095	214,020	9,075
Total Economic and Physical Development	1,177,957	955,221	222,736
Human Services			
Mental Health Administration			
Eastpointe Mental Health	274,678	274,678	-
Veterans			
Salaries and employee benefits		108,551	
Operations and maintenance		22,844	
Total	136,287	131,395	4,892

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 8 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Youth Needs Task Force			
Salaries and employee benefits		45,598	
Programs		124,615	
Total	175,459	170,213	5,246
Health			
Administration			
Salaries and employee benefits		19,545	
Operations and maintenance		46,710	
Capital outlay		-	
Total	138,174	66,255	71,919
Diabetes Self Management			
Salaries and employee benefits		38,540	
Operations and maintenance		10,734	
Total	71,967	49,274	22,693
School Nurse Initiatiave			
Contracted services	400,000	400,000	-
Tuberculosis - CDC			
Salaries and employee benefits		27,663	
Operations and maintenance		8,902	
Total	45,262	36,565	8,697
Tuberculosis Medical Services			
Professional services	2,271	2,271	-
Communicable Disease			
Salaries and employee benefits		145,846	
Operations and maintenance		32,117	
Total	184,262	177,963	6,299

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 9 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Adult Services			
Salaries and employee benefits		49,059	
Operations and maintenance		94,471	
Total	167,341	143,530	23,811
Health Promotion			
Salaries and employee benefits		40,037	
Operations and maintenance		5,421	
Total	49,285	45,458	3,827
Breast and Cervical Cancer			
Salaries and employee benefits		15,113	
Operations and maintenance		17,286	
Total	38,226	32,399	5,827
Healthy Carolinians			
Operations and maintenance	-	-	-
Immunization			
Salaries and employee benefits		56,527	
Operations and maintenance		14,050	
Capital outlay		-	
Total	72,788	70,577	2,211
Maternal Health & Outreach			
Salaries and employee benefits		429,712	
Operations and maintenance		83,106	
Capital outlay		7,105	
Total	542,151	519,923	22,228
Family Planning			
Salaries and employee benefits		215,272	
Operations and maintenance		104,321	
Total	330,651	319,593	11,058
WIC			
Salaries and employee benefits		323,333	
Operations and maintenance		75,466	
Total	403,089	398,799	4,290

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 10 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Child Services Coordination			
Salaries and employee benefits		167,231	
Operations and maintenance		47,127	
Total	<u>233,152</u>	<u>214,358</u>	<u>18,794</u>
Pregnancy Care Management			
Salaries and employee benefits		157,257	
Operations and maintenance		48,578	
Total	<u>215,434</u>	<u>205,835</u>	<u>9,599</u>
Child Health			
Salaries and employee benefits		79,081	
Operations and maintenance		19,437	
Total	<u>105,491</u>	<u>98,518</u>	<u>6,973</u>
Environmental Health			
Salaries and employee benefits		385,412	
Operations and maintenance		40,951	
Capital outlay		36,607	
Total	<u>480,386</u>	<u>462,970</u>	<u>17,416</u>
Food and Lodging			
Travel	<u>15,529</u>	<u>9,381</u>	<u>6,148</u>
State Bio-Terrorism			
Salaries and employee benefits		45,344	
Operations and maintenance		2,547	
Total	<u>49,341</u>	<u>47,891</u>	<u>1,450</u>
Medication Assistance Program			
Salaries and employee benefits		570	
Operations and maintenance		24,521	
Total	<u>34,834</u>	<u>25,091</u>	<u>9,743</u>
Total Health	<u>3,579,634</u>	<u>3,326,651</u>	<u>252,983</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 11 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		6,561,109	
Operations and maintenance		1,325,078	
Capital outlay		-	
Total	<u>8,069,436</u>	<u>7,886,187</u>	<u>183,249</u>
Assistance			
Food stamp issuance		18,796	
WFBG programs		3,824	
Medicaid transportation		939,245	
Daycare		2,042,669	
Medicaid		22,528	
AA-AD-AB rest homes		591,625	
Aid to the blind		7,424	
Crisis intervention program		293,801	
In-Home services		13,106	
Foster care		1,420,061	
Adoption assistance		58,307	
Low income energy assistance		301,000	
Other programs		89,431	
Total	<u>6,282,598</u>	<u>5,801,817</u>	<u>480,781</u>
Total Social Services	<u>14,352,034</u>	<u>13,688,004</u>	<u>664,030</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		135,536	
Operations and maintenance		62,135	
Total	<u>206,563</u>	<u>197,671</u>	<u>8,892</u>
Transportation			
Salaries and employee benefits		26,054	
Total	<u>26,160</u>	<u>26,054</u>	<u>106</u>
Personal Care Block Grant			
Salaries and employee benefits		141,261	
Operations and maintenance		316,411	
Total	<u>488,576</u>	<u>457,672</u>	<u>30,904</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 12 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Home Repairs			
Salaries and employee benefits		67,527	
Operations and maintenance		73,775	
Total	178,410	141,302	37,108
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		105,389	
Operations and maintenance		10,118	
Total	120,996	115,507	5,489
Adult Daycare			
Salaries and employee benefits		170,124	
Operations and maintenance		83,063	
Total	254,932	253,187	1,745
Information/Case Assistance			
Salaries and employee benefits		48,835	
Operations and maintenance		1,321	
Total	50,462	50,156	306
Nutrition Program			
Salaries and employee benefits		116,139	
Operations and maintenance		229,005	
Total	391,876	345,144	46,732
Family Caregiver Support			
Salaries and employee benefits		3,730	
Operations and maintenance		8,775	
Total	30,683	12,505	18,178
Total Aging and In-Home Services	1,748,658	1,599,198	149,460
Total Human Services	20,266,750	19,190,139	1,076,611

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 13 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education		7,358,202	
Clinton City Board of Education		2,558,145	
Sampson Community College		1,217,137	
Capital Outlay			
Sampson County Board of Education		1,044,335	
Clinton City Board of Education		109,843	
Sampson Community College		292,323	
Total Education	<u>13,602,939</u>	<u>12,579,985</u>	<u>1,022,954</u>
Culture and Recreation			
Library			
Salaries and employee benefits		632,523	
Operations and maintenance		120,367	
Capital outlay		76,699	
Total	<u>846,962</u>	<u>829,589</u>	<u>17,373</u>
Special Appropriations			
Special projects	<u>97,832</u>	<u>97,370</u>	<u>462</u>
Recreation			
Salaries and employee benefits		420,963	
Operations and maintenance		75,235	
Programs		79,502	
Capital outlay		2,000	
Total Recreation	<u>619,020</u>	<u>577,700</u>	<u>41,320</u>
Agri-Exposition Center			
Salaries and employee benefits		120,800	
Operations and maintenance		446,437	
Special events		13,109	
Total	<u>645,093</u>	<u>580,346</u>	<u>64,747</u>
Total Culture and Recreation	<u>2,208,907</u>	<u>2,085,005</u>	<u>123,902</u>
Debt Service			
Principal		3,948,208	
Interest and fees		5,893,639	
Administration		98,275	
Total Debt Service	<u>10,351,576</u>	<u>9,940,122</u>	<u>411,454</u>
Contingency	<u>86,706</u>	-	<u>86,706</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

**Exhibit B-2
Page 14 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Total expenditures	<u>72,173,182</u>	<u>68,526,924</u>	<u>3,646,258</u>
Excess (deficiency) of revenues over expenditures	<u>(8,276,321)</u>	<u>(3,227,502)</u>	<u>5,048,819</u>
Other financing sources (uses)			
Transfers in	4,115,462	3,135,801	(979,661)
Transfers out	(392,205)	(392,205)	-
Loan proceeds	<u>398,970</u>	<u>-</u>	<u>(398,970)</u>
Total Other Financing Sources (Uses)	<u>4,122,227</u>	<u>2,743,596</u>	<u>(1,378,631)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(4,154,094)	(483,906)	3,670,188
Appropriated Fund Balance	<u>4,154,094</u>	<u>-</u>	<u>(4,154,094)</u>
Net change in fund balance	<u>\$ -</u>	<u>(483,906)</u>	<u>\$ (483,906)</u>
Fund balance - beginning		<u>21,436,713</u>	
Fund balance - ending		<u>\$ 20,952,807</u>	

**SAMPSON COUNTY, NORTH CAROLINA
COUNTY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings:			
Library committed	\$ -	\$ 14	\$ 14
Airport committed	-	102	102
Livestock arena committed	-	13	13
Schools building committed	-	48	48
County building committed	-	106	106
Water line repairs	-	10	10
Total revenues	<u>-</u>	<u>293</u>	<u>293</u>
Other Financing Sources (Uses)			
Transfers in (out)			
To Airport Capital Projects	-	-	-
To General fund	(337,145)	(145,316)	191,829
From General Fund for Airport Committed	-	-	-
From General Fund for County School Bldg Committed	67,322	67,322	-
From General Fund for City School Bldg Committed	33,654	33,654	-
From General Fund for SCC Bldg Committed	-	-	-
From General Fund for County Bldg Committed	<u>89,753</u>	<u>89,753</u>	<u>-</u>
Total other financing sources (uses)	<u>(146,416)</u>	<u>45,413</u>	<u>191,829</u>
Excess (deficiency) of revenues over expenditures	<u>(146,416)</u>	<u>45,706</u>	<u>192,122</u>
Appropriated Fund Balance	<u>146,416</u>	<u>-</u>	<u>(146,416)</u>
Net change in fund balance	<u>\$ -</u>	<u>45,706</u>	<u>\$ 45,706</u>
Fund balance - beginning		<u>1,055,845</u>	
Fund balance - ending		<u><u>\$ 1,101,551</u></u>	

**SAMPSON COUNTY, NORTH CAROLINA
 REVALUATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014**

Exhibit B-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad-valorem taxes	\$ -	\$ 122,000	\$ 122,000
Investment earnings	-	159	159
Total revenues	<u>122,000</u>	<u>122,159</u>	<u>122,159</u>
Expenditures			
Real property appraisals	<u>122,000</u>	-	<u>122,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>122,159</u>	<u>244,159</u>
Other Financing Sources			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	122,159	122,159
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>122,159</u>	<u>\$ 122,159</u>
Fund balance - beginning		<u>559,757</u>	
Fund balance - ending		<u>\$ 681,916</u>	

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-SCHOOLS & COMMUNITY FACILITIES CONSTRUCTION -
CAPITAL PROJECT FUND
From Inception and for the Fiscal Year Ended June 30, 2014

Exhibit B-5

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal and Local Grants:	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	24,000	150,109	121	150,230	126,230
Donations	-	-	-	-	-
Sales tax refund	-	147,970	131,528	279,498	279,498
Total revenues	<u>24,000</u>	<u>298,079</u>	<u>131,649</u>	<u>429,728</u>	<u>405,728</u>
Expenditures					
School Construction:					
Union High School	-	-	-	-	-
Roseboro Elementary School	-	-	-	-	-
Midway High School	-	-	-	-	-
Clinton High School	-	-	-	-	-
Clinton City Schools other	2,024,000	2,004,307	-	2,004,307	19,693
Sampson County Schools other	2,000,000	1,991,497	695	1,992,192	7,808
Other costs	-	-	-	-	-
Community Facilities	<u>2,536,536</u>	<u>1,150,438</u>	<u>27,389</u>	<u>1,177,827</u>	<u>1,358,709</u>
Total expenditures	6,560,536	5,146,242	28,084	5,174,326	1,386,210
Excess (deficiency) of revenues over expenditures	<u>(6,536,536)</u>	<u>(4,848,163)</u>	<u>103,565</u>	<u>(4,744,598)</u>	<u>1,791,938</u>
Other Financing Sources (Uses)					
Transfers in (out)					
To General Fund for:					
Debt payment	-	-	-	-	-
From School capital reserve	-	340,401	-	340,401	340,401
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
COPS debt issuance costs	-	-	-	-	-
Loan proceeds	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>
Total other financing uses	<u>6,536,536</u>	<u>6,876,937</u>	<u>-</u>	<u>6,876,937</u>	<u>340,401</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>2,028,774</u>	<u>103,565</u>	<u>2,132,339</u>	<u>2,132,339</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,028,774</u>	<u>103,565</u>	<u>\$ 2,132,339</u>	<u>\$ 2,132,339</u>
Fund balance - beginning			<u>2,028,774</u>		
Fund balance - ending			<u>\$ 2,132,339</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY & APRON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit B-6

Project Number: 36244.19.6.1	Project Authorization	Actual		Inception to Date	Variance with Final Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 3,216,831	\$ 2,524,667	\$ 150,986	\$ 2,675,653	\$ (541,178)
City of Clinton	178,713	140,259	-	140,259	(38,454)
Total revenues	<u>3,395,544</u>	<u>2,664,926</u>	<u>150,986</u>	<u>2,815,912</u>	<u>(579,632)</u>
Expenditures					
Capital Expansion:					
Administration	6,473	5,943	505	6,448	25
Engineering	840,165	664,767	138,728	803,495	36,670
Construction costs	2,727,619	2,391,347	24,700	2,416,047	311,572
Total expenditures	<u>3,574,257</u>	<u>3,062,057</u>	<u>163,933</u>	<u>3,225,990</u>	<u>348,267</u>
Excess (deficiency) of revenues over expenditures	<u>(178,713)</u>	<u>(397,131)</u>	<u>(12,947)</u>	<u>(410,078)</u>	<u>(231,365)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	178,713	143,793	-	143,793	(34,920)
Total other financing sources	178,713	143,793	-	143,793	(34,920)
Net change in fund balance	<u>\$ -</u>	<u>\$ (253,338)</u>	(12,947)	<u>\$ (266,285)</u>	<u>\$ (266,285)</u>
Fund balance - beginning			(253,338)		
Fund balance - ending			<u>\$ (266,285)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014**

**Exhibit C-1
 Page 1 of 7**

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
ASSETS				
Cash and cash equivalents	\$ 813,499	\$ -	\$ 1,401	\$ 777,842
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	143,081
Other receivables	23,183	90,464	-	25,059
TOTAL ASSETS	\$ 836,682	\$ 90,464	\$ 1,401	\$ 945,982
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 9,147	\$ 12,432	\$ -	\$ -
Due to General Fund	-	60,145	-	-
Total Liabilities	9,147	72,577	-	-
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	143,081
Total Deferred Inflows of Resources	-	-	-	143,081
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	23,183	90,464	-	25,059
Public safety	-	-	-	777,842
Assigned				
General government	-	-	-	-
Public safety	804,352	-	-	-
Environmental protection	-	-	-	-
Human services	-	(72,577)	1,401	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	827,535	17,887	1,401	802,901
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 836,682	\$ 90,464	\$ 1,401	\$ 945,982

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

**Exhibit C-1
Page 2 of 7**

	Special Revenue Funds			
	Soil and Water District	Community Development 10-C-2128	Community Development SFR-11	Urgent Home Repair Project
ASSETS				
Cash and cash equivalents	\$ 62,358	\$ -	\$ 1,500	\$ -
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	1,000	-	-	-
TOTAL ASSETS	\$ 63,358	\$ -	\$ 1,500	\$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,500	\$ 9,480
Due to General Fund	-	-	-	9,735
Total Liabilities	-	-	1,500	19,215
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	1,000	-	-	-
Public Safety	-	-	-	-
Assigned				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	62,358	-	-	-
Human services	-	-	-	(19,215)
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	63,358	-	-	(19,215)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,358	\$ -	\$ 1,500	\$ -

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014**

**Exhibit C-1
 Page 3 of 7**

	Special Revenue Funds		
	Homeland Security Equipment	Employment and Training	CDBG NC Tomorrow
ASSETS			
Cash and cash equivalents	\$ 24,875	\$ 11,020	\$ -
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Other receivables	-	-	-
TOTAL ASSETS	\$ 24,875	\$ 11,020	\$ -
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to General Fund	-	-	-
Total Liabilities	-	-	-
Deferred Inflows of Resources:			
Property taxes receivable	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits):			
Restricted			
Stabilization by state statute	-	-	-
Public Safety	-	-	-
Assigned			
General government	-	11,020	-
Public safety	24,875	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital expansion	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	24,875	11,020	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 24,875	\$ 11,020	\$ -

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014**

**Exhibit C-1
 Page 4 of 7**

	Special Revenue Funds
	Total Nonmajor Special Revenue Funds
ASSETS	
Cash and cash equivalents	\$ 1,692,495
Restricted cash	-
Taxes receivable (net)	143,081
Other receivables	<u>139,706</u>
TOTAL ASSETS	<u>\$ 1,975,282</u>
LIABILITIES AND FUND BALANCES	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 32,559
Due to General Fund	<u>69,880</u>
Total Liabilities	<u>102,439</u>
Deferred Inflows of Resources:	
Property taxes receivable	<u>143,081</u>
Total Deferred Inflows of Resources	<u>143,081</u>
Fund Balances (Deficits):	
Restricted	-
Stabilization by state statute	139,706
Public Safety	777,842
Assigned	
General government	11,020
Public safety	829,227
Environmental protection	62,358
Human services	(90,391)
Culture and recreation	-
Capital expansion	-
Subsequent year's expenditures	-
Unassigned	<u>-</u>
Total Fund Balances (Deficits)	<u>1,729,762</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,975,282</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014**

**Exhibit C-1
 Page 5 of 7**

	Capital Project Funds		
	Airport Taxiway 12.6.2	Airport Construction 12.8.1	Airport Construction 12.9.1
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Other receivables	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to General Fund	2,335	8,109	10,224
Total Liabilities	2,335	8,109	10,224
Deferred Inflows of Resources:			
Property taxes receivable	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits):			
Restricted			
Stabilization by state statute	-	-	-
Public Safety	-	-	-
Assigned			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital expansion	(2,335)	(8,109)	(10,224)
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	(2,335)	(8,109)	(10,224)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ -

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

**Exhibit C-1
Page 6 of 7**

	Capital Project Funds		Total Nonmajor Capital Project Funds
	Courthouse Annex Renovation	County Bldgs Construction & Renovation	
ASSETS			
Cash and cash equivalents	\$ 29,104	\$ 8,000	\$ 37,104
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Other receivables	-	-	-
TOTAL ASSETS	<u>\$ 29,104</u>	<u>\$ 8,000</u>	<u>\$ 37,104</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to General Fund	-	-	20,668
Total Liabilities	<u>-</u>	<u>-</u>	<u>20,668</u>
Deferred Inflows of Resources:			
Property taxes receivable	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):			
Restricted			
Stabilization by state statute	-	-	-
Public Safety	-	-	-
Assigned			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital expansion	29,104	8,000	16,436
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>29,104</u>	<u>8,000</u>	<u>16,436</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 29,104</u>	<u>\$ 8,000</u>	<u>\$ 37,104</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2014**

**Exhibit C-1
 Page 7 of 7**

	Total Nonmajor Governmental Funds
ASSETS	
Cash and cash equivalents	\$ 1,729,599
Restricted cash	-
Taxes receivable (net)	143,081
Other receivables	<u>139,706</u>
TOTAL ASSETS	<u>\$ 2,012,386</u>
LIABILITIES AND FUND BALANCES	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 32,559
Due to General Fund	<u>90,548</u>
Total Liabilities	<u>123,107</u>
Deferred Inflows of Resources:	
Property taxes receivable	<u>143,081</u>
Total Deferred Inflows of Resources	<u>143,081</u>
Fund Balances (Deficits):	
Restricted	
Stabilization by state statute	139,706
Public Safety	777,842
Assigned	
General government	11,020
Public safety	829,227
Environmental protection	62,358
Human services	(90,391)
Culture and recreation	-
Capital expansion	16,436
Subsequent year's expenditures	-
Unassigned	<u>-</u>
Total Fund Balances (Deficits)	<u>1,746,198</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,012,386</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014**

**Exhibit C-2
 Page 1 of 6**

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,635,011
Sales taxes	-	-	-	-
State, federal and local grants	-	402,322	-	-
Fees	314,741	70,273	-	-
Investment earnings	189	3	-	186
Miscellaneous	-	-	-	-
Total revenues	<u>314,930</u>	<u>472,598</u>	<u>-</u>	<u>2,635,197</u>
Expenditures				
General government	-	-	-	-
Public safety	171,216	-	-	2,409,925
Environmental protection	-	-	-	-
Human services	-	646,373	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>171,216</u>	<u>646,373</u>	<u>-</u>	<u>2,409,925</u>
Excess (deficiency) of revenues over expenditures	<u>143,714</u>	<u>(173,775)</u>	<u>-</u>	<u>225,272</u>
Other Financing Sources (Uses)				
Transfers in	-	174,876	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>174,876</u>	<u>-</u>	<u>-</u>
Net change in fund balances	143,714	1,101	-	225,272
Fund balances - beginning	<u>683,821</u>	<u>16,786</u>	<u>1,401</u>	<u>577,629</u>
Fund balances - ending	<u>\$ 827,535</u>	<u>\$ 17,887</u>	<u>\$ 1,401</u>	<u>\$ 802,901</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014**

**Exhibit C-2
 Page 2 of 6**

	Special Revenue Funds			
	Soil and Water District	Community Development 10-C-2128	Community Development SFR-11	Urgent Home Repair Project
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	22,540	148,428	102,767	37,500
Fees	-	-	-	-
Investment earnings	14	-	-	-
Miscellaneous	380	-	-	-
Total revenues	<u>22,934</u>	<u>148,428</u>	<u>102,767</u>	<u>37,500</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	5,568	-	-	-
Human services	-	110,418	113,389	57,151
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>5,568</u>	<u>110,418</u>	<u>113,389</u>	<u>57,151</u>
Excess (deficiency) of revenues over expenditures	<u>17,366</u>	<u>38,010</u>	<u>(10,622)</u>	<u>(19,651)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	17,366	38,010	(10,622)	(19,651)
Fund balances - beginning	45,992	(38,010)	10,622	436
Fund balances - ending	<u>\$ 63,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,215)</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014**

**Exhibit C-2
 Page 3 of 6**

	Special Revenue Funds		
	Homeland Security Equipment	Employment and Training	CDBG NC Tomorrow
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
State, federal and local grants	-	-	49,824
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>49,824</u>
Expenditures			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	49,824
Culture and recreation	-	-	-
Capital Expansion	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>49,824</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	<u>24,875</u>	<u>11,020</u>	<u>-</u>
Fund balances - ending	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ -</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

**Exhibit C-2
Page 4 of 6**

	Total Nonmajor Special Revenue Funds	Capital Project Funds		
		Airport Taxiway 12.6.2	Airport Construction 12.8.1	Airport Construction 12.9.1
Revenues				
Ad valorem taxes	\$ 2,635,011	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	713,557	-	-	-
Fees	385,014	-	-	-
Investment earnings	392	-	-	-
Miscellaneous	380	-	-	-
Total revenues	<u>3,734,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
General government	-	-	-	-
Public safety	2,581,141	-	-	-
Environmental protection	5,568	-	-	-
Human services	927,331	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>3,514,040</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>220,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	174,876	-	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>174,876</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	395,190	-	-	-
Fund balances - beginning	1,334,572	(2,335)	(8,109)	(10,224)
Fund balances - ending	<u>\$ 1,729,762</u>	<u>\$ (2,335)</u>	<u>\$ (8,109)</u>	<u>\$ (10,224)</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014**

**Exhibit C-2
 Page 5 of 6**

	Capital Project Funds		
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
State, federal and local grants	-	-	-
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital Expansion	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	29,104	8,000	16,436
Fund balances - ending	<u>\$ 29,104</u>	<u>\$ 8,000</u>	<u>\$ 16,436</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2014**

**Exhibit C-2
 Page 6 of 6**

	Total Nonmajor Governmental Funds
Revenues	
Ad valorem taxes	\$ 2,635,011
Sales taxes	-
State, federal and local grants	713,557
Fees	385,014
Investment earnings	392
Miscellaneous	380
Total revenues	<u>3,734,354</u>
Expenditures	
General government	-
Public safety	2,581,141
Environmental protection	5,568
Human services	927,331
Culture and recreation	-
Capital Expansion	-
Total Expenditures	<u>3,514,040</u>
Excess (deficiency) of revenues over expenditures	<u>220,314</u>
Other Financing Sources (Uses)	
Transfers in	174,876
Transfers out	-
Installment purchase debt issued	-
Total other financing sources (uses)	<u>174,876</u>
Net change in fund balances	395,190
Fund balances - beginning	<u>1,351,008</u>
Fund balances - ending	<u>\$ 1,746,198</u>

**SAMPSON COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

Exhibit C-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
NC 911 PSAP fees	\$ 219,191	\$ 314,741	\$ 95,550
Investment earnings	-	189	189
Total revenues	<u>219,191</u>	<u>314,930</u>	<u>95,739</u>
Expenditures			
Operations and maintenance	41,990	4,913	37,077
Telephone and postage	116,004	103,792	12,212
Contracted services	145,137	62,511	82,626
Capital outlay	-	-	-
Total expenditures	<u>303,131</u>	<u>171,216</u>	<u>131,915</u>
Excess (deficiency) of revenues over expenditures	<u>(83,940)</u>	<u>143,714</u>	<u>227,654</u>
Other financing sources (uses)			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(83,940)	143,714	227,654
Appropriated Fund Balance	<u>83,940</u>	<u>-</u>	<u>(83,940)</u>
Net change in fund balance	<u>\$ -</u>	<u>143,714</u>	<u>\$ 143,714</u>
Fund balance - beginning		<u>683,821</u>	
Fund balance - ending		<u>\$ 827,535</u>	

SAMPSON COUNTY, NORTH CAROLINA
SAMPSON AREA TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

Exhibit C-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grants:			
Transportation-capital improvements	\$ 92,354	\$ 87,927	\$ (4,427)
Transportation-riders	180,568	180,613	45
Development funds	133,880	114,862	(19,018)
Workfirst	18,920	18,920	-
Mileage fees	64,110	70,273	6,163
Miscellaneous	-	-	-
Investment earnings	-	3	3
Total revenues	<u>489,832</u>	<u>472,598</u>	<u>(17,234)</u>
Expenditures			
Salaries and employee benefits	403,830	394,202	9,628
Gas, oil, and tires	72,300	67,674	4,626
Maintenance and repairs	30,025	29,910	115
Operations	50,461	48,482	1,979
Insurance and bonds	10,292	5,982	4,310
Capital outlay	<u>102,616</u>	<u>100,123</u>	<u>2,493</u>
Total expenditures	<u>669,524</u>	<u>646,373</u>	<u>23,151</u>
Excess (deficiency) of revenues over expenditures	<u>(179,692)</u>	<u>(173,775)</u>	<u>5,917</u>
Other Financing Sources (Uses)			
Transfers:			
From General fund	<u>174,876</u>	<u>174,876</u>	<u>-</u>
Total other financing sources (uses)	<u>174,876</u>	<u>174,876</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(4,816)	1,101	5,917
Appropriated Fund Balance	4,816	-	(4,816)
Net change in fund balance	<u>\$ -</u>	<u>1,101</u>	<u>\$ 1,101</u>
Fund balance - beginning		<u>16,786</u>	
Fund balance - ending		<u>\$ 17,887</u>	

**SAMPSON COUNTY, NORTH CAROLINA
GRANTS PROJECT - HEAD START PROGRAMS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014**

Exhibit C-5

	Final Budget	Reported in Prior Year	Current Year	Total Actual	Variance Positive (Negative)
Revenues					
State & Federal Grants:					
DHHS Head Start	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
Head Start Programs:					
Salaries and employee benefits	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
PA-20 Employee training	-	-	-	-	-
Total Head Start program	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Appropriated Fund Balance		-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>1,401</u>		
Fund balance - ending			<u>\$ 1,401</u>		

**SAMPSON COUNTY, NORTH CAROLINA
 FIRE DISTRICTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014**

Exhibit C-6

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad Valorem Taxes:			
Current year	\$ 2,168,688	\$ 2,513,745	\$ 345,057
Prior year	62,933	121,266	58,333
Investment earnings	-	186	186
Total revenues	<u>2,231,621</u>	<u>2,635,197</u>	<u>403,576</u>
Expenditures			
Fire protection	<u>2,311,265</u>	<u>2,409,925</u>	<u>98,660</u>
Total expenditures	<u>2,311,265</u>	<u>2,409,925</u>	<u>98,660</u>
Excess (deficiency) of revenues over expenditures	<u>(79,644)</u>	<u>225,272</u>	<u>304,916</u>
Appropriated Fund Balance	<u>79,644</u>	-	<u>(79,644)</u>
Net change in fund balance	<u>\$ -</u>	<u>225,272</u>	<u>\$ 225,272</u>
Fund balance - beginning		<u>577,629</u>	
Fund balance - ending		<u>\$ 802,901</u>	

**SAMPSON COUNTY, NORTH CAROLINA
 FIRE DISTRICTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BY DISTRICT
 For the Fiscal Year Ended June 30, 2014**

**Exhibit C-6,
 Continued**

<u>District</u>	<u>Ad Valorem Taxes & Investment Earnings</u>	<u>Fire Protection Transfers to Districts</u>	<u>Revenues Over (Under) Expenditures</u>	<u>Fund Balance June 30, 2013</u>	<u>Fund Balance June 30, 2014</u>
Coharie	\$ 149,999	\$ 141,190	\$ 8,809	\$ 54,780	\$ 63,589
Franklin	139,957	129,160	10,797	34,770	45,567
Godwin-Falcon	26,047	23,870	2,177	7,001	9,178
Halls	135,853	126,394	9,459	14,238	23,697
Herring	137,871	126,595	11,276	26,829	38,105
Honeycutt-Salemburg	174,750	151,880	22,870	35,276	58,146
Newton Grove	80,975	75,189	5,786	13,714	19,500
Piney Grove	83,715	78,585	5,130	13,187	18,317
Plain View	255,758	212,211	43,547	66,553	110,100
Spivey's Corner	148,866	138,755	10,111	22,476	32,587
Turkey	143,337	166,630	(23,293)	65,065	41,772
Vanns Crossroads	75,635	70,660	4,975	8,756	13,731
Clinton	464,146	430,000	34,146	86,412	120,558
Clement	197,923	178,093	19,830	41,641	61,471
Autryville	123,694	114,146	9,548	24,664	34,212
Garland	123,938	98,560	25,378	21,752	47,130
Taylor's Bridge	160,379	135,993	24,386	40,515	64,901
Goshen	12,354	12,014	340	-	340
	<u>\$ 2,635,197</u>	<u>\$ 2,409,925</u>	<u>\$ 225,272</u>	<u>\$ 577,629</u>	<u>\$ 802,901</u>

**SAMPSON COUNTY, NORTH CAROLINA
 SOIL AND WATER CONSERVATION DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2014**

Exhibit C-7

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grant	\$ 3,600	\$ 22,540	\$ 18,940
Miscellaneous	1,500	380	(1,120)
Investment earnings	-	14	14
Total revenues	<u>5,100</u>	<u>22,934</u>	<u>17,834</u>
Expenditures			
Travel	3,425	3,368	57
Operations and maintenance	<u>2,880</u>	<u>2,200</u>	<u>680</u>
Total expenditures	6,305	5,568	737
Excess (deficiency) of revenues over expenditures	<u>(1,205)</u>	<u>17,366</u>	<u>17,097</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	(1,205)	17,366	18,571
Appropriated Fund Balance	<u>1,205</u>	<u>-</u>	<u>(1,205)</u>
Net change in fund balance	<u>\$ -</u>	<u>17,366</u>	<u>\$ 17,366</u>
Fund balance - beginning		<u>45,992</u>	
Fund balance - ending		<u>\$ 63,358</u>	

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SCATTERED SITES PROJECT - 10-C-2128
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-8

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 400,000	\$ 143,181	\$ 148,428	\$ 291,609	\$ (108,391)
Miscellaneous	-	-	-	-	-
Total revenue	<u>400,000</u>	<u>143,181</u>	<u>148,428</u>	<u>291,609</u>	<u>(108,391)</u>
Expenditures					
Administration	35,000	20,744	12,017	32,761	2,239
Clearance activity	25,000	-	-	-	25,000
Relocation assistance	68,000	-	-	-	68,000
Housing rehabilitation	272,000	160,447	98,401	258,848	13,152
Total expenditures	<u>400,000</u>	<u>181,191</u>	<u>110,418</u>	<u>291,609</u>	<u>108,391</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (38,010)</u>	38,010	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			(38,010)		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SINGLE FAMILY REHABILITATION SFR-11
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-9

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 600,112	\$ 484,608	\$ 102,767	\$ 587,375	\$ (12,737)
Total revenue	<u>600,112</u>	<u>484,608</u>	<u>102,767</u>	<u>587,375</u>	<u>(12,737)</u>
Expenditures					
Administration	49,816	46,078	848	46,926	2,890
Soft cost	55,296	24,695	30,415	55,110	186
Housing rehabilitation	495,000	403,213	82,126	485,339	9,661
Total expenditures	<u>600,112</u>	<u>473,986</u>	<u>113,389</u>	<u>587,375</u>	<u>12,737</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 10,622</u>	(10,622)	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>10,622</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA
URGENT HOME REPAIR GRANT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-10

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 200,000	\$ 200,000	\$ 37,500	\$ 237,500	\$ 37,500
Interest earned	390	826	-	826	436
Total revenue	<u>200,390</u>	<u>200,826</u>	<u>37,500</u>	<u>238,326</u>	<u>37,936</u>
Expenditures					
Salaries and employee benefits	5,609	5,609	-	5,609	-
Building materials	18,470	18,470	26,103	44,573	(26,103)
Department supplies	7,587	7,587	-	7,587	-
Contracted services	168,724	168,724	31,048	199,772	(31,048)
Total expenditures	<u>200,390</u>	<u>200,390</u>	<u>57,151</u>	<u>257,541</u>	<u>(57,151)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 436</u>	(19,651)	<u>\$ (19,215)</u>	<u>\$ (19,215)</u>
Fund balance - beginning			<u>436</u>		
Fund balance - ending			<u>\$ (19,215)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
 HOMELAND SECURITY GRANT PROJECT
 2006 EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 From Inception and for the Year Ended June 30, 2014**

Exhibit C-11

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 69,748	\$ 75,513	\$ -	\$ 75,513	\$ 5,765
Total revenue	<u>69,748</u>	<u>75,513</u>	<u>-</u>	<u>75,513</u>	<u>5,765</u>
Expenditures					
Administration	-	-	-	-	-
Clearance activity	-	-	-	-	-
Department supplies	26,309	26,309	-	26,309	-
Capital Outlay	43,439	24,329	-	24,329	19,110
Total expenditures	<u>69,748</u>	<u>50,638</u>	<u>-</u>	<u>50,638</u>	<u>19,110</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 24,875</u>	<u>-</u>	<u>\$ 24,875</u>	<u>\$ 24,875</u>
Fund balance - beginning			<u>24,875</u>		
Fund balance - ending			<u>\$ 24,875</u>		

**SAMPSON COUNTY, NORTH CAROLINA
NC TOMORROW GRANT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-12

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 50,000	\$ -	\$ 49,824	\$ 49,824	\$ (176)
Total revenue	<u>50,000</u>	<u>-</u>	<u>49,824</u>	<u>49,824</u>	<u>(176)</u>
Expenditures					
Administration	5,000	-	4,824	4,824	176
Contracted services	<u>45,000</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>-</u>	<u>49,824</u>	<u>49,824</u>	<u>176</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-13

Project Number: 36237.12.6.2

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal Air-21	\$ 269,638	\$ 269,638	\$ -	\$ 269,638	\$ -
City of Clinton	14,980	12,645	-	12,645	(2,335)
Total revenues	<u>284,618</u>	<u>282,283</u>	<u>-</u>	<u>282,283</u>	<u>(2,335)</u>
Expenditures					
Capital Expansion:					
Engineering	6,529	6,529	-	6,529	-
Land	226,432	226,432	-	226,432	-
Construction costs	66,637	66,637	-	66,637	-
Total expenditures	<u>299,598</u>	<u>299,598</u>	<u>-</u>	<u>299,598</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(14,980)</u>	<u>(17,315)</u>	<u>-</u>	<u>(17,315)</u>	<u>(2,335)</u>
Other Financing Sources (Uses)					
Transfer from Airport Capital Reserve	14,980	14,980	-	14,980	-
Total other financing sources	<u>14,980</u>	<u>14,980</u>	<u>-</u>	<u>14,980</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (2,335)</u>	<u>-</u>	<u>\$ (2,335)</u>	<u>\$ (2,335)</u>
Fund balance - beginning			<u>(2,335)</u>		
Fund balance - ending			<u>\$ (2,335)</u>		

SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - LAND ACQUISITION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

Exhibit C-14

Project Number: 36237.12.8.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ -
City of Clinton	8,334	-	-	-	(8,334)
Total revenues	<u>158,334</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>(8,334)</u>
Expenditures					
Capital Expansion:					
Professional services	115,631	115,406	-	115,406	225
Land	51,036	51,036	-	51,036	-
Total expenditures	<u>166,667</u>	<u>166,442</u>	<u>-</u>	<u>166,442</u>	<u>225</u>
Excess (deficiency) of revenues over expenditures	<u>(8,333)</u>	<u>(16,442)</u>	<u>-</u>	<u>(16,442)</u>	<u>(8,109)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	8,333	8,333	-	8,333	-
Total other financing sources	<u>8,333</u>	<u>8,333</u>	<u>-</u>	<u>8,333</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (8,109)</u>	<u>-</u>	<u>\$ (8,109)</u>	<u>\$ (8,109)</u>
Fund balance - beginning			<u>(8,109)</u>		
Fund balance - ending			<u>\$ (8,109)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - AIRPORT CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-15

Project Numbers: 36237.12.9.1 & 36237.12.10.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 302,702	\$ 257,017	\$ -	\$ 257,017	\$ (45,685)
City of Clinton	16,817	-	-	-	(16,817)
Total revenues	<u>319,519</u>	<u>257,017</u>	<u>-</u>	<u>257,017</u>	<u>(62,502)</u>
Expenditures					
Capital Expansion:					
Professional services	108,066	108,066	-	108,066	-
Capital outlay	104,670	104,666	-	104,666	4
Land	123,600	62,559	-	62,559	61,041
Total expenditures	<u>336,336</u>	<u>275,291</u>	<u>-</u>	<u>275,291</u>	<u>61,045</u>
Excess (deficiency) of revenues over expenditures	<u>(16,817)</u>	<u>(18,274)</u>	<u>-</u>	<u>(18,274)</u>	<u>(1,457)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	16,817	8,050	-	8,050	(8,767)
Total other financing sources	<u>16,817</u>	<u>8,050</u>	<u>-</u>	<u>8,050</u>	<u>(8,767)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (10,224)</u>	<u>-</u>	<u>\$ (10,224)</u>	<u>\$ (10,224)</u>
Fund balance - beginning			(10,224)		
Fund balance - ending			<u>\$ (10,224)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COURTHOUSE ANNEX I RENOVATIONS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-16

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal-USDA	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Investment earnings	-	-	-	-	-
Sales tax refund	3,234	3,283	-	3,283	49
Total revenues	100,000	103,283	-	103,283	49
Expenditures					
Capital Expansion:					
Engineering	79,139	60,051	-	60,051	19,088
Construction costs	1,912,113	1,905,704	-	1,905,704	6,409
Legal and administration	5,514	5,190	-	5,190	324
Capitalized interest	75,000	75,000	-	75,000	-
Contingency	-	-	-	-	-
Total expenditures	2,071,766	2,045,945	-	2,045,945	25,821
Excess (deficiency) of revenues over expenditures	(1,971,766)	(1,942,662)	-	(1,942,662)	25,870
Other Financing Sources (Uses)					
Transfer to general fund	(78,234)	(78,234)	-	(78,234)	-
Installment purchase debt issued	2,050,000	2,050,000	-	2,050,000	-
Total other financing sources (uses)	1,971,766	1,971,766	-	1,971,766	-
Net change in fund balance	\$ -	\$ 29,104	-	\$ 29,104	\$ 29,104
Fund balance - beginning			29,104		
Fund balance - ending			\$ 29,104		

**SAMPSON COUNTY, NORTH CAROLINA
COUNTY BUILDINGS CONSTRUCTION AND RENOVATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014**

Exhibit C-17

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State grant	\$ 140,000	\$ 140,000	\$ -	\$ 140,000	\$ -
Donations	75,000	15,000	-	15,000	(60,000)
Sales Tax Refund	40,000	67,873	-	67,873	27,873
Total revenues	<u>255,000</u>	<u>222,873</u>	<u>-</u>	<u>222,873</u>	<u>(32,127)</u>
Expenditures					
Capital Expansion					
Renovation of various buildings	\$ 912,200	\$ 900,030	\$ -	\$ 900,030	\$ 12,170
County administration offices	1,149,882	1,144,375	-	1,144,375	5,507
Public works building	862,800	862,800	-	862,800	-
Animal shelter	550,000	549,951	-	549,951	49
Early childhood education center	5,000,000	42,747	-	42,747	4,957,253
Cooperative extension building	1,928,000	1,868,000	-	1,868,000	60,000
Human services building	8,533,118	8,527,970	-	8,527,970	5,148
Total expenditures	<u>18,936,000</u>	<u>13,895,873</u>	<u>-</u>	<u>13,895,873</u>	<u>5,040,127</u>
Excess (deficiency) of revenues over expenditures	<u>(18,681,000)</u>	<u>(13,673,000)</u>	<u>-</u>	<u>(13,673,000)</u>	<u>5,008,000</u>
Other Financing Sources (Uses)					
Transfer from general fund	58,000	58,000	-	58,000	-
Installment purchase debt issued	18,623,000	13,623,000	-	13,623,000	(5,000,000)
Total other financing sources	<u>18,681,000</u>	<u>13,681,000</u>	<u>-</u>	<u>13,681,000</u>	<u>(5,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,000</u>	<u>-</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Fund balance - beginning			<u>8,000</u>		
Fund balance - ending			<u>\$ 8,000</u>		

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER FUND - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2014**

Exhibit D-1

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,925,471	\$
Penalties		32,717	
Tap fees		32,700	
Miscellaneous		45,285	
Total Operating Revenues	<u>2,191,317</u>	<u>2,036,173</u>	<u>(155,144)</u>
Nonoperating Revenues:			
Interest earnings		261	
Total Nonoperating Revenues	<u>-</u>	<u>261</u>	<u>261</u>
Total Revenues	<u>2,191,317</u>	<u>2,036,434</u>	<u>(154,883)</u>
Expenditures:			
Salaries and employee benefits		296,099	
Bulk water purchases		566,103	
Travel		720	
Contracted services		78,130	
Operations and maintenance		188,126	
Capital outlay		-	
Debt service principal		348,005	
Debt service interest		572,499	
Total Expenditures	<u>2,217,917</u>	<u>2,049,682</u>	<u>168,235</u>
Revenues Over (Under) Expenditures	<u>(26,600)</u>	<u>(13,248)</u>	<u>13,352</u>
Other Financing Sources:			
Transfer from general fund	<u>26,600</u>	<u>26,600</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>13,352</u>	<u>13,352</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 13,352</u>	<u>\$ 13,352</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 13,352</u>	
Reconciling Items:			
Debt principal		348,005	
Other post-employment benefits		(12,437)	
Compensated absences		(6,359)	
Accrued interest		1,294	
Capital contributions		255,641	
Depreciation		(706,706)	
Capital outlay		-	
Total reconciling items		<u>(120,562)</u>	
Change in net position		<u>\$ (107,210)</u>	

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014**

Exhibit D-2

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
State Federal and Local Grants:					
USDA Rural Development	\$ 834,850	\$ -	\$ 255,641	\$ 255,641	\$ (579,209)
Sales Tax Refund	-	116,460	-	116,460	116,460
Investment earnings	-	-	-	-	-
Total Revenues	<u>834,850</u>	<u>116,460</u>	<u>255,641</u>	<u>372,101</u>	<u>(462,749)</u>
Expenditures:					
Engineering	226,100	213,915	71,076	284,991	(58,891)
Other professional services	65,450	8,112	5,247	13,359	52,091
Land	60,000	76,908	-	76,908	(16,908)
Construction	1,930,000	641,459	995,839	1,637,298	292,702
Contingency	96,500	-	-	-	96,500
Capitalized interest	238,800	-	58,970	58,970	179,830
Legal	10,000	6,110	1,725	7,835	2,165
Total Expenditures	<u>2,626,850</u>	<u>946,504</u>	<u>1,132,857</u>	<u>2,079,361</u>	<u>547,489</u>
Revenues Over (Under) Expenditures	(1,792,000)	(830,044)	(877,216)	(1,707,260)	84,740
Other Financing Sources:					
Installment purchase debt proceeds	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>-</u>
	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 961,956</u>	<u>\$ (877,216)</u>	<u>\$ 84,740</u>	<u>\$ 84,740</u>

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER FUND - DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2014**

Exhibit D-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 559,007	\$
Penalties		9,498	
Tap fees		5,625	
Miscellaneous		13,147	
Total Operating Revenues	<u>464,989</u>	<u>587,277</u>	<u>122,288</u>
Nonoperating Revenues:			
Interest earnings		392	
Total Nonoperating Revenues	<u>-</u>	<u>392</u>	<u>392</u>
Total Revenues	<u>464,989</u>	<u>587,669</u>	<u>122,680</u>
Expenditures:			
Salaries and employee benefits		85,964	
Bulk water purchases		164,353	
Travel		209	
Contracted services		22,683	
Operations and maintenance		54,615	
Capital outlay		-	
Debt service principal		43,950	
Debt service interest		45,593	
Total Expenditures	<u>464,989</u>	<u>417,367</u>	<u>47,622</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>170,302</u>	<u>170,302</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	170,302	170,302
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 170,302</u>	<u>\$ 170,302</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 170,302</u>	
Reconciling Items:			
Debt principal		43,950	
Other post-employment benefits		(6,798)	
Bad debt expense		-	
Depreciation		(105,747)	
Compensated absences		(3,910)	
Capital outlay		-	
Accrued interest		190	
Total reconciling items		<u>(72,315)</u>	
Change in net position		<u>\$ 97,987</u>	



**SAMPSON COUNTY, NORTH CAROLINA
EMPLOYEE HOSPITALIZATION INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2014**

Exhibit D-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 6,481,714	\$
Miscellaneous		423,593	
Total Operating Revenues	<u>6,242,000</u>	<u>6,905,307</u>	<u>663,307</u>
Nonoperating Revenues:			
Interest earnings		745	
Total Nonoperating Revenues	<u>-</u>	<u>745</u>	<u>745</u>
Total Revenues	<u>6,242,000</u>	<u>6,906,052</u>	<u>664,052</u>
Expenditures:			
Insurance claims paid		5,621,998	
Total Expenditures	<u>6,242,000</u>	<u>5,621,998</u>	<u>620,002</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,284,054</u>	<u>\$ 1,284,054</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ 1,284,054</u>	
Reconciling Items:			
Change in net position		<u>\$ 1,284,054</u>	

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2014

Exhibit E-1
Page 1 of 2

	Social Services Funds	4-H Funds	Miscellaneous	Property Tax Collection Funds	Motor Vehicle Tax Funds
ASSETS					
Cash and cash equivalents	\$ 135,797	\$ 5,835	\$ 120,011	\$ -	\$ 25,188
Accounts receivable	-	-	-	-	33,133
TOTAL ASSETS	<u>\$ 135,797</u>	<u>\$ 5,835</u>	<u>\$ 120,011</u>	<u>\$ -</u>	<u>\$ 58,321</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 829	\$ 36	\$ -	\$ 25,299
Miscellaneous liabilities	135,797	5,006	119,975	-	33,022
TOTAL LIABILITIES	<u>\$ 135,797</u>	<u>\$ 5,835</u>	<u>\$ 120,011</u>	<u>\$ -</u>	<u>\$ 58,321</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2014

Exhibit E-1
Page 2 of 2

	<u>Fines and Forfeitures</u>	<u>Detention Center Trust</u>	<u>Motor Vehicle 3% Interest</u>	<u>Total June 30, 2014</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 28,842	\$ -	\$ 315,673
Accounts receivable	-	-	-	33,133
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 28,842</u>	<u>\$ -</u>	<u>\$ 348,806</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 26,164
Miscellaneous liabilities	-	28,842	-	322,642
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 28,842</u>	<u>\$ -</u>	<u>\$ 348,806</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit E-2
Page 1 of 2

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Social Services Funds				
Assets:				
Cash and cash equivalents	\$ 110,173	\$ 1,284,793	\$ 1,259,169	\$ 135,797
	<u>110,173</u>	<u>1,284,793</u>	<u>1,259,169</u>	<u>135,797</u>
Liabilities:				
Accounts payable	140	-	140	-
Miscellaneous liabilities	110,033	879,222	853,458	135,797
	<u>\$ 110,173</u>	<u>\$ 879,222</u>	<u>\$ 853,598</u>	<u>\$ 135,797</u>
4-H Funds				
Assets:				
Cash and cash equivalents	\$ 6,605	\$ 36,203	\$ 36,973	\$ 5,835
	<u>6,605</u>	<u>36,203</u>	<u>36,973</u>	<u>5,835</u>
Liabilities:				
Accounts payable	-	829	-	829
Miscellaneous liabilities	6,605	34,604	36,203	5,006
	<u>\$ 6,605</u>	<u>\$ 35,433</u>	<u>\$ 36,203</u>	<u>\$ 5,835</u>
Miscellaneous Agency Funds				
Assets:				
Cash and cash equivalents	\$ 129,424	\$ 1,767	\$ 11,180	\$ 120,011
	<u>129,424</u>	<u>1,767</u>	<u>11,180</u>	<u>120,011</u>
Liabilities:				
Accounts payable	-	36	-	36
Miscellaneous liabilities	129,424	1,695	11,144	119,975
	<u>\$ 129,424</u>	<u>\$ 1,731</u>	<u>\$ 11,144</u>	<u>\$ 120,011</u>
Tax Collection Funds				
Assets:				
Cash and cash equivalents	\$ 40,889	\$ 3,442,391	\$ 3,483,280	\$ -
Accounts receivable	-	-	-	-
	<u>40,889</u>	<u>3,442,391</u>	<u>3,483,280</u>	<u>-</u>
Liabilities:				
Accounts payable	40,889	-	40,889	-
Miscellaneous liabilities	-	3,558,106	3,558,106	-
	<u>\$ 40,889</u>	<u>\$ 3,558,106</u>	<u>\$ 3,598,995</u>	<u>\$ -</u>
Motor Vehicle Tax Funds				
Assets:				
Cash and cash equivalents	\$ 23,854	\$ 751,685	\$ 750,351	\$ 25,188
Accounts receivable	-	33,133	-	33,133
	<u>23,854</u>	<u>784,818</u>	<u>750,351</u>	<u>58,321</u>
Liabilities:				
Accounts payable	\$ 23,854	\$ 25,299	\$ 23,854	\$ 25,299
Miscellaneous liabilities	-	33,022	-	33,022
	<u>\$ 23,854</u>	<u>\$ 58,321</u>	<u>\$ 23,854</u>	<u>\$ 58,321</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2014

Exhibit E-2
Page 2 of 2

	Balance July 1	Additions	Deductions	Balance June 30
<u>Fines and Forfeitures</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 316,836	\$ 316,836	\$ -
Accounts receivable	-	-	-	-
	<u>-</u>	<u>316,836</u>	<u>316,836</u>	<u>-</u>
Liabilities:				
Accounts payable	-	316,836	316,836	-
	<u>\$ -</u>	<u>\$ 316,836</u>	<u>\$ 316,836</u>	<u>\$ -</u>
<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 34,279	\$ 192,403	\$ 197,840	\$ 28,842
	<u>34,279</u>	<u>192,403</u>	<u>197,840</u>	<u>28,842</u>
Liabilities:				
Miscellaneous liabilities	34,279	192,403	197,840	28,842
	<u>\$ 34,279</u>	<u>\$ 192,403</u>	<u>\$ 197,840</u>	<u>\$ 28,842</u>
	Balance July 1	Additions	Deductions	Balance June 30
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 345,224	\$ 6,026,078	\$ 6,055,629	\$ 315,673
Accounts receivable	-	33,133	-	33,133
	<u>345,224</u>	<u>6,059,211</u>	<u>6,055,629</u>	<u>348,806</u>
Liabilities:				
Accounts payable	64,883	343,000	381,719	26,164
Miscellaneous liabilities	280,341	4,699,052	4,656,751	322,642
	<u>\$ 345,224</u>	<u>\$ 5,042,052</u>	<u>\$ 5,038,470</u>	<u>\$ 348,806</u>



ADDITIONAL FINANCIAL DATA



**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2014**

Exhibit F-1

	Uncollected Balance July 1, 2013	Additions	Collections and Credits	Uncollected Balance June 30, 2014
County-wide:				
General County	\$ 2,901,882	\$ 33,884,942	\$ 34,321,869	\$ 2,464,955
Fire Districts:				
Plain View	17,073	259,747	261,400	15,420
Spivey's Corner	5,947	151,158	151,310	5,795
Halls	9,191	138,161	138,530	8,822
Franklin	12,058	141,962	143,177	10,843
Turkey	7,956	148,026	148,324	7,658
Vanns	4,219	77,121	77,082	4,258
Godwin-Falcon	1,214	26,062	26,416	860
Coharie	14,253	151,275	153,842	11,686
Herring	8,372	142,745	143,081	8,036
Honeycutt-Salemburg	16,299	174,097	178,478	11,918
Piney Grove	4,483	84,525	85,623	3,385
Newton Grove	6,596	82,199	83,720	5,075
Clinton	31,008	467,672	473,456	25,224
Clement	13,260	199,499	201,589	11,170
Autryville	8,540	125,190	126,741	6,989
Garland	9,638	126,129	126,786	8,981
Taylor's Bridge	6,305	152,720	153,614	5,411
Goshen	-	13,658	12,984	674
Taylor's Bridge Service	657	9,636	9,617	676
	<u>177,069</u>	<u>2,671,582</u>	<u>2,695,770</u>	<u>152,881</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	<u>-</u>	<u>-</u>	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 2,901,151</u>	<u>\$ 36,556,524</u>	<u>\$ 37,017,639</u>	<u>\$ 2,440,036</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 33,537,601		
Taxes Ad Valorem Revaluation Fund		122,000		
Penalties and interest		506,872		
Taxes Ad Valorem Fire Districts		2,635,011		
Discounts, adjustments and releases		162,587		
Amounts written off per statute of limitations		<u>53,568</u>		
Total Collections and Credits		<u>\$ 37,017,639</u>		

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2014**

**Exhibit F-2
Page 1 of 2**

	County Wide			Total Levy	
	Property Valuation	Tax Rate Per \$100 of Value	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year rate	\$ 4,152,786,369	.785	\$ 32,599,373	\$ 27,697,613	\$ 4,901,760
Discoveries:	161,411,592	.785	1,267,081	1,267,081	-
Abatements:					
Real, personal, & business property	(12,374,013)	.785	(97,136)	(97,136)	-
Motor vehicles at current year rate	<u>(4,481,146)</u>	.785	<u>(35,177)</u>	<u>-</u>	<u>(35,177)</u>
Total Property Valuation	<u>4,297,342,802</u>		<u>(132,313)</u>	<u>(97,136)</u>	<u>(35,177)</u>
Net Levy			33,734,141	28,867,558	4,866,583
Uncollected taxes at June 30, 2014			<u>1,221,813</u>	<u>962,419</u>	<u>259,394</u>
Current year taxes collected			<u>32,512,328</u>	<u>27,905,139</u>	<u>4,607,189</u>
Current levy collection percentage			<u>96.38%</u>	<u>96.67%</u>	<u>94.67%</u>

**SAMPSON COUNTY, NORTH CAROLINA
 ANALYSIS OF CURRENT TAX LEVY
 COUNTY-WIDE LEVY
 For the Fiscal Year Ended June 30, 2014**

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)		100 %
Real property	\$ 3,211,200,503	
Personal property	949,691,345	
Public service companies (2)	<u>136,450,954</u>	
Total assessed valuation	\$ 4,297,342,802	
Tax rate per \$100	<u>0.785</u>	
Levy (includes discoveries, releases and abatements) (3)	\$ 33,734,141	

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

Fire protection districts	\$ <u>2,671,485</u>
---------------------------	---------------------

1. Percentage of appraised value has been established by statute.
2. Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
3. The levy includes interest and penalties.

**SAMPSON COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS**

Exhibit F-3

For the Fiscal Year Ended June 30, 2014

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods, Inc.	Meat Packing	\$ 80,468,165	1.87 %
Progress Energy Carolina	Utility	58,012,233	1.35
Prestage Farms, Inc.	Swine/Poultry Grower	51,538,608	1.20
South River Electric Membership Corp.	Utility	35,661,207	0.83
Butterball, Inc.	Swine/Poultry Grower	16,169,667	0.38
Four County EMC	Utility	15,698,054	0.37
Dubose Strapping, Inc	Manufacturing	14,171,029	0.33
Carolina Telephone	Utility	12,136,380	0.28
Schindler Elevator Corp.	Escalator Manufacturer	12,038,870	0.28
USCOC of Greater NC LLC	Cellular Provider	9,284,986	0.22
		<u>\$ 305,179,199</u>	<u>7.10 %</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2014**

**Exhibit F-4
Page 1 of 2**

	<u>Total Property Valuation</u>	<u>Rate Per \$100 of Value</u>	<u>Amount of Levy</u>	<u>Discoveries</u>	<u>Abatements</u>
County-Wide					
Real, Personal, and Business Property	\$ 3,677,395,541	.785	\$ 27,697,613	\$ 1,267,081	\$ 97,139
Registered Motor Vehicles	619,947,261	.785	4,901,760	-	35,177
	<u>4,297,342,802</u>		<u>32,599,373</u>	<u>1,267,081</u>	<u>132,316</u>
Fire Districts:					
Plain View	287,306,667	.090	254,821	4,944	1,189
Spivey's Corner	150,990,000	.100	143,975	7,204	189
Halls	196,660,000	.070	133,135	5,017	490
Franklin	188,646,667	.075	137,302	4,607	424
Turkey	207,627,143	.070	144,115	3,910	2,686
Vanns	76,814,000	.100	74,235	2,827	248
Godwin-Falcon	25,948,000	.100	25,222	832	106
Coharie	177,061,176	.085	145,442	5,736	676
Herring	164,737,647	.085	139,132	3,582	2,687
Honeycutt-Salemburg	173,671,000	.100	168,150	6,007	486
Piney Grove	112,316,000	.075	81,071	3,545	379
Newton Grove	125,536,923	.065	79,827	2,350	578
Clinton	491,110,526	.095	454,676	12,994	1,115
Clement	221,328,889	.090	195,317	4,229	350
Autryville	130,962,105	.095	121,075	4,094	755
Garland	125,611,000	.100	122,974	3,124	487
Taylor's Bridge	217,927,143	.070	147,312	5,406	169
Goshen	18,837,143	.070	13,660	-	474
Taylor's Bridge Service	27,488,571	.035	9,095	540	14
			<u>2,590,536</u>	<u>80,948</u>	<u>13,502</u>
Grand Total			<u>\$ 35,189,909</u>	<u>\$ 1,348,029</u>	<u>\$ 145,818</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2014**

**Exhibit F-4
Page 2 of 2**

	<u>Net Tax Levy for Year</u>	<u>Uncollected Taxes</u>	<u>Current Year Collected</u>	<u>Percent Collected</u>	
County-Wide					
Real, Personal, and Business Property	\$ 28,867,555	\$ 962,419	\$ 27,905,136	96.67	%
Registered Motor Vehicles	4,866,583	259,394	4,607,189	94.67	
	<u>33,734,138</u>	<u>1,221,813</u>	<u>32,512,325</u>	<u>96.38</u>	
Fire Districts:					
Plain View	258,576	11,119	247,457	95.70	
Spivey's Corner	150,990	3,813	147,177	97.47	
Halls	137,662	5,762	131,900	95.81	
Franklin	141,485	7,323	134,162	94.82	
Turkey	145,339	5,305	140,034	96.35	
Vanns	76,814	2,935	73,879	96.18	
Godwin-Falcon	25,948	738	25,210	97.16	
Coharie	150,502	7,988	142,514	94.69	
Herring	140,027	5,393	134,634	96.15	
Honeycutt-Salemburg	173,671	7,084	166,587	95.92	
Piney Grove	84,237	2,472	81,765	97.07	
Newton Grove	81,599	3,439	78,160	95.79	
Clinton	466,555	16,271	450,284	96.51	
Clement	199,196	7,868	191,328	96.05	
Autryville	124,414	4,905	119,509	96.06	
Garland	125,611	6,032	119,579	95.20	
Taylor's Bridge	152,549	3,097	149,452	97.97	
Goshen	13,186	674	12,512	94.89	
Taylor's Bridge Service	9,621	499	9,122	94.81	
	<u>2,657,982</u>	<u>102,717</u>	<u>2,555,265</u>	<u>96.14</u>	
Grand Total	<u>\$ 36,392,120</u>	<u>\$ 1,324,530</u>	<u>\$ 35,067,590</u>	<u>96.36</u>	%



COMPLIANCE SECTION





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**Report on Internal Control Over Financial Reporting And On Compliance
and Other Matters Based on An Audit of Financial Statements
Performed In Accordance With *Government Auditing Standards***

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statement, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated January 14, 2015. Our report includes a reference to other auditors who audited the financial statements of the Sampson Regional Medical Center, Inc, as described in our report on Sampson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Sampson Regional Medical Center, Inc, and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sampson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sampson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, listed as 2014-1.

Compliance and Other Matters

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

Purpose of this Report

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

Thompson, Rice, Scott, Adams & Co., P.A.

Elizabethtown, North Carolina

January 14, 2015



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Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Sampson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Sampson County's major federal programs for the year ended June 30, 2014. Sampson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Sampson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Sampson County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Sampson County's compliance.

Opinion on Each Major Federal Program

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Sampson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sampson County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 City's internal control over compliance.

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

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

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

Thompson, Rice, Scott, Adams & Co., P.A.

*Elizabethtown, North Carolina
January 14, 2015*



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Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on Compliance for Each Major State Program

We have audited Sampson County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Sampson County's major state programs for the year ended June 30, 2014. Sampson County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Sampson County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Sampson County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Sampson County's compliance.

Opinion on Each Major State Program

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Sampson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sampson County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Thompson, Rice, Scott, Adams & Co., P.A.

*Elizabethtown, North Carolina
January 14, 2015*

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material Weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant Deficiency(s) identified that are not considered material weaknesses	_____	<u>X</u>	Yes	_____	None reported
Noncompliance material to financial statements noted	_____	Yes	_____	<u>X</u>	No

Federal Awards

Internal control over federal programs:

Material Weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant Deficiency(s) identified that are not considered material weaknesses	_____	Yes	_____	<u>X</u>	None reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	_____	Yes	_____	<u>X</u>	No
---	-------	-----	-------	----------	----

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Title XIX Medicaid
*93.767	NC Health Choice

*Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State of North Carolina mandated the program be tested as a major Federal program are included in the list of major federal programs.

Dollar threshold used to distinguish between Type A and Type B Programs	_____	\$ 2,286,911
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Auditee qualified as low-risk auditee?	_____	Yes	_____	<u>X</u>	No
--	-------	-----	-------	----------	----

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014**

Section I – Summary of Auditors’ Results

State Awards

Internal control over State programs:

Material Weakness(es) identified? _____ Yes X No

Reportable condition(s) identified that are not
considered material weaknesses _____ Yes X None reported

Type of auditors’ report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name

NC Lottery Funds
Title XIX Medicaid
NC Health Choice

(The Medical Assistance Program and NC Health Choice Program are a State match on a federal program and also meet the criteria for a major State program, but these programs have been included in the list of major federal programs above).

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014**

Section II – Financial Statement Findings

Finding: 2014-1 Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among County personnel throughout the county in revenue areas.

Effect: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible and alternative controls should be used to compensate for lack of separation.

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

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2014**

Section III – Federal Awards Findings and Questioned Costs

None Reported

Section IV – State Awards Findings and Questioned Costs

None Reported

**SAMPSON COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2014**

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

Finding 2014-1 Segregation of Duties

Name of contact person: Billy C. Lockamy, Chairperson

Corrective Action: Procedures will be put in place to enable reconciliation of those areas to compensate for the smaller number of personnel handling the transactions. The duties will be separated as much as possible as additional employees are hired.

Proposed Completion Date: Certain alternative controls have been established and personnel are being trained. Management will continue to monitor the progress of this issue and modify the controls as needed.

Section III – Federal Award Findings and Question Costs

None reported.

Section III – State Award Findings and Question Costs

None reported.

**SAMPSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2014**

Finding 2009-1

Status: Still occurring

Finding 2010-1

Status: Still occurring

Finding 2010-2

Status: Still occurring

Finding 2011-1

Status: Still occurring

Finding 2012-1

Status: Still occurring

Finding 2013-1

Status: Still occurring

Finding 2011-2 & 2012-2

Status: Corrected

Finding 2012-3

Status: Corrected

Finding 2013-2

Status: Corrected

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
Page 1 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
US Department of Agriculture					
<u>Food & Nutrition Service</u>					
Passed through the N.C. Dept. of Health & Human Services Division of Social Services Administration					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 897,537	\$ -	\$ 897,537
Passed through the N.C. Dept. of Health & Human Services Division of Public Health Administration					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557		401,956	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,671,388	-	-
<u>Direct Program</u>					
Water & Waste Disposal System For Rural Communities	10.760		1,135,157	-	-
Total US Department of Agriculture			4,106,038	-	897,537
US Department of Housing & Urban Development					
Passed through the NC Housing Finance Agency					
Home Investment Partnership Program	14.239	SFR11	149,228	-	-
Passed through the NC Department of Commerce CDBG - State Administered CDBG Cluster					
2011 NC Tomorrow Grant	14.228	11-C-2280	49,824	-	-
Community Development Block Grant	14.228	10-C-2128	10,548	-	-
Total CDBG - State Administered CDBG Cluster			60,372	-	-
Total US Department of Housing & Urban Dev.			209,600	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
Page 2 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Department of Transportation					
<u>Federal Aviation Administration</u>					
Passed through the NC Dept. of Transportation					
Airport Construction	20.106	36237.12.10.2	147,540	-	16,393
Total Federal Aviation Administration			147,540	-	16,393
<u>Federal Transit Administration</u>					
Passed through the NC Dept. of Transportation					
Formula Grants for Other Than Urbanized Areas	20.509	36233.94.14.1	27,052	1,691	1,691
Formula Grants for Other Than Urbanized Areas	20.509	36233.94.15.1	82,779	5,173	5,173
Formula Grants for Other Than Urbanized Areas	20.509	36233.94.14.3	70,342	17,585	17,585
Total Federal Transit Administration			180,173	24,449	24,449
Total US Department of Transportation			327,713	24,449	40,842
US Department of Homeland Security					
Federal Emergency Management Agency					
Assistance to Firefighters	97.044		35,314	-	-
Passed through NC Dept. of Public Safety					
FY 2010 Homeland Security Grant	97.067		44,341	-	-
Total US Department of Homeland Security			79,655	-	-
US Dept. of Health & Human Services					
<u>Administration on Aging</u>					
Division of Aging and Adult Services					
Passed through the Mid-Carolina Council of Govts					
Aging Cluster					
Congregate Nutr. & Home Del Meal	93.045		215,629	-	23,959
Access Services	93.044		47,003	-	5,223
In-Home & Support Services	93.044		298,957	-	33,217
Total Aging Cluster			561,589	-	62,399

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
Page 3 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Dept. of Health & Human Services continued					
<u>Administration for Children & Families</u>					
Passed through the NC Dept of Health & Human Svcs					
Division of Social Services					
Foster Care & Adoption Cluster					
Title IV-E CPS	93.658		47,852	67,064	23,926
Title IV-E Foster Care/Off Trn	93.658		184,724	-	184,724
Title IV-E Adoption/Off Trn	93.659		3,182	-	3,182
Title IV-E Optional Adopt Trn 5	93.659		475	-	475
Title IV-E Admin Co Paid to CCI	93.659		167,088	83,544	83,544
Title IV-E Adoption Subsidy & Vendor	93.659		180,755	47,304	47,304
Title IV-E Admin Foster Care	93.658		39	-	39
Foster Care-Direct Benefit Payments	93.658		267,531	69,736	69,736
IV-E Foster Care In Excess	93.658		94,857	24,734	24,734
Adoption/Foster Care			<u>35,257</u>	<u>-</u>	<u>12,747</u>
Total Foster Care and Adoption Cluster			<u>981,760</u>	<u>292,382</u>	<u>450,411</u>
Temporary Assistance for Needy Families Cluster					
Temporary Assistance for Needy Families (TANF)-					
TANF-Family Preservation	93.556		11,971	-	-
TANF-Direct Benefit Payments	93.558		283,933	-	-
Work First Service	93.558		472,941	-	542,254
Work First Administration	93.558		<u>74,124</u>	<u>-</u>	<u>94,654</u>
Total TANF Cluster			<u>842,969</u>	<u>-</u>	<u>636,908</u>
IV-D Administration	93.563		830,969	-	428,075
IV-D Offset Fees-Federal	93.563		2,507	-	1,291
IV-D Offset Fees-ESC	93.563		119	-	61
Low Income Home Energy Assistance					
Block Grant					
Administration	93.568		62,025	-	-
Direct Benefit Payments	93.568		301,000	-	-
Crisis Intervention Program	93.568		283,472	-	-
Child Welfare Services-					
Permanency Planning - Families for Kids	93.645		59,781	-	19,927
SSBG-Other Service & Training	93.667		230,176	27,234	85,803
SSBG-In Home Services	93.667		248	-	35
SSBG-In Home Services Over 60	93.667		11,355	-	1,622
SSBG-Adult Day Care Over 60	93.667		2,485	2,275	680
Independent Living Grant (LINKS)	93.674		12,121	3,030	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
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Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Dept. of Health & Human Services continued					
<u>Health Resources & Service Administration</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Child Development					
Subsidized Child Care (Note 2)					
Child Care Development Fund Cluster					
Division of Social Services					
Administration	93.596		87,690	-	-
Division of Child Development					
Child Care & Development Discretionary	93.575		764,356	-	-
Child Care & Development Mandatory	93.596		495,882	-	-
Child Care & Development Match	93.596		110,489	-	-
Total Child Care Fund Cluster			<u>1,458,417</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		423,911	-	-
Foster Care Title IVE	93.658		21,965	11,499	-
State Appropriations			-	142,713	-
TANF-Maintenance of Effort			-	71,854	-
Total Subsidized Child Care			<u>1,904,293</u>	<u>226,066</u>	<u>-</u>
<u>Center for Medicare and Medicaid Services</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Medical Assistance					
NC Health Choice Direct Benefit Pymts	93.767		1,935,885	462,073	-
Medical Assistance Direct Benefit Pymts	93.778		61,880,049	34,243,653	-
Division of Social Services					
Medical Assistance Administration	93.778		1,151,116	-	1,069,568
MA Expansion	93.778		16,660	16,660	-
Adult Care Home Case Management	93.778		22,193	7,925	14,268
N.C. Health Choice	93.767		35,387	3,499	7,706
Total Division of Medical Assistance			<u>1,225,356</u>	<u>28,084</u>	<u>1,091,542</u>
<u>Centers for Disease Control</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health					
Project Grants and Cooperative					
Agreements for Tuberculosis Control	93.116		31,730	-	-
Opportunities for States, Tribes ect	93.744		436	-	-
Public Health Emergency Preparedness	93.069		47,806	-	-
Comprehensive Breast & Cervical					
Cancer Early Detection Programs	93.919		11,039	5,100	-
Preventive Health and Health Services Block Grant	93.991		10,783	-	-
Immunization Program/Aid to County	93.268		18,974	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
Page 5 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Dept. of Health & Human Services continued					
<u>Health Resources and Services Administration</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health					
Maternal and Child Health					
Services Block Grant	93.994		101,960	78,096	-
Total Division of Public Health			101,960	78,096	-
Prevention Investigations & Tech Asst.	93.283		587	-	-
Temporary Assist for Needy Families	93.558		7,667	-	-
Total Division of Public Health			332,942	161,292	-
<u>Office of Population Affairs</u>					
Passed through the NC Dept of Health & Human Svcs.					
Office of Population Affairs					
Family Planning Services	93.217		46,268	-	-
Total Office of Population Affairs			46,268	-	-
Total US Dept. of Health & Human Services			71,507,369	35,446,089	2,778,754
Total Federal Awards			76,230,375	35,470,538	3,717,133
State Awards:					
N.C. Department of Health and Human Services					
Division of Aging and Adult Services					
<u>Division of Social Services</u>					
State/County Special Assistance					
for Adults-Direct Benefit Pymts			-	587,989	587,989
AFDC Incentive Program Integrity			-	2,245	-
State Foster Home			-	107,457	107,457
SFHF Maximization			-	120,632	120,632
CWS Adoption Subsidy			-	100,317	8,715
Total Division of Social Services			-	918,640	824,793
<u>Division of Public Health</u>					
General			-	130,320	-
Pregnancy Care Mgmt			-	16,550	-
Maternal Health (HMHC)			-	5,729	-
School Nurse Funding Initiative			-	400,000	-
Gen. Communicable Disease Control			-	3,659	-
Risk Reduction/Health Promotion			-	6,286	-
Food and Lodging			-	11,303	-
Women's Health Service Fund			-	11,694	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit K
Page 6 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
Environmental Health			-	4,000	391,953
Tuberculosis			-	60,163	-
Tuberculosis Medical Services			-	2,271	-
Total Division of Public Health			-	651,975	391,953
<u>Division of Aging & Adult Services</u>					
Garland Senior Center			-	15,573	-
Family Caregiver Support Program			-	23,347	3,431
Total Division of Aging & Adult Services			-	38,920	3,431
NC Department of Transportation					
ROAP-Elderly and Disabled Trans.		36220.10.4.1	-	72,244	-
ROAP- Employment		36236.11.3.1	-	18,920	-
ROAP-Rural General Programs		36228.22.5.1	-	92,624	-
Total NC Department of Transportation			-	183,788	-
NC Department of Administration					
Veterans Grant			-	1,452	-
NC Housing Finance Agency					
Urgent Repair Program			-	57,151	-
NC Department of Public Safety					
<u>Division of Juvenile Justice & Delinquency Prevention</u>					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	4,514	-
Teen Court & Restitution			-	75,785	-
Passed to Subrecipients:					
Juvenile Innovations Program			-	12,000	-
First Baptist Church: Structured Daycare Program			-	72,018	-
Total NC Department of Public Safety			-	164,317	-
NC Department of Cultural Resources					
<u>Division of State Library</u>					
State Aid to Public Libraries			-	115,870	713,718
Total NC Dept of Cultural Resources			-	115,870	713,718
NC Department of Public Instruction					
N.C. Education Lottery			-	1,818,153	-
Total NC Dept of Public Instruction			-	1,818,153	-
Total State Awards			-	2,132,113	1,933,895
Total Federal and State Awards			<u>\$ 76,230,375</u>	<u>\$37,602,651</u>	<u>\$ 5,651,028</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

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

1) Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Sampson 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 State and 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, Foster Care and Adoption.

3) Loans Outstanding

Sampson County had the following loan balances outstanding at June 30, 2014. These loan balances are not included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Facilities Loans & Grants:		
Well Project	10.760	1,792,000
Total		<u>\$ 1,792,000</u>

