

**SAMPSON COUNTY
NORTH CAROLINA
JUNE 30, 2016**

**SAMPSON COUNTY
NORTH CAROLINA**

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

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

**David K. Clack
Finance Officer**

Sampson County, North Carolina

Principal Officials

June 30, 2016

Board of Commissioners

**Billy C. Lockamy
Chairman**

**Sue L. Lee
Vice Chairman**

Albert D. Kirby, Jr.

Clark H. Wooten

Harry L. Parker

County Manager

Edwin W. Causey

Finance Officer

David K. Clack

SAMPSON COUNTY, NORTH CAROLINA
Table of Contents
June 30, 2016

	<u>Exhibit</u>	<u>Page</u>
Financial Section:		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-13
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	14
Statement of Activities	2	15-16
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	17-18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – General Fund	5	23-24
Statement of Fund Net Position – Proprietary Funds	6	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	25
Statement of Cash Flows – Proprietary Funds	8	27-28
Statement of Fiduciary Net Position – Fiduciary Funds	9	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	10	30
Notes to the Financial Statements		31-75
Required Supplemental Financial Data:		
Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress	A-1	76
Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions	A-1	76
Other Post-Employment Benefits – Schedule of Funding Progress	A-2	77
Other Post-Employment Benefits – Schedule of Employer Contributions	A-2	77

SAMPSON COUNTY, NORTH CAROLINA
Table of Contents
June 30, 2016

	<u>Exhibit</u>	<u>Page</u>
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Local Governmental Employee's Retirement System	A-3	78
Schedule of County Contributions - Local Governmental Employee's Retirement System	A-4	79
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deed's Retirement System	A-5	80
Schedule of County Contributions - Register of Deed's Retirement System	A-6	81
 Combining and Individual Fund Statements and Schedules:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund – Budget and Actual	B-1	82-95
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Capital Projects Fund	B-2	96
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Revaluation Fund	B-3	97
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Schools Capital Project Fund	B-4	98
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County & City Schools Const. Fund	B-5	99
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Airport Expansion Fund	B-6	100
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	101-104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	C-2	105-108
 Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Emergency Telephone System Fund	C-3	109
Sampson Area Transportation Fund	C-4	110
Head Start Programs Grants Project Fund	C-5	111
Fire Districts Fund	C-6	112-113
Soil and Water Conservation District Fund	C-7	114
Hazard Mitigation Plan Update	C-8	115
Community Development Grant Project SFR-14	C-9	116
Urgent Home Repair Grant Project	C-10	117
Homeland Security Grant Equipment	C-11	118

SAMPSON COUNTY, NORTH CAROLINA
Table of Contents
June 30, 2016

	<u>Exhibit</u>	<u>Page</u>
Employment and Training Fund	C-12	119
Courthouse Annex I Renovations Capital Project Fund	C-13	120
County Bldgs Construction & Renovations Capital Project Fund	C-14	121
 Enterprise Funds:		
Water and Sewer District II Fund - Schedule of Revenues, and Expenditures – Budget and Actual (Non GAAP)	D-1	122-123
Water and Sewer Line Construction Fund - Schedule of Revenues and Expenditures – Budget and Actual (Non GAAP)	D-2	124
Water and Sewer Construction Fund – 403 Infrastructure - Schedule of Revenues and Expenditures – Budget and Actual (Non GAAP)	D-3	125
Water and Sewer District I Fund - Schedule of Revenues, and Expenditures – Budget and Actual (Non GAAP)	D-4	126
Employee Hospitalization Insurance – Schedule of Revenues Expenditures Financial Plan and Actual (Non GAAP)	D-5	127
 Agency Funds:		
Combining Balance Sheet	E-1	128-129
Combining Statement of Changes in Assets and Liabilities Agency Funds	E-2	130-131
 Additional Financial Data:		
Schedule of Ad Valorem Taxes Receivable	F-1	132
Analysis of Current Tax Levy	F-2	133-134
Ten Largest Tax Payers	F-3	135
Analysis of Current Tax Levy – County-wide and Special Districts	F-4	136-137

SAMPSON COUNTY, NORTH CAROLINA
Table of Contents
June 30, 2016

	<u>Exhibit</u>	<u>Page</u>
Compliance Section:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		138-139
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		140-141
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		142-143
Schedule of Findings and Questioned Costs		144-146
Corrective Action Plan		147
Summary Schedule of Prior Year Findings		148
Schedule of Expenditures of Federal and State Awards	G	149-155



FINANCIAL SECTION





Thompson, Price, Scott, Adams & Co., P.A.
Post Office Box 1690
Elizabethtown, North Carolina 28337
Telephone (910) 862-8129
Fax (910) 862-8120

R. Bryon Scott, CPA
Gregory S. Adams, CPA
Alan W. Thompson, CPA

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 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, 2016, 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, which represents 99 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial 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 Authority 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 discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4-13), the Law Enforcement Officers' Special Separation Allowance (page 76), the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions (page 77), the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions (pages 78-79), and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions (pages 80-81), 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 the 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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 the 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 November 28, 2016 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., PA

Elizabethtown, North Carolina

November 28, 2016



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, 2016. 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.

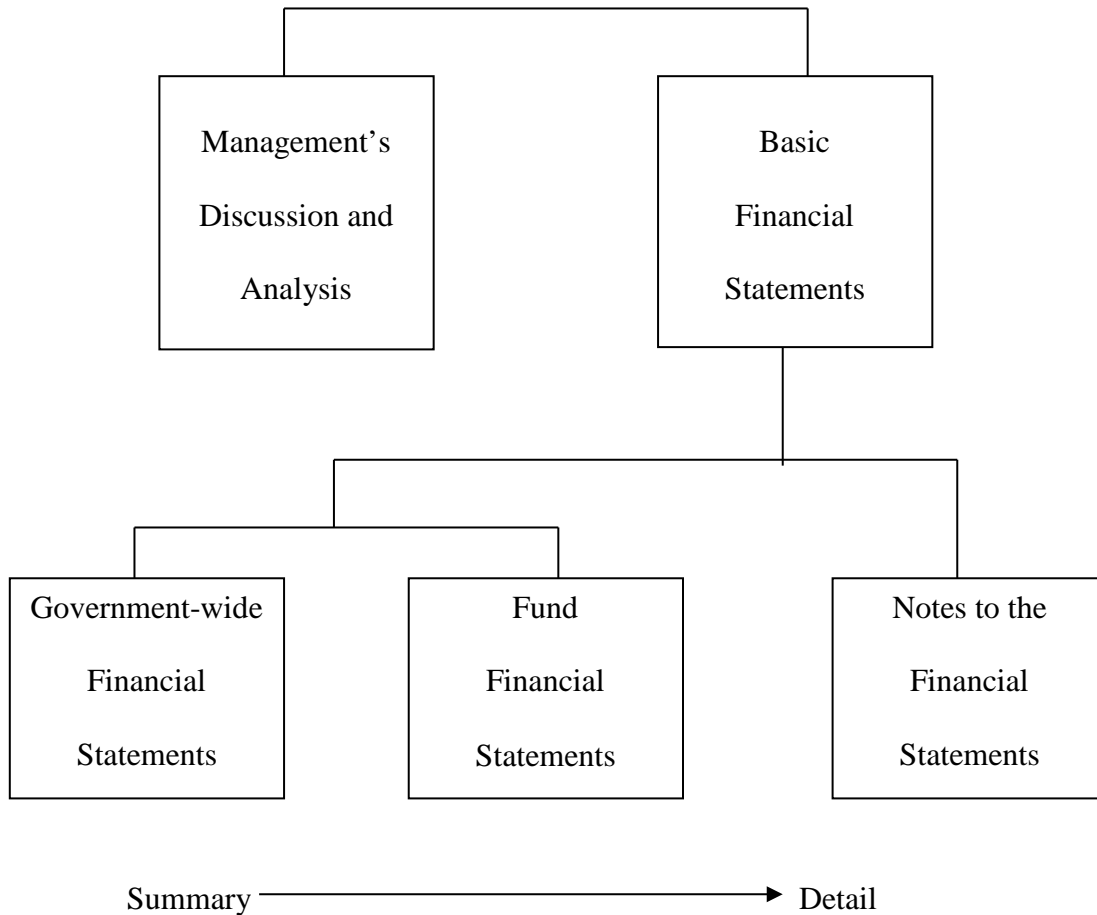
Financial Highlights

- 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 \$44,284,488(*net position*).
- The government's total net position increased by \$4,631,774, primarily due to increases 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 \$30,957,647, an increase of \$1,471,229. Airport expansion capital project decreased the fund balance by \$109,285, Schools Capital Projects fund activity decreased the fund balance by \$67,432 and School Construction Fund activity decreased the fund balance by \$188,882. Other Non-Major Governmental Funds activity increased fund balance by \$105,217. General fund activity increased fund balance by \$1,731,611. Approximately twenty-two percent (22%) of the fund balance amount, \$6,912,140, 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 \$6,912,140, or ten percent (10%) of total general fund expenditures for the fiscal year.
- Sampson County's total long term obligations decreased by \$4,439,535. Several factors led the decrease in total debt as follows:
 - Scheduled payments of principal on other loans.
 - No new loan proceeds.

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. Following the notes is the **required supplemental information**, which contains funding information about the County’s pension plans and post-employment benefits. After that section, **supplemental information** is provided to show details about the County’s funds and internal service fund. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

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

The two government-wide statements report the County's net position and how 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. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Sampson County. The County uses an internal service fund to account for one activity – its self-insured operations. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 78 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 \$44,284,488 as of June 30, 2016. The County's net position increased by \$4,631,774 for the fiscal year ended June 30, 2016. The largest portion \$36,881,322 (87%) 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 \$19,320,762 (44%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$10,146,637 (-25%).

Sampson County's Net Position Figure 2

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 39,482,146	\$ 39,589,004	\$ 3,393,856	\$ 3,266,000	\$ 42,876,002	\$ 42,855,004
Capital assets	<u>134,325,310</u>	<u>136,958,317</u>	<u>26,065,602</u>	<u>25,229,516</u>	<u>160,390,912</u>	<u>162,187,833</u>
Total assets	<u>\$ 173,807,456</u>	<u>\$ 176,547,321</u>	<u>\$ 29,459,458</u>	<u>\$ 28,495,516</u>	<u>\$ 203,266,914</u>	<u>\$ 205,042,837</u>
Deferred outflows of resources	\$ 1,232,729	\$ 1,202,704	\$ 18,612	\$ 18,239	1,251,341	1,220,943
Long-term liabilities outstanding	\$ 134,349,171	\$ 135,154,164	\$ 13,952,664	\$ 14,395,717	\$ 148,301,835	\$ 149,549,881
Other liabilities	<u>9,439,202</u>	<u>7,948,058</u>	<u>600,697</u>	<u>700,827</u>	<u>10,039,899</u>	<u>8,648,885</u>
Total liabilities	<u>\$ 143,788,373</u>	<u>\$ 143,102,222</u>	<u>\$ 14,553,361</u>	<u>\$ 15,096,544</u>	<u>\$ 158,341,734</u>	<u>\$ 158,198,766</u>
Deferred inflows of resources	\$ 1,880,634	\$ 5,486,380	\$ 11,399	\$ 65,652	\$ 1,892,033	\$ 5,552,032
Net position:						
Net investment in capital assets	\$ 22,501,526	\$ 25,563,611	\$ 12,608,837	\$ 11,317,711	\$ 35,110,363	\$ 36,881,322
Restricted	19,296,072	17,427,463	24,690	8,230	19,320,762	17,435,693
Unrestricted	<u>(12,426,420)</u>	<u>(13,829,651)</u>	<u>2,279,783</u>	<u>2,025,618</u>	<u>(10,146,637)</u>	<u>(11,804,033)</u>
Total net position	<u>\$ 29,371,178</u>	<u>\$ 29,161,423</u>	<u>\$ 14,913,310</u>	<u>\$ 13,351,559</u>	<u>\$ 44,284,488</u>	<u>\$ 42,512,982</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 in excess of 97%.
- Debt refunding in prior year reduced debt service expenditures.
- Collections in excess of budget on property taxes, ambulance fees, and sales taxes.
- Expenditures as related budget were much lower than expected in the General Fund.
- Cost saving measures implemented by the Board produced an unexpected windfall.

Sampson County's Changes in Net Position
Figure 3

	Governmental Activities		Business Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 10,298,867	\$ 10,092,846	\$ 2,684,952	\$ 2,646,138	\$ 12,983,819	\$ 12,738,984
Operating grants and contributions	15,414,676	13,583,420	-	-	15,414,676	13,583,420
Capital grants and contributions	327,703	1,299,093	1,558,770	579,359	1,886,473	1,878,452
General revenues:						
Property taxes	38,435,072	37,346,033	-	-	38,435,072	37,346,033
Other taxes	10,740,902	10,104,794	-	-	10,740,902	10,104,794
Investment earnings, unrestricted	46,411	4,673	5,864	458	52,275	5,131
Other	573,416	86,365	-	-	573,416	86,365
Total revenues	75,837,047	72,517,224	4,249,586	3,225,955	80,086,633	75,743,179
Expenses:						
General government	9,608,178	10,049,224	-	-	9,608,178	10,049,224
Public safety	19,651,554	18,847,926	-	-	19,651,554	18,847,926
Economic and physical development	1,138,800	922,342	-	-	1,138,800	922,342
Environmental protection	1,055,697	1,018,834	-	-	1,055,697	1,018,834
Human services	20,528,746	20,220,941	-	-	20,528,746	20,220,941
Cultural and recreation	2,051,751	2,019,475	-	-	2,051,751	2,019,475
Education	13,734,564	12,902,756	-	-	13,734,564	12,902,756
Interest on long-term debt	4,997,734	5,475,056	-	-	4,997,734	5,475,056
Water and sewer Dist. I	-	-	580,000	553,781	580,000	553,781
Water and sewer Dist. II	-	-	2,107,835	2,587,345	2,107,835	2,587,345
Total expenses	72,767,024	71,456,554	2,687,835	3,141,126	75,454,859	74,597,680
Change in net position before transfers & special items	3,070,023	1,060,670	1,561,751	84,829	4,631,774	1,145,499
Transfers	-	-	-	-	-	-
Change in net position	3,070,023	1,060,670	1,561,751	84,829	4,631,774	1,145,499
Net position, beginning(restated)	26,301,155	28,100,753	13,351,559	13,266,730	39,652,714	41,367,483
Net position, ending	\$ 29,371,178	\$ 29,161,423	\$ 14,913,310	\$ 13,351,559	\$ 44,284,488	\$ 42,512,982

Governmental activities: Governmental activities increased the County's net position by \$3,070,023, thereby accounting for sixty-six percent (66%) of the total increase in net position of Sampson County. Key elements of this increase are as follows:

- Ad valorem tax revenue increased.

Business-type activities: Business-type activities increased Sampson County's net position by \$1,561,751, accounting for thirty-four percent (34%) of the government's total increase in net position. Key elements of this decrease as compared to the prior year are as follows:

- Current year receipt of grant revenue.
- Decrease in expenditures.

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 \$6,912,140, while total fund balance was \$24,863,752. 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 ten percent (10%) of total General Fund expenditures, while total fund balance represents thirty-six percent (36%) percent of that same amount.

At June 30, 2016, the governmental funds of Sampson County reported a combined fund balance of \$30,957,647, five percent (5.0%) increase over last year. The primary reason for this increase was mentioned earlier.

The other major governmental funds include the Schools Capital Projects Fund, the Airport expansion 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 \$2,683,476.

The Schools Capital Projects Fund fund balance decreased \$67,432. This decrease was due to expenditures that were more than the revenues for capital outlay and debt service for the school systems.

The County's other two major capital project funds are the Airport Expansion Capital Project and the Schools Construction Fund. The Airport Expansion 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 \$1,914,825.

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 \$775,444 or one percent (1%).

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 increased by \$1,561,751. This increase was due to grant funds received for the capital project.

Capital Asset and Debt Administration

Capital assets. Sampson County’s capital assets for its governmental and business-type activities as of June 30, 2016, totals \$160,390,912 (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	
	2016	2015	2016	2015	2016	2015
Land	\$ 6,338,480	\$ 6,338,480	\$ 225,319	\$ 225,319	\$ 6,563,799	\$ 6,563,799
Buildings and Systems	116,461,258	119,343,674	23,788,115	24,569,171	140,249,373	143,912,845
Machinery and Equipment	6,190,316	6,937,479	158,902	147,194	6,349,218	7,084,673
Vehicles and Motorized Equipment	1,721,593	1,372,643	187,750	207,481	1,909,343	1,580,124
Construction in Progress	3,613,663	2,966,041	1,705,516	80,351	5,319,179	3,046,392
Total	\$134,325,310	\$136,958,317	\$ 26,065,602	\$ 25,229,516	\$160,390,912	\$162,187,833

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, 2016, Sampson County had total bonded debt outstanding of \$10,779,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$40,410,000 in limited obligation bonds, \$76,448,932 outstanding in installment/purchase contracts, \$8,970,000 outstanding in installment purchase revenue bonds – 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	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ -	\$ -	\$ 10,507,500	\$ 10,779,000	\$ 10,507,500	\$ 10,779,000
Limited Obligation Bonds	40,410,000	40,410,000	-	-	40,410,000	40,410,000
Revenue Bonds	7,950,000	8,970,000	-	-	7,950,000	8,970,000
Installment Purchases	71,926,632	73,316,127	2,949,265	3,132,805	74,875,897	76,448,932
Certification of Participation	1,575,000	3,150,000	-	-	1,575,000	3,150,000
Total	\$121,861,632	\$125,846,127	\$ 13,456,765	\$ 13,911,805	\$135,318,397	\$139,757,932

Sampson County’s total outstanding debt decreased by \$4,439,535 or three percent (3%) during the past fiscal year, primarily due to bond refunding yielding a large premium off the original bonds and 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 \$233,317,739.

Additional information regarding Sampson County’s long-term debt can be found on page 63 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, 2015 of 5.7% was slightly higher than the state average of 5.3%.
- The property tax base increased by 2.56%. This was largely due to increases in business personal property listing and increased construction.
- The tax collection rate of approximately 97% increased by .16% for the year.

Some of these factors and others were considered when management prepared Sampson County’s budget ordinance for the 2016-2017 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2017

Governmental Activities: In fiscal year June 30, 2017, the County tax rate remained unchanged at \$.83 cents per \$100 of value. The total operating budget increased by approximately \$3,000,000 primarily due to the implementation of year 2 of the pay study which resulted in an

increase for all employees. The pay study will be implemented over a four (4) year period. The County also received increased funding for education and economic development which was included in the budget.

General Fund revenues are projected to increase \$1,801,292 or approximately three percent (3%). Increase in property tax and sales tax revenues represents the largest increases in revenues.

Budgeted expenditures in the General Fund are budgeted to increase approximately two percent (2%) to \$90,493,126. The largest increases are in costs for implementation of the new pay plan and additional funding for education and economic development.

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, 406 County Complex Road, Suite 120, Clinton, N.C. 28328.

BASIC FINANCIAL STATEMENTS



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

Exhibit 1

June 30, 2016

	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	\$ 22,465,306	\$ 2,602,185	\$ 25,067,491	\$ 94,870	\$ 2,231,207
Short-term investments	-	-	-	-	1,715,889
Receivables (net)	12,512,333	660,613	13,172,946	8,754	6,623,032
Inventories	8,615	131,058	139,673	-	1,265,647
Prepays	-	-	-	-	454,044
Restricted cash and cash equivalents	4,383,327	-	4,383,327	-	14,248,393
Other non-current receivables	-	-	-	-	992,848
Net pension asset	112,565	-	112,565	-	-
Capital assets:					
Land, improvements, and construction in progress	9,952,143	1,930,835	11,882,978	-	4,577,155
Other capital assets, net of depreciation	124,373,167	24,134,767	148,507,934	-	19,551,102
Total capital assets	134,325,310	26,065,602	160,390,912	-	24,128,257
Total assets	\$ 173,807,456	\$ 29,459,458	\$ 203,266,914	\$ 103,624	\$ 51,659,317
DEFERRED OUTFLOWS OF RESOURCES	1,232,729	18,612	1,251,341	-	-
LIABILITIES					
Accounts payable and accrued liabilities	\$ 4,158,091	\$ 109,330	\$ 4,267,421	\$ 2,332	\$ 7,310,691
Long-term liabilities:					
Due within one year	5,281,111	491,367	5,772,478	-	2,979,393
Due in more than one year	132,629,739	13,932,455	146,562,194	-	5,984,016
Net pension liability - LEOSSA	392,355	-	392,355	-	-
Net pension liability - LGERS	1,327,077	20,209	1,347,286	-	-
Total liabilities	143,788,373	14,553,361	158,341,734	2,332	16,274,100
DEFERRED INFLOWS OF RESOURCES	1,880,634	11,399	1,892,033	-	-
NET POSITION					
Net Investment in capital assets	22,501,526	12,608,837	35,110,363	-	17,118,792
Restricted for:					
Stabilization by state statute	10,471,007	-	10,471,007	8,754	-
Public safety	1,212,966	-	1,212,966	-	-
Debt Service	3,679,977	24,690	3,704,667	-	-
Education	3,932,122	-	3,932,122	-	-
Capital acquisitions	-	-	-	-	537,639
Unrestricted	(12,426,420)	2,279,783	(10,146,637)	92,538	17,351,101
Net position of controlled organization	29,371,178	14,913,310	44,284,488	101,292	35,007,532
Noncontrolling interest in entity	-	-	-	-	377,685
Total net position	\$ 29,371,178	\$ 14,913,310	\$ 44,284,488	\$ 101,292	\$ 35,385,217

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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 9,608,178	\$ 768,061	\$ 191,217	\$ -
Public safety	19,651,554	5,432,713	172,400	-
Economic and physical development	1,138,800	27,482	94,065	327,703
Environmental protection	1,055,697	2,168,600	144,713	-
Human services	20,528,746	1,595,605	13,068,541	-
Culture and recreation	2,051,751	306,406	124,440	-
Education	13,734,564	-	1,619,300	-
Interest on long-term debt	4,997,734	-	-	-
Total governmental activities	<u>72,767,024</u>	<u>10,298,867</u>	<u>15,414,676</u>	<u>327,703</u>
Business-type activities:				
Water District II	2,107,835	2,085,640	-	1,558,770
Water District I	580,000	599,312	-	-
Total business-type activities	<u>2,687,835</u>	<u>2,684,952</u>	<u>-</u>	<u>1,558,770</u>
Total primary government	<u>\$ 75,454,859</u>	<u>\$ 12,983,819</u>	<u>\$ 15,414,676</u>	<u>\$ 1,886,473</u>
Component units:				
Sampson County Tourism Dev Authority	74,880	2,633	900	-
Sampson Regional Medical Ctr. Inc.	60,036,880	59,560,302	-	56,614
Total component unit	<u>\$ 60,111,760</u>	<u>\$ 59,562,935</u>	<u>\$ 900</u>	<u>\$ 56,614</u>

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

**Exhibit 2
Page 2 of 2**

For the Year Ended June 30, 2016

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	\$ (8,648,900)	\$ -	\$ (8,648,900)		
Public safety	(14,046,441)	-	(14,046,441)		
Economic and physical development	(689,550)	-	(689,550)		
Environmental protection	1,257,616	-	1,257,616		
Human services	(5,864,600)	-	(5,864,600)		
Culture and recreation	(1,620,905)	-	(1,620,905)		
Education	(12,115,264)	-	(12,115,264)		
Interest on long-term debt	(4,997,734)	-	(4,997,734)		
Total governmental activities	<u>(46,725,778)</u>	<u>-</u>	<u>(46,725,778)</u>		
Business-type activities:					
Water District II	-	1,536,575	1,536,575		
Water District I	-	19,312	19,312		
Total business-type activities	<u>-</u>	<u>1,555,887</u>	<u>1,555,887</u>		
Total primary government	<u>\$ (46,725,778)</u>	<u>\$ 1,555,887</u>	<u>\$ (45,169,891)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (71,347)	\$ -
Sampson Regional Medical Ctr. Inc.				-	(419,964)
Total component units				<u>\$ (71,347)</u>	<u>\$ (419,964)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	38,435,072	-	38,435,072	-	-
Other taxes and fees	10,740,902	-	10,740,902	93,990	-
Investment earnings, unrestricted	46,411	5,864	52,275	-	82,305
Miscellaneous, unrestricted	573,416	-	573,416	-	(187,413)
Total general revenues excluding transfers	49,795,801	5,864	49,801,665	93,990	(105,108)
Transfers	-	-	-	-	-
Total general revenues and transfers	<u>49,795,801</u>	<u>5,864</u>	<u>49,801,665</u>	<u>93,990</u>	<u>(105,108)</u>
Change in net position	3,070,023	1,561,751	4,631,774	22,643	(525,072)
Net position - beginning, previously reported	29,161,423	13,351,559	42,512,982	-	35,532,604
Restatement	(2,860,268)	-	(2,860,268)	-	-
Net position, beginning, restated	26,301,155	13,351,559	39,652,714	78,649	35,532,604
Net position - ending	<u>\$ 29,371,178</u>	<u>\$ 14,913,310</u>	<u>\$ 44,284,488</u>	<u>\$ 101,292</u>	<u>\$ 35,007,532</u>

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

**Exhibit 3
Page 1 of 3**

	Major			
	General	Schools Capital Projects	Schools Construction Fund	Airport Expansion Capital Project
Assets:				
Cash and cash equivalents	\$ 17,213,103	\$ -	\$ -	\$ -
Restricted cash	451,205	2,017,297	1,914,825	-
Taxes receivable (net)	1,819,173	-	-	-
Accounts receivable	8,592,465	666,179	-	310,368
Due from other funds	640,093	-	-	-
Inventories	8,615	-	-	-
Total Assets	<u>\$ 28,724,654</u>	<u>\$ 2,683,476</u>	<u>\$ 1,914,825</u>	<u>\$ 310,368</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,976,670	\$ -	\$ -	\$ 112,363
Due to general fund	-	-	-	580,128
Total Liabilities	<u>1,976,670</u>	<u>-</u>	<u>-</u>	<u>692,491</u>
Deferred Inflows of Resources:				
Property taxes receivable	1,819,173	-	-	-
Prepaid taxes	65,059	-	-	-
Total Deferred Inflows of Resources	<u>1,884,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Inventories	8,615	-	-	-
Restricted:				
Stabilization by state statute	9,268,369	666,179	-	310,368
Public safety	451,205	-	-	-
Debt service	3,679,977	-	-	-
Education	-	2,017,297	1,914,825	-
Committed:				
Revaluation	927,827	-	-	-
Nonmajor funds	-	-	-	-
Capital projects	977,994	-	-	(692,491)
LEO special separation allowance	289,732	-	-	-
Assigned:				
Subsequent year's expenditures	2,347,893	-	-	-
Unassigned	6,912,140	-	-	-
Total fund balances	<u>24,863,752</u>	<u>2,683,476</u>	<u>1,914,825</u>	<u>(382,123)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,724,654</u>	<u>\$ 2,683,476</u>	<u>\$ 1,914,825</u>	<u>\$ 310,368</u>

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

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

**Exhibit 3
Page 2 of 3**

	<u>Non-Major Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and cash equivalents	\$ 1,701,603	\$ 18,914,706
Restricted cash	-	4,383,327
Taxes receivable (net)	104,546	1,923,719
Accounts receivable	261,902	9,830,914
Due from other funds	-	640,093
Inventories	-	8,615
Total Assets	<u>\$ 2,068,051</u>	<u>\$ 35,701,374</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 25,823	\$ 2,114,856
Due to general fund	59,965	640,093
Total Liabilities	<u>85,788</u>	<u>2,754,949</u>
Deferred Inflows of Resources:		
Property taxes receivable	104,546	1,923,719
Prepaid taxes	-	65,059
Total Deferred Inflows of Resources	<u>104,546</u>	<u>1,988,778</u>
Fund balances:		
Nonspendable:		
Inventories	-	8,615
Restricted:		
Stabilization by state statute	261,902	10,506,818
Public safety	761,761	1,212,966
Debt service	-	3,679,977
Education	-	3,932,122
Committed:		
Revaluation	-	927,827
Nonmajor funds	854,054	854,054
Capital projects	-	285,503
LEO special separation allowance	-	289,732
Assigned:		
Subsequent year's expenditures	-	2,347,893
Unassigned		
	-	6,912,140
Total fund balances	<u>1,877,717</u>	<u>30,957,647</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,068,051</u>	<u>\$ 35,701,374</u>

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



SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

Exhibit 3
Page 3 of 3

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

Total Fund Balance, Governmental Funds	30,957,647
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	134,325,310
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds	464,805
Charges related to advance refunding bonds issued.	112,565
Net pension asset.	1,226,166
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,923,719
Deferred inflows of resources for taxes.	(1,062,786)
Deferred gain related to bonding refunding issue.	(131,224,023)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(10,222,412)
Pension and other post-employment benefits liability	(746,220)
Pension deferrals	3,616,407
Internal service fund allocation	<u>3,616,407</u>
Net position of governmental activities	<u>\$ 29,371,178</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, 2016

Exhibit 4
Page 1 of 3

	Major			
	General	Schools Capital Projects	Schools Construction Fund	Airport Expansion Capital Project
REVENUES				
Ad Valorem taxes	\$ 36,009,633	\$ -	\$ -	\$ -
Other taxes and licenses	8,332,109	2,408,793	-	-
Intergovernmental Revenues:				
Restricted	14,768,601	-	-	327,703
Permits and fees	780,080	-	-	-
Sales and services	6,601,366	-	-	-
Investment earnings	32,901	3,881	-	-
Miscellaneous	3,164,842	-	-	-
Total revenues	<u>69,689,532</u>	<u>2,412,674</u>	<u>-</u>	<u>327,703</u>
EXPENDITURES				
Current:				
General government	6,392,065	-	-	-
Public safety	16,618,695	-	-	-
Environmental protection	1,051,378	-	-	-
Economic and physical development	1,114,579	-	-	458,740
Human services	19,768,649	-	-	-
Culture and recreation	2,015,055	-	-	-
Education	13,734,564	-	188,882	-
Debt service				
Principal	3,984,495	-	-	-
Interest and fees	5,426,548	-	-	-
Administration	80,746	-	-	-
Total expenditures	<u>70,186,774</u>	<u>-</u>	<u>188,882</u>	<u>458,740</u>
Excess (deficiency) of revenues over expenditures	<u>(497,242)</u>	<u>2,412,674</u>	<u>(188,882)</u>	<u>(131,037)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,480,106	-	-	21,752
Transfers out	(251,253)	(2,480,106)	-	-
Total other financing sources (uses)	<u>2,228,853</u>	<u>(2,480,106)</u>	<u>-</u>	<u>21,752</u>
Net change in fund balance	1,731,611	(67,432)	(188,882)	(109,285)
Fund balances-beginning	22,842,409	2,750,908	2,103,707	(272,838)
Restatement	289,732	-	-	-
Fund balances-ending	<u>\$ 24,863,752</u>	<u>\$ 2,683,476</u>	<u>\$ 1,914,825</u>	<u>\$ (382,123)</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, 2016

Exhibit 4
Page 2 of 3

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
REVENUES		
Ad Valorem taxes	\$ 2,657,673	\$ 38,667,306
Other taxes and licenses	-	10,740,902
Intergovernmental Revenues:		
Restricted	651,625	15,747,929
Permits and fees	333,413	1,113,493
Sales and services	-	6,601,366
Investment earnings	3,037	39,819
Miscellaneous	1,065	3,165,907
Total revenues	<u>3,646,813</u>	<u>76,076,722</u>
EXPENDITURES		
Current:		
General government	-	6,392,065
Public safety	2,888,431	19,507,126
Environmental protection	4,736	1,056,114
Economic and physical development	-	1,573,319
Human services	877,930	20,646,579
Culture and recreation	-	2,015,055
Education	-	13,923,446
Debt service		
Principal	-	3,984,495
Interest and fees	-	5,426,548
Bond issuance cost	-	-
Administration	-	80,746
Total expenditures	<u>3,771,097</u>	<u>74,605,493</u>
Excess (deficiency) of revenues over expenditures	<u>(124,284)</u>	<u>1,471,229</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	229,501	2,731,359
Transfers out	-	(2,731,359)
Total other financing sources (uses)	<u>229,501</u>	<u>-</u>
Net change in fund balance	105,217	1,471,229
Fund balances-beginning	1,772,500	29,196,686
Restatement	-	289,732
Fund balances-ending	<u>\$ 1,877,717</u>	<u>\$ 30,957,647</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, 2016

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	\$ 1,471,229
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.	(2,618,974)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(14,033)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,226,166
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(232,234)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,984,495
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	123,848
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(870,474)</u>
Total changes in net position of governmental funds	<u>\$ 3,070,023</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, 2016

Exhibit 5
Page 1 of 2

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad Valorem taxes	\$ 35,470,025	\$ 35,485,025	\$ 35,887,633	\$ 402,608
Other taxes and licenses	8,106,695	8,106,695	8,332,109	225,414
Intergovernmental Revenues:				
Restricted	15,290,752	15,957,786	14,768,601	(1,189,185)
Permits and fees	740,900	740,900	780,080	39,180
Sales and services	6,395,992	6,472,492	6,601,366	128,874
Investment earnings	-	-	29,328	29,328
Miscellaneous	<u>2,354,662</u>	<u>2,371,572</u>	<u>3,164,842</u>	<u>793,270</u>
Total revenues	<u>68,359,026</u>	<u>69,134,470</u>	<u>69,563,959</u>	<u>429,489</u>
Expenditures				
Current:				
General government	6,936,270	7,165,555	6,392,065	773,490
Public safety	17,156,869	17,217,857	16,618,695	599,162
Environmental protection	1,066,684	1,084,189	1,051,378	32,811
Economic and physical dev	1,169,101	1,408,294	1,114,579	293,715
Human services	21,511,836	22,066,650	19,768,649	2,298,001
Education	13,476,092	14,236,369	13,734,564	501,805
Culture and recreation	2,104,544	2,112,294	2,015,055	97,239
Debt service				
Principal	4,445,000	4,445,000	3,984,495	460,505
Interest and fees	6,067,499	7,934,899	5,426,548	2,508,351
Administration	80,900	80,900	80,746	154
Contingency	<u>300,000</u>	<u>280,000</u>	<u>-</u>	<u>280,000</u>
Total expenditures	<u>74,314,795</u>	<u>78,032,007</u>	<u>70,186,774</u>	<u>7,845,233</u>
Revenues over (under) expenditures	<u>(5,955,769)</u>	<u>(8,897,537)</u>	<u>(622,815)</u>	<u>8,274,722</u>
Other Financing Sources (Uses)				
Transfers in	2,251,969	2,778,019	2,485,856	(292,163)
Transfers out	(229,501)	(229,501)	(229,501)	-
Loan proceeds	<u>873,377</u>	<u>873,377</u>	<u>-</u>	<u>(873,377)</u>
Total other financing sources (uses)	<u>2,895,845</u>	<u>3,421,895</u>	<u>2,256,355</u>	<u>(1,165,540)</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, 2016**

**Exhibit 5
Page 2 of 2**

	<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	(3,059,924)	(5,475,642)	1,633,540	7,109,182
Appropriated Fund Balance	<u>3,059,924</u>	<u>5,475,642</u>	<u>-</u>	<u>(5,475,642)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,633,540	<u>\$ 1,633,540</u>
Fund balance -beginning			21,034,659	
Restatement			<u>289,732</u>	
Fund balance - ending			<u>\$22,957,931</u>	

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

Property taxes & Interest income	125,573
Expenditures	-
Transfers to General Fund	(5,750)
Transfer from General Fund	-
Transfer to Other Funds	<u>(21,752)</u>
Fund Balance Beginning	<u>1,807,750</u>
Fund Balance Ending(Exhibit 4)	<u>\$24,863,752</u>

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2016

Exhibit 6

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 772,957	\$ 1,829,228	\$ 2,602,185	\$ 3,550,600
Accounts receivable (net)	360,812	236	361,048	292,895
Water fees receivable (net)	265,898	33,667	299,565	-
Inventory	113,095	17,963	131,058	-
Total current assets	<u>1,512,762</u>	<u>1,881,094</u>	<u>3,393,856</u>	<u>3,843,495</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	1,914,028	16,807	1,930,835	-
Other capital assets net of depreciation	22,190,442	1,944,325	24,134,767	-
Total capital assets	<u>24,104,470</u>	<u>1,961,132</u>	<u>26,065,602</u>	<u>-</u>
Total assets	<u>25,617,232</u>	<u>3,842,226</u>	<u>29,459,458</u>	<u>3,843,495</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>14,424</u>	<u>4,188</u>	<u>18,612</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	64,488	44,842	109,330	227,088
Compensated absences	27,779	17,212	44,991	-
Notes payable	163,876	-	163,876	-
General obligation bonds payable	255,000	27,500	282,500	-
Total Current Liabilities	<u>511,143</u>	<u>89,554</u>	<u>600,697</u>	<u>227,088</u>
Noncurrent liabilities:				
Compensated absences	3,236	1,008	4,244	-
Other post-employment benefits	86,876	47,768	134,644	-
Net pension liability	15,662	4,547	20,209	-
Notes payable	2,785,389	-	2,785,389	-
Unamortized Premium on Bonds	783,178	-	783,178	-
General obligation bonds payable	9,490,000	735,000	10,225,000	-
Total noncurrent liabilities	<u>13,164,341</u>	<u>788,323</u>	<u>13,952,664</u>	<u>-</u>
Total liabilities	<u>13,675,484</u>	<u>877,877</u>	<u>14,553,361</u>	<u>227,088</u>
DEFERRED INFLOWS OF RESOURCES	<u>8,834</u>	<u>2,565</u>	<u>11,399</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	11,410,205	1,198,632	12,608,837	-
Debt service	24,690	-	24,690	-
Unrestricted	512,443	1,767,340	2,279,783	3,616,407
Total net position	<u>\$ 11,947,338</u>	<u>\$ 2,965,972</u>	<u>\$ 14,913,310</u>	<u>\$ 3,616,407</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, 2016**

Exhibit 7

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
OPERATING REVENUES				
Charges for services	\$ 1,959,224	\$ 568,807	\$ 2,528,031	\$ 6,459,814
Water tap fees	44,250	6,650	50,900	-
Miscellaneous	82,166	23,855	106,021	528,028
Total operating revenues	<u>2,085,640</u>	<u>599,312</u>	<u>2,684,952</u>	<u>6,987,842</u>
OPERATING EXPENSES				
Administration	374,165	112,433	486,598	-
Water Distribution	66,315	193,743	260,058	-
Operations and maintenance	445,130	122,393	567,523	-
Depreciation	711,578	111,115	822,693	-
Claims paid	-	-	-	6,863,994
Total operating expenses	<u>1,597,188</u>	<u>539,684</u>	<u>2,136,872</u>	<u>6,863,994</u>
Operating income (loss)	<u>488,452</u>	<u>59,628</u>	<u>548,080</u>	<u>123,848</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	2,346	3,518	5,864	6,592
Interest expense	(510,647)	(40,316)	(550,963)	-
Total nonoperating revenues (expenses)	<u>(508,301)</u>	<u>(36,798)</u>	<u>(545,099)</u>	<u>6,592</u>
Income (loss) before contributions and transfers	(19,849)	22,830	2,981	130,440
Capital contributions	1,558,770	-	1,558,770	-
Transfer from general fund	-	-	-	-
Change in net position	<u>1,538,921</u>	<u>22,830</u>	<u>1,561,751</u>	<u>130,440</u>
Net position, beginning, restated	<u>10,408,417</u>	<u>2,943,142</u>	<u>13,351,559</u>	<u>3,485,967</u>
Total net position - ending	<u>\$ 11,947,338</u>	<u>\$ 2,965,972</u>	<u>\$ 14,913,310</u>	<u>\$ 3,616,407</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, 2016

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	\$ 1,986,114	\$ 579,848	\$ 2,565,962	\$ 6,459,814
Cash paid for goods and services	(689,091)	(319,574)	(1,008,665)	(6,703,324)
Cash paid to employees for services	(354,221)	(102,838)	(457,059)	-
Other operating revenues	82,166	23,855	106,021	309,269
Net cash provided (used) by operating activities	1,024,968	181,291	1,206,259	65,759
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	-
Net cash provided by noncapital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,641,971)	(16,807)	(1,658,778)	-
Proceeds on bond refunding	-	-	-	-
Premium on refunding bond	-	-	-	-
Capital contributions-grants	1,199,611	-	1,199,611	-
Closing costs on refunding bond	-	-	-	-
Principal paid on bond maturities and equipment contracts	(408,090)	(46,950)	(455,040)	-
Interest paid on bond maturities and equipment contracts	(525,108)	(40,717)	(565,825)	-
Net cash provided (used) by capital and related financing activities	(1,375,558)	(104,474)	(1,480,032)	-
Cash flows from investing activities:				
Interest	2,346	3,518	5,864	6,592
Net increase (decrease) in cash and cash equivalents	(348,244)	80,335	(267,909)	72,351
Cash and cash equivalents, July 1	1,121,201	1,748,893	2,870,094	3,478,249
Cash and cash equivalents, June 30	<u>\$ 772,957</u>	<u>\$ 1,829,228</u>	<u>\$ 2,602,185</u>	<u>\$ 3,550,600</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, 2016

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)	\$ 488,452	\$ 59,628	\$ 548,080	\$ 123,848
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	711,578	111,115	822,693	-
Pension Expense			-	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(17,360)	4,391	(12,969)	(218,760)
Inventory	(49,628)	-	(49,628)	-
Net pension asset	17,969	8,851	26,820	
Deferred outflows or resources for pension	(2,264)	1,891	(373)	-
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	(121,194)	198	(120,996)	160,671
Compensated absences	10,694	6,365	17,059	-
Other post-employment benefits	6,218	3,399	9,617	-
Net pension liability	15,662	4,547	20,209	-
Deferred inflows of resources for pensions	(35,159)	(19,094)	(54,253)	-
Total adjustments	536,516	121,663	658,179	(58,089)
Net cash provided (used) by operating activities	\$ 1,024,968	\$ 181,291	\$ 1,206,259	\$ 65,759

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

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016**

Exhibit 9

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 216,509
Accounts receivable	<u>68,457</u>
Total assets	<u>\$ 284,966</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Accounts payable and accrued liabilities	\$ 23,016
Miscellaneous liabilities	<u>261,950</u>
Total liabilities	<u>\$ 284,966</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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.

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

Schools 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, 2016

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:

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, Hazard Mitigation Plan Update, Community Development Grant SFR-14, Urgent Home Repair, Homeland Security Equipment and Employment and Training are reported as nonmajor special revenue funds. The 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 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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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 beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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 reported at fair value. Non-participating interest earning contracts are accounted for at cost. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at amortized cost, 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, 2016**

3. Restricted Assets

Cash held for school capital and public safety as required by state statute. 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	Public Safety		\$ 451,205
Schools Capital Projects	Education		2,017,297
Schools Construction Fund	Education		<u>1,914,825</u>
Total Governmental Activities			<u>4,383,327</u>
Total Restricted Cash			<u><u>\$ 4,383,327</u></u>

Sampson Regional Medical Center, Inc. has designated investments aggregating \$14,248,393 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, 2015. 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, 2016**

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The minimum capitalization threshold for land, buildings, improvements, lines and other plant and distribution systems, furniture and equipment, and vehicles is \$2,500. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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

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 two items that meet this criterion – pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - prepaid taxes, deferred gain on bond refunding and other pension related deferrals.

9. Long-term Obligations

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

The governmental fund types classify fund balances as follows:

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

Inventories – portion of fund balance 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 expenditures in the Sherriff's department and portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for Education - 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.

Restricted for Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation

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.

Committed for LEO pension obligation – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

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

12. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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 \$(1,586,469) consists of the following:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

<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)	\$ 180,414,895
Less accumulated depreciation	<u>46,089,585</u>
Net capital assets	134,325,310
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	464,805
Net pension asset	112,565
Contributions to the pension plan in the current fiscal year	1,226,166
Deferred gain on bond refunding	(1,062,786)
Accrued pension expense which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(1,719,432)
Accrued other post-employment benefit which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(8,502,980)
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	3,616,407
Liabilities for revenue deferred but earned and therefore reported in the funds statements but not the government-wide	1,923,719
Premium on bond refunding	(5,751,704)
Pension related deferrals	(746,220)
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	(121,861,632)
Compensated absences	(1,794,534)
Accrued interest payable	<u>(1,816,153)</u>
Total adjustment	<u>\$ (1,586,469)</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 \$1,598,794 consists of the following:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,391,733
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.	(5,010,707)
Cost of disposed asset.	(14,033)
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	3,984,495
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)	97,539
Amortization of deferred charge on bond refunding.	56,184
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,226,166
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	123,848
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	(67,543)
Other postemployment benefits are accrued in the government-wide statements but not the fund statements because they do not use current resources.	(270,383)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(248,791)
County's portion of collective pension expense	(712,571)
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	(48,093)
Amortization of debt premium	275,091
Decrease in deferred inflows of resources - taxes receivable - at end of year	(184,141)
Total adjustment	<u>\$ 1,598,794</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

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: Hazard Mitigation Plan Update (\$36); Capital Project Funds: Airport Expansion (\$382,123). 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 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, 2016, the County's deposits had a carrying amount of \$13,160,614 and a bank balance of \$13,540,136. Of the bank balance, \$1,192,626 was covered by federal depository insurance, \$12,347,510 were covered by collateral held under the Pooling Method. At June 30, 2016, Sampson County had \$4,870 cash on hand.

The Hospital's deposits had a carrying amount of \$2,231,207 and a bank balances of \$2,297,134 as of September 30, 2015. Of the bank balances, \$250,000 is covered by federal depository insurance as of September 30, 2015 and the remainder is covered under the Pooling Method.

The Authority's deposits had a carrying amount of \$94,870 and a bank balance of \$95,192 as of June 30, 2016. Of the bank balance, \$95,192 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, 2016**

2. Investments

At June 30, 2016, the County's investments consisted of \$16,501,843 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, 2015, the Hospital's investments consisted of the following:

	Cost	Fair Value
Cash	\$ 2,231,207	\$ 2,231,207
U.S. Treasury and agency bonds	8,326,122	9,267,313
NC Capital Management Trust	<u>6,696,200</u>	<u>6,696,969</u>
Total	<u>\$ 17,253,529</u>	<u>\$ 18,195,489</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 \$4,057,870 at September 30, 2015 and they mature between 2014 and 2017.

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 Levied	Tax	Interest	Total
2012	\$ 3,778,063	\$ 982,296	\$ 4,760,359
2013	3,414,156	580,407	3,994,563
2014	4,059,335	324,747	4,384,082
2015	<u>4,131,330</u>	<u>-</u>	<u>4,131,330</u>
	<u>\$ 15,382,884</u>	<u>\$ 1,887,450</u>	<u>\$ 17,270,334</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

4. Receivables

Receivables at the government-wide level at June 30, 2016, 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	\$ 2,083,115	\$ 1,987,173	\$ 6,509,350	\$ 292,895	\$ 10,872,533
Accrued interest	-	464,805	-	-	464,805
Other Governmental	<u>202,331</u>	<u>114,346</u>	<u>1,036,118</u>	<u>-</u>	<u>1,352,795</u>
Total receivables	2,285,446	2,566,324	7,545,468	292,895	12,690,133
Allowance for doubtful accounts	-	<u>(177,800)</u>	-	-	<u>(177,800)</u>
Total governmental activities	<u>\$ 2,285,446</u>	<u>\$ 2,388,524</u>	<u>\$ 7,545,468</u>	<u>\$ 292,895</u>	<u>\$ 12,512,333</u>
Business-type Activities					
Water Districts I and II	\$ 421,795	\$ -	\$ 360,000	\$ 1,048	\$ 782,843
Total receivables	421,795	-	360,000	1,048	782,843
Allowance for doubtful accounts	<u>(122,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,230)</u>
Total business-type activities	<u>\$ 299,565</u>	<u>\$ -</u>	<u>\$ 360,000</u>	<u>\$ 1,048</u>	<u>\$ 660,613</u>

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

Local option sales tax	\$ 3,104,597
State & Federal Grants	<u>4,440,871</u>
	<u>\$ 7,545,468</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$11,364,000.

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, 2016**

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balances</u>	<u>Increases Transfers In</u>	<u>Decreases Transfers Out</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,338,480	\$ -	\$ -	\$ 6,338,480
Construction in progress	<u>2,966,041</u>	<u>647,622</u>	<u>-</u>	<u>3,613,663</u>
Total capital assets not being depreciated	<u>9,304,521</u>	<u>647,622</u>	<u>-</u>	<u>9,952,143</u>
Capital assets being depreciated:				
Buildings and improvements	149,669,978	747,551	-	150,417,529
Equipment	13,522,342	107,726	-	13,630,068
Vehicles and motor equipment	<u>6,258,239</u>	<u>888,834</u>	<u>731,918</u>	<u>6,415,155</u>
Total capital assets being depreciated	<u>169,450,559</u>	<u>1,744,111</u>	<u>731,918</u>	<u>170,462,752</u>
Less accumulated depreciation for:				
Buildings and improvements	30,326,304	3,629,967	-	33,956,271
Equipment	6,584,863	854,889	-	7,439,752
Vehicles and motor equipment	<u>4,885,596</u>	<u>525,851</u>	<u>717,885</u>	<u>4,693,562</u>
Total accumulated depreciation	<u>41,796,763</u>	<u>\$ 5,010,707</u>	<u>\$ 717,885</u>	<u>46,089,585</u>
Total capital assets being depreciated, net	<u>127,653,796</u>			<u>124,373,167</u>
Governmental activity capital assets, net	<u>\$ 136,958,317</u>			<u>\$ 134,325,310</u>

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

General government	\$ 3,927,935
Public safety	886,145
Economic & physical development	32,410
Human services	115,820
Environmental protection	10,384
Cultural and recreational	<u>38,013</u>
Total depreciation expense	<u>\$ 5,010,707</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Business-type activities:	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Water District 2 Capital assets being depreciated:				
Distribution systems	\$ 29,913,344	\$ -	\$ -	\$ 29,913,344
Equipment	287,364	13,500	-	300,864
Vehicles	147,733	3,307	-	151,040
Total capital assets being depreciated	<u>30,348,441</u>	<u>16,807</u>	<u>-</u>	<u>30,365,248</u>
Accumulated depreciation distribution	7,277,948	682,779	-	7,960,727
Accumulated depreciation equipment	140,241	14,710	-	154,951
Accumulated depreciation vehicles	45,039	14,089	-	59,128
Total accumulated depreciation	<u>7,463,228</u>	<u>\$ 711,578</u>	<u>\$ -</u>	<u>8,174,806</u>
Water District 2 capital assets, net	<u>22,885,213</u>			<u>22,190,442</u>
Capital assets not being depreciated:				
Land	208,512	\$ -	\$ -	208,512
Construction in progress	80,351	1,625,165	-	1,705,516
Water capital assets not depreciated	<u>288,863</u>	<u>\$ 1,625,165</u>	<u>\$ -</u>	<u>1,914,028</u>
Water District 2 net capital assets	<u>\$ 23,174,076</u>			<u>\$ 24,104,470</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	21,076	13,500	-	34,576
Vehicles	144,702	3,307	-	148,009
Total capital assets being depreciated	<u>4,096,859</u>	<u>16,807</u>	<u>-</u>	<u>4,113,666</u>
Accumulated depreciation distribution	1,997,306	\$ 98,277	\$ -	2,095,583
Accumulated depreciation equipment	21,005	582	-	21,587
Accumulated depreciation vehicles	39,915	12,256	-	52,171
Total accumulated depreciation	<u>2,058,226</u>	<u>\$ 111,115</u>	<u>\$ -</u>	<u>2,169,341</u>
Water District 1 capital assets, net	<u>2,038,633</u>			<u>1,944,325</u>
Capital assets not being depreciated:				
Land	16,807	-	-	16,807
Water District 1 net capital assets	<u>\$ 2,055,440</u>			<u>\$ 1,961,132</u>
Business-type activities capital assets, net	<u>\$ 25,229,516</u>			<u>\$ 26,065,602</u>

Construction commitments

The government has an active construction project as of June 30, 2016. The project is the water district well project. At June 30, 2016, the government's commitments with contractors are as follows:

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>	<u>Spent to Date</u>
Hwy 403 Infrastructure Project			
Caldwell Tank	1,302,000	10,595	1,291,405
Herring Rivenbark	391,699	91,084	300,615

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, 2015, was as follows:

	<u>September 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2015</u>
Capital assets not being depreciated:				
Land	\$ 1,955,053	\$ -	\$ -	\$ 1,955,053
Construction in progress	753,043	1,869,059	-	2,622,102
Total capital assets not being depreciated	<u>2,708,096</u>	<u>1,869,059</u>	<u>-</u>	<u>4,577,155</u>
Capital assets being depreciated:				
Land improvements	2,134,235	-	-	2,134,235
Buildings and improvements	36,789,116	1,029,706	-	37,818,822
Furniture and equipment	52,630,059	725,902	29,525	53,326,436
Total capital assets being depreciated	<u>91,553,410</u>	<u>1,755,608</u>	<u>29,525</u>	<u>93,279,493</u>
Less accumulated depreciation for:				
Land improvements	1,724,480	69,528	-	1,794,008
Buildings and improvements	22,488,487	1,337,145	-	23,825,632
Furniture and equipment	46,033,450	2,104,826	29,525	48,108,751
Total accumulated depreciation	<u>70,246,417</u>	<u>\$ 3,511,499</u>	<u>\$ 29,525</u>	<u>73,728,391</u>
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 24,015,089</u>			<u>\$ 24,128,257</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:				
General	\$ 2,065,069	\$ 138,689	\$ 1,816,153	\$ 4,019,911
Other governmental	<u>131,950</u>	<u>6,236</u>	<u>-</u>	<u>138,186</u>
Total governmental activities	<u>\$ 2,197,019</u>	<u>\$ 144,925</u>	<u>\$ 1,816,153</u>	<u>\$ 4,158,097</u>
Business-type activities:				
Water District II	\$ 18,237	\$ 1,011	\$ 45,240	\$ 64,488
Water District I	<u>41,562</u>	<u>175</u>	<u>3,105</u>	<u>44,842</u>
Total business-type activities	<u>\$ 59,799</u>	<u>\$ 1,186</u>	<u>\$ 48,345</u>	<u>\$ 109,330</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

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

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,240,804 for the year ended June 30, 2016.

Refunds of Contributions – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2016, the County reported an (asset)/liability of \$1,347,286 for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension (asset)/liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was .3002%, which was a decrease of .00299% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the County recognized pension expense of \$734,236. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 316,688
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	383,566
Changes in proportion and differences between County contributions and proportionate share of contributions	-	59,620
County contributions subsequent to the measurement date	<u>1,240,804</u>	<u>-</u>
Total	<u>\$ 1,240,804</u>	<u>\$ 759,874</u>

\$1,240,804 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (463,556)
2018	(463,556)
2019	(463,023)
2020	630,261
2021	-
Thereafter	-
	<u>\$ (759,874)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation
Investment rate of return	7.25 percent, net of pension plan

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension	\$ 9,394,771	\$ 1,347,286	\$ (5,432,553)

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

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>97</u>
Total	<u>100</u>

The plan does not issue a separate stand-alone financial report.

2. Summary of Significant Account Policies

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

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 on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return 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 actuarial value of assets was market value. The remaining amortization period at December 31, 2015 was 15 years.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Employer annual required contribution	\$	109,845
Interest on net pension obligation		16,241
Adjustment to annual required contribution		<u>(28,543)</u>
Annual pension cost		97,543
Employer contributions made		<u>(30,000)</u>
Increase (decrease) in net pension obligation		67,543
Net pension obligation beginning of year		<u>324,812</u>
Net pension obligation end of year	\$	<u><u>392,355</u></u>

Assets reserved to pay benefits are reported as committed fund balance in the General Fund. Benefit payments reduce the net pension obligation.

4. Funding Status and Funding Progress

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 73,153	41.01%	\$ 257,797
2015	97,015	30.92%	324,812
2016	97,543	30.76%	392,355

As of December 31 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$1,334,635, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,334,635. The covered payroll (annual payroll of active employees covered by the plan) was \$3,553,569, and the ratio of the UAAL to the covered payroll was 37.56 percent.

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, 2016 were \$225,806 which consisted of \$176,568 from the County and \$49,238 from the law enforcement officers. The County contributes 1.5% of each non-law enforcement employees' salary who are vested under this plan, plus will match up

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

to an additional 3.5%. Non law enforcement contributions were \$664,346 which consisted of \$406,181 from the County and \$258,165 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 (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,974 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an (asset)/liability of \$112,554 for its proportionate share of the net pension (asset)/liability. The net pension (asset)/liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension (asset)/liability was based on the County's share of contributions to the pension plan, relative to contributions to the pension

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was .485%, which was a decrease of .00275% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the County recognized pension expense of \$(4,281). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 551	\$ 1,863
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,582	-
Changes in proportion and differences between County contributions and proportionate share of contributions	430	2,451
County contributions subsequent to the measurement date	3,974	-
Total	<u>\$ 10,537</u>	<u>\$ 4,314</u>

\$3,974 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (876)
2018	390
2019	1,228
2020	1,507
2021	-
Thereafter	-
	<u>\$ 2,249</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and
Investment rate of return	5.75 percent, net of pension plan investment

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2015 is 2.5%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<u>1% Decrease (4.75%)</u>	<u>Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (101,548)	\$ (112,554)	\$ (122,025)

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

f. Other Post-Employment Benefits(OPEB)

Healthcare Benefits

Plan Description - Under the County's annual budget ordinance as of July 1, 2015, 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 under the original plan. The County pays 100% of the individual premium for employees who have worked at least 15 years as stated above, must of worked for Sampson County at least 20 consecutive years and not retire before age 58 to qualify for the plan. 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. Employees who do not have at least five years creditable service in the retirement system as of July 1, 2015 are not eligible to participate in the plan. 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, 2015, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Employees
Retirees receiving benefits	48	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	205	96
Total	<u>253</u>	<u>98</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 \$378 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 11.15% of annual covered payroll. For the current year, the County contributed \$920,000 or 8.5% 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 \$42,000. 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.

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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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	\$ 1,207,000
Interest on net OPEB obligation	334,000
Adjustment to annual required contribution	<u>(341,000)</u>
Annual OPEB cost (expense)	1,200,000
Contributions made	<u>(920,000)</u>
Increase (decrease) in net OPEB obligation	280,000
Net OPEB obligation, beginning of year	<u>8,357,624</u>
Net OPEB obligation, end of year	<u><u>\$ 8,637,624</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

For Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	2,185,000	38.76%	8,062,624
2015	1,165,000	74.68%	8,357,624
2016	1,200,000	76.67%	8,637,624

Funded Status and Funding Progress. As of June 30, 2016, 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 \$13,720,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,821,000, and the ratio of the UAAL to the covered payroll was 126.79 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.

In the June 30, 2016 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, 2015, 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.

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 2015 for plan year 2014 was \$460,094.

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 \$459,087 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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Prepaid taxes not yet earned(General)	\$ -	\$ 65,059
Taxes receivable, net(General)	-	1,819,173
Taxes receivable, net(Special Revenue)	-	104,546
Deferred gain on refunding of debt	-	1,062,786
Pensions - difference between expected and actual experience		
LGERS	-	316,688
Register of Deeds	551	1,863
Pensions - difference between projected and actual investment earnings		
LGERS	-	383,566
Register of Deeds	5,582	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	59,620
Register of Deeds	430	2,451
Contributions to pension plan in 2015-2016 fiscal year	1,244,778	-
Total	<u>\$ 1,251,341</u>	<u>\$ 3,815,752</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.

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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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:

	<u>June 30, 2016</u>
Claims payable, beginning of year	\$ 66,417
Add: Claims received	6,863,994
Less: Claims paid	<u>6,703,323</u>
Claims payable, end of year	<u><u>\$ 227,088</u></u>

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, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations
a. Installment Purchases

The County's installment purchase agreements payable at June 30, 2016 are comprised of the following individual issues:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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 34 annual installments of \$193,620 including interest at 4%. At June 30, 2016, there were 37 payments remaining.	\$ 3,564,642
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, 2016, there were 18 installments remaining.	1,489,770
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, 2016, there were 30 payments remaining.	9,815,386
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, 2016 there were 31 payments remaining.	2,036,844
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, 2016 there were 31 payments remaining.	27,178,257
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, 2016 there were 6 payments remaining.	1,067,848
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, 2016 there were 32 payments remaining.	8,712,906

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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, 2016 there were 22 payments remaining.	728,445
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, 2016, there were 34 payments remaining.	3,564,642
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, 2016 there were 8 payments remaining.	1,020,000
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, 2016 there were 23 payments remaining.	822,825
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 2016-2014. At June 30, 2016, there were 35 payments remaining.	11,925,067
	<u>\$ 71,926,632</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

For Sampson County, the future minimum payments as of June 30, 2016, including \$55,219,257 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 1,536,111	\$ 2,902,112
2018	1,585,425	2,851,397
2019	1,636,802	2,798,621
2020	1,690,327	2,743,696
2021	1,746,091	2,686,532
2022-2026	8,204,227	12,493,038
2027-2031	9,673,092	10,699,173
2032-2036	11,445,392	8,537,455
2037-2041	13,403,893	5,990,028
2042-2046	15,554,993	3,003,989
2047-2051	5,450,279	513,216
Total principal payments	<u>\$ 71,926,632</u>	
Total interest payments		<u>\$ 55,219,257</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, 2016, there were 35 payments remaining.

1,744,592

For Sampson County, the future minimum payments as of June 30, 2016, including \$1,297,130 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2017	\$ 24,871	\$ 57,422
2018	25,684	56,609
2019	26,523	55,770
2020	27,390	54,903
2021	28,286	54,007
2022-2026	155,939	255,525
2027-2031	183,226	228,240
2032-2036	215,345	196,120
2037-2041	253,163	158,302
2042-2046	297,701	113,764
2047-2051	350,165	61,299
2052-2053	156,299	5,169
Total principal payments	<u>\$ 1,744,592</u>	
Total interest payments		<u>\$ 1,297,130</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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, 2016 are comprised of the following individual issues which are serviced by the Water and Sewer Districts:

\$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.	762,500
\$9,990,000 Refunding, Series 2015 General Obligation Bonds due in semi-annual installments of \$170,981 to \$558,469 through June 1, 2044 with the first installment due December 1, 2015; variable percent interest rate	9,745,000
	<u>\$ 10,507,500</u>

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$6,914,286 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2017	\$ 282,500	\$ 448,409
2018	289,000	441,900
2019	290,500	435,214
2020	307,000	423,251
2021	318,500	410,611
2022-2026	1,766,500	1,847,327
2027-2031	2,119,500	1,479,743
2032-2036	2,334,000	978,169
2037-2041	2,035,000	399,094
2042-2044	765,000	50,568
Total principal payments	10,507,500	
Unamortized premium	783,178	
Net carrying value	<u>\$ 11,290,678</u>	
Total interest payments		<u>\$ 6,914,286</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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

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, 2016 is \$7,950,000.

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$1,729,387 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 1,020,000	\$ 364,675
2018	1,010,000	323,875
2019	1,000,000	283,475
2020	990,000	243,475
2021	980,000	203,875
2022-2024	2,950,000	310,012
Total principal payments	<u>\$ 7,950,000</u>	
Total interest payments		<u>\$ 1,729,387</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, 2016

Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$383,122, are as follows:

Year Ending September 30	Principal	Interest
2016	\$ 941,667	\$ 102,428
2017	941,667	80,122
2018	941,667	57,816
2019	941,667	35,511
2020	297,220	21,703
2021-2025	1,375,000	71,652
2026-2029	916,667	13,890
Total principal payments	<u>\$ 6,355,555</u>	
Total interest payments		<u>\$ 383,122</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 \$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.

\$ 370,989

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.

833,684
\$ 1,204,673

Debt service requirements to maturity, including interest of \$212,701 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2017	\$ 139,005	\$ 44,161
2018	139,005	39,107
2019	139,005	33,217
2020	139,005	28,302
2021	139,005	23,386
2022-2025	509,648	44,528
Total principal payments	<u>\$ 1,204,673</u>	
Total interest payments		<u>\$ 212,701</u>

f. Limited Obligation Bonds

On June 3, 2015 County issued Limited Obligation Bonds ("LOBs") to purchase these certificates. When debt service is due, the county will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. The Limited Obligation

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

Bonds are appropriation-backed with bi-annual interest payments with a 3.375% average interest rate over the life of the term. As of June 30, 2016, the balance of the bonds was \$40,410,000.

Annual debt service requirements to maturity for the Limited Obligation Bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ -	\$ 1,882,331
2018	1,540,000	1,851,531
2019	1,520,000	1,790,331
2020	1,510,000	1,729,731
2021	1,490,000	1,669,732
2022-2026	9,470,000	7,180,469
2027-2031	12,525,000	4,389,281
2032-2036	12,355,000	1,398,247
Total principal payments	40,410,000	
Unamortized premium	5,751,704	
Total principal payments	<u>\$ 46,161,704</u>	
Total interest payments		<u>\$ 21,891,653</u>

g. 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 an 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.

On June 3, 2015, the general fund issued \$40,410,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$45,610,000 of certificate of participation loans. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. However, there was \$3,150,000 in remaining principle that is required to be paid by the County in years 2015-2016 and 2016-2017.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

Annual debt service requirements to maturity for the County's certificates of participation, including interest of \$78,750 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,575,000	\$ 78,750
Total principal payments	<u>\$ 1,575,000</u>	
Total interest payments		<u>\$ 78,750</u>

h. 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, 2016, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$40,355,000.

i. Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$10,037,848 relates to assets the County does not hold title.

Sampson County had a legal debt margin of \$233,317,739 at June 30, 2016.

j. 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, 2016:

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.

The LGERS plan had a net pension liability as of June 30, 2016; however, the plan had a net pension asset at the beginning of the fiscal year.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

	Balance July 1,	Increases	Decreases	Balance June 30,	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 73,316,127	\$ -	\$ 1,389,495	\$ 71,926,632	\$ 1,536,111
Revenue bonds	8,970,000	-	1,020,000	7,950,000	1,020,000
*Certificates of Participation	3,150,000	-	1,575,000	1,575,000	1,575,000
Limited Obligation Bonds	40,410,000	-	-	40,410,000	-
Unamortized premium on LOBs	6,026,795	-	275,091	5,751,704	-
Net Pension Liability (LEOSSA)	324,812	97,543	30,000	392,355	-
Net Pension Liability (LGERS)	-	1,327,077	-	1,327,077	-
Other post-employment benefits	8,232,597	1,190,383	920,000	8,502,980	-
Compensated absences	1,545,743	1,343,398	1,094,607	1,794,534	1,150,000
Total governmental activities	<u>\$ 141,976,074</u>	<u>\$ 3,958,401</u>	<u>\$ 6,304,193</u>	<u>\$ 139,630,282</u>	<u>\$ 5,281,111</u>
*Beginning balance was changed as described in the restatement note to follow.					
Business-type activities:					
General obligation debt	\$ 10,779,000	\$ -	\$ 271,500	\$ 10,507,500	\$ 282,500
Installment purchases	1,768,677	-	24,085	1,744,592	24,871
State Clean Water bonds	1,364,128	-	159,455	1,204,673	139,005
Unamortized premium on GOs	811,270	-	28,092	783,178	28,091
Net Pension Liability (LGERS)	-	20,209	-	20,209	-
Other post-employment benefits	128,027	6,617	-	134,644	-
Compensated absences	32,176	26,719	9,660	49,235	44,991
Total business-type activities	<u>\$ 14,883,278</u>	<u>\$ 53,545</u>	<u>\$ 492,792</u>	<u>\$ 14,444,031</u>	<u>\$ 519,458</u>
Discretely presented component units:					
Revenue bonds	\$ 7,297,222	\$ -	\$ 941,667	\$ 6,355,555	\$ 941,667
Capital Leases	252,531	555,000	153,621	653,910	83,782
Compensated absences	1,969,813	-	15,869	1,953,944	1,953,944
Total discretely presented component units:	<u>\$ 9,519,566</u>	<u>\$ 555,000</u>	<u>\$ 1,111,157</u>	<u>\$ 8,963,409</u>	<u>\$ 2,979,393</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2016, consists of the following:

From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	\$ 229,501
Total Transfers out from the General Fund	<u>229,501</u>
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	2,480,106
From the County Capital Project fund to the General Fund to pay for Livestock Arena maintenance costs	2,000
From the County Capital Project fund to the Airport Expansion Capital Project to pay Airport capital costs	21,752
From the County Capital Project fund to the General Fund to pay for Airport maintenance costs	<u>3,750</u>
Total Transfers in to the General Fund	<u>2,507,608</u>
Total	<u><u>\$ 2,737,109</u></u>

Interfund balances at June 30, 2016, consists of the following:

Due to the General fund from:	
Airport Construction Capital Project Fund	\$ 580,128
Nonmajor Governmental Funds:	
Sampson Area Transportation	38,320
Community Development Grant SFR-14 Special Revenue Fund	17,209
Hazard Mitigation Plan Update Special Revenue Fund	<u>4,436</u>
Total nonmajor (other) governmental funds	<u>21,645</u>
Total all funds	<u><u>\$ 640,093</u></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, 2016

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	\$24,863,752
Less:	
Inventories	8,615
Stabilization by State Statute	9,268,369
Public Safety	451,205
Debt Service	3,679,977
Revaluation	927,827
Capital Projects	977,994
LEO Separation Allowance	289,732
Appropriated Fund Balance for Next Year's Budget	2,347,893
Remaining Fund Balance	6,912,140

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
	\$35,811	\$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, 2016. 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.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016**

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 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 \$1,359,433 and \$347,089 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2016. 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, 2016. 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.

	<u>Federal</u>	<u>State</u>
State/County Spec Assist	\$ -	\$ 580,771
Temporary Assistance to Needy Families	262,717	-
Medicaid	65,205,261	35,574,624
State Children's Insurance Program-NC		
Health Choice	1,765,776	63,041
Energy Assistance	323,725	-
Program for Women, Infants & Children	1,621,969	-
Title IV-E Foster Care	192,571	49,252
Totals	<u>\$ 69,372,019</u>	<u>\$ 36,267,688</u>

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.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2016

levy and collect an occupancy tax and remit to the TDA. For the year, \$93,991 was collected, \$93,991 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 November 28, 2016, the date which the financial statements were available for issue.

XIII. Change in Accounting Principles/Restatement

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the County reclassified the Law Enforcement Officers' Special Separation Allowance trust fund to the General Fund. As a result, net position for the governmental activities increased by \$289,732.

In the Governmental Activities, net position was restated (\$3,150,000) to increase the debt beginning balance. When the refunding of debt was reported last year too much debt was removed.



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
12/31/2014	299,174	835,739	536,565	35.80	3,395,400	15.80
12/31/2015	-	1,334,635	1,334,635	-	3,553,569	37.56

**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
6/30/15	-	13,720,000	13,720,000	-	10,821,000	126.79

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
2015	1,165,000	74.68
2016	1,200,000	76.67

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Last Three Fiscal Years *

Exhibit A-3

	2016	2015	2014
County's proportion of the net pension liability (asset) %	-0.228%	0.303%	0.303%
County's proportionate share of the net pension liability (asset) \$	\$ 1,347,286	\$ (1,788,051)	\$ 3,652,314
County's covered-employee payroll	\$ 17,033,631	\$ 16,791,093	\$ 16,615,280
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.91%	(10.65%)	21.98%
Plan fiduciary net position as a percentage of the total pension liability	98.09%	102.64%	94.35%

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

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
 Last Three Fiscal Years

Exhibit A-4

	2016	2015	2014
Contractually required contribution	\$ 1,240,804	\$ 1,215,792	\$ 1,170,977
Contributions in relation to the contractually required contribution	1,240,804	1,215,792	1,170,977
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 18,168,885	\$ 17,033,631	\$ 16,791,093
Contributions as a percentage of covered-employee payroll	6.83%	7.14%	6.97%

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND

Last Three Fiscal Years *

Exhibit A-5

	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.486%	0.488%	0.431%
County's proportionate share of the net pension liability (asset) \$	\$ (110,703)	\$ (110,707)	\$ (97,795)
County's covered-employee payroll	\$ 58,464	\$ 56,407	\$ 58,176
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(189.35%)	(196.26%)	(168.10%)
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

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

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND
 Last Three Fiscal Years

Exhibit A-6

	2016	2015	2014
Contractually required contribution	\$ 3,974	\$ 4,133	\$ 3,988
Contributions in relation to the contractually required contribution	3,974	4,133	3,988
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 58,872	\$ 58,464	\$ 56,407
Contributions as a percentage of covered-employee payroll	6.75%	7.07%	7.07%



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**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, 2016**

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes:			
Ad valorem	\$	\$ 35,547,525	\$
Penalties and interest		340,108	
Total	<u>35,485,025</u>	<u>35,887,633</u>	<u>402,608</u>
Sales Tax:			
One cent		3,835,687	
One half cent article 40		2,483,959	
One half cent article 42		896,159	
One quarter cent article 46		1,116,304	
Total	<u>8,106,695</u>	<u>8,332,109</u>	<u>225,414</u>
Restricted:			
State grants		14,326,574	
Federal grants		133,851	
Court facility fees		191,217	
Local grants		116,959	
Total	<u>15,957,786</u>	<u>14,768,601</u>	<u>(1,189,185)</u>
Permits and Fees:			
Register of deeds		324,402	
Inspection		363,098	
Local subdivision fees		27,481	
Franchise		65,099	
Total	<u>740,900</u>	<u>780,080</u>	<u>39,180</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, 2016**

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

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Tax Collection Fees:			
Town of Turkey		458	
Town of Salemburg		2	
Town of Roseboro		41	
Town of Newton Grove		2	
Town of Garland		3,572	
Town of Autryville		2	
Town of Harrells		633	
City of Clinton		54,894	
Tax collection		209,955	
Jail fees		1,500,385	
Sheriff fees		867,507	
Health fees		980,357	
Ambulance fees		2,482,794	
Aging services fees		500,764	
Total	<u>6,472,492</u>	<u>6,601,366</u>	<u>128,874</u>
Investment Earnings	<u>-</u>	<u>29,328</u>	<u>29,328</u>
Miscellaneous:			
Board of elections		1,366	
Short-term vehicle lease		14,931	
Recreation		57,075	
Agri-Exposition center		249,331	
Rent		2,255,755	
Other		586,384	
Total	<u>2,371,572</u>	<u>3,164,842</u>	<u>793,270</u>
Total revenues	<u>69,134,470</u>	<u>69,563,959</u>	<u>429,489</u>
Expenditures			
General Government			
Governing Body			
Salaries and employee benefits		102,387	
Operations and maintenance		50,920	
Total	<u>161,691</u>	<u>153,307</u>	<u>8,384</u>
Administration			
Salaries and employee benefits		407,874	
Operations and maintenance		39,155	
Total	<u>458,334</u>	<u>447,029</u>	<u>11,305</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, 2016**

**Exhibit B-1
Page 3 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Airport			
Operations and maintenance		61,659	
Total	65,593	61,659	3,934
Finance			
Salaries and employee benefits		669,868	
Operations and maintenance		338,513	
Total	1,338,957	1,008,381	330,576
Data Processing			
Salaries and employee benefits		263,107	
Operations and maintenance		287,927	
Capital outlay		-	
Total	624,814	551,034	73,780
Communications Tower			
Operations and maintenance		18,498	
Capital outlay		-	
Total	22,335	18,498	3,837
Tax Administration			
Salaries and employee benefits		909,194	
Operations and maintenance		476,624	
Total	1,493,812	1,385,818	107,994
Legal			
Professional services		14,973	
Total	34,000	14,973	19,027
Courts			
Operations and maintenance		20,924	
Capital outlay		33,990	
Total	111,804	54,914	56,890

**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, 2016**

**Exhibit B-1
Page 4 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Salaries and employee benefits		98,666	
Operations and maintenance		206,013	
Total	<u>342,072</u>	<u>304,679</u>	<u>37,393</u>
Register of Deeds			
Salaries and employee benefits		376,226	
Operations and maintenance		82,141	
Total	<u>488,150</u>	<u>458,367</u>	<u>29,783</u>
Public Buildings			
Salaries and employee benefits		478,389	
Operations and maintenance		1,005,017	
Capital outlay		450,000	
Total	<u>2,023,993</u>	<u>1,933,406</u>	<u>90,587</u>
Total General Government	<u>7,165,555</u>	<u>6,392,065</u>	<u>773,490</u>
Public Safety			
Sheriff			
Salaries and employee benefits		5,049,153	
Operations and maintenance		1,168,091	
Capital outlay		550,499	
Total	<u>6,924,393</u>	<u>6,767,743</u>	<u>156,650</u>
Jail			
Salaries and employee benefits		1,919,460	
Operations and maintenance		1,404,396	
Capital outlay		30,119	
Total	<u>3,569,330</u>	<u>3,353,975</u>	<u>215,355</u>
Communications			
Salaries and employee benefits		897,957	
Operations and maintenance		75,832	
Capital outlay		-	
Total	<u>1,036,431</u>	<u>973,789</u>	<u>62,642</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, 2016**

**Exhibit B-1
Page 5 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Emergency Management			
Salaries and employee benefits		363,893	
Operations and maintenance		115,722	
Capital outlay		11,172	
Total	<u>516,823</u>	<u>490,787</u>	<u>26,036</u>
Volunteer Fire Departments			
Assistance to County fire departments	<u>253,021</u>	<u>249,336</u>	<u>3,685</u>
Inspections			
Salaries and employee benefits		355,279	
Operations and maintenance		39,899	
Capital outlay		-	
Total	<u>401,803</u>	<u>395,178</u>	<u>6,625</u>
Coroner			
Professional services	<u>63,600</u>	<u>45,450</u>	<u>18,150</u>
Rescue			
Salaries and employee benefits		2,986,168	
Assistance to County rescue units		199,463	
Operations and maintenance		638,811	
Capital outlay		207,199	
Total	<u>4,136,151</u>	<u>4,031,641</u>	<u>104,510</u>
Dive Team			
Contracted services	<u>16,451</u>	<u>16,451</u>	<u>-</u>
Animal Control			
Salaries and employee benefits		168,523	
Operations and maintenance		125,822	
Total	<u>299,854</u>	<u>294,345</u>	<u>5,509</u>
Total Public Safety	<u>17,217,857</u>	<u>16,618,695</u>	<u>599,162</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, 2016**

**Exhibit B-1
Page 6 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Solid Waste			
Contracted services		822,590	
Operations and maintenance		13,486	
Total	<u>836,078</u>	<u>836,076</u>	<u>2</u>
Forestry			
State forestry program	<u>145,000</u>	<u>135,725</u>	<u>9,275</u>
4-H Programs	<u>35,871</u>	<u>28,547</u>	<u>7,324</u>
Horticulture Project	<u>2,423</u>	<u>-</u>	<u>2,423</u>
Lagoon Management	<u>9,775</u>	<u>5,394</u>	<u>4,381</u>
Senior Health Information Program	<u>3,246</u>	<u>3,245</u>	<u>1</u>
Cooperative Extension Seminars	<u>1,320</u>	<u>-</u>	<u>1,320</u>
Environmental Defense Fund Project			
Salaries and employee benefits		-	
Operations and maintenance		153	
Capital Outlay		7,450	
Total	<u>14,870</u>	<u>7,603</u>	<u>7,267</u>
4-H Prevention Program			
Salaries and employee benefits		27,064	
Operations and maintenance		7,724	
Total	<u>35,606</u>	<u>34,788</u>	<u>818</u>
Total Environmental Protection	<u>1,084,189</u>	<u>1,051,378</u>	<u>32,811</u>
Economic and Physical Development			
Planning and Zoning		-	
Contracted services		178,435	
Total	<u>182,429</u>	<u>178,435</u>	<u>3,994</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, 2016**

**Exhibit B-1
Page 7 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Industrial Development			
Salaries and employee benefits		153,416	
Operations and maintenance		210,499	
Total	<u>563,133</u>	<u>363,915</u>	<u>199,218</u>
Industrial Utility			
Operations and maintenance		3,321	
Total	<u>4,800</u>	<u>3,321</u>	<u>1,479</u>
N.C. Cooperative Extension Service			
Salaries and employee benefits		329,727	
Operations and maintenance		39,141	
Total	<u>438,168</u>	<u>368,868</u>	<u>69,300</u>
Soil Conservation			
Salaries and employee benefits		192,230	
Operations and maintenance		7,810	
Total	<u>219,764</u>	<u>200,040</u>	<u>19,724</u>
Total Economic and Physical Development	<u>1,408,294</u>	<u>1,114,579</u>	<u>293,715</u>
Human Services			
Mental Health Administration			
Eastpointe Mental Health	<u>274,680</u>	<u>274,680</u>	<u>-</u>
Veterans			
Salaries and employee benefits		127,296	
Operations and maintenance		26,219	
Total	<u>159,435</u>	<u>153,515</u>	<u>5,920</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, 2016**

**Exhibit B-1
Page 8 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Youth Needs Task Force			
Salaries and employee benefits		64,807	
Programs		165,406	
Total	<u>246,980</u>	<u>230,213</u>	<u>16,767</u>
Health			
Administration			
Salaries and employee benefits		22,292	
Operations and maintenance		40,292	
Capital outlay		-	
Total	<u>84,339</u>	<u>62,584</u>	<u>21,755</u>
School Nurse Initiatiave			
Contracted services	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Tuberculosis - CDC			
Salaries and employee benefits		21,770	
Operations and maintenance		9,011	
Total	<u>38,254</u>	<u>30,781</u>	<u>7,473</u>
Tuberculosis Medical Services			
Professional services	<u>2,271</u>	<u>2,271</u>	<u>-</u>
Communicable Disease			
Salaries and employee benefits		221,555	
Operations and maintenance		26,705	
Total	<u>260,395</u>	<u>248,260</u>	<u>12,135</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, 2016**

**Exhibit B-1
Page 9 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Adult Services			
Salaries and employee benefits		30,752	
Operations and maintenance		22,672	
Total	<u>67,987</u>	<u>53,424</u>	<u>14,563</u>
Health Promotion			
Salaries and employee benefits		36,116	
Operations and maintenance		7,969	
Total	<u>46,939</u>	<u>44,085</u>	<u>2,854</u>
Breast and Cervical Cancer			
Salaries and employee benefits		17,160	
Operations and maintenance		11,015	
Total	<u>29,526</u>	<u>28,175</u>	<u>1,351</u>
Immunization			
Salaries and employee benefits		78,329	
Operations and maintenance		56,159	
Capital outlay		-	
Total	<u>141,648</u>	<u>134,488</u>	<u>7,160</u>
Maternal Health & Outreach			
Salaries and employee benefits		440,446	
Operations and maintenance		150,901	
Capital outlay		-	
Total	<u>686,972</u>	<u>591,347</u>	<u>95,625</u>
Family Planning			
Salaries and employee benefits		212,737	
Operations and maintenance		71,539	
Total	<u>334,305</u>	<u>284,276</u>	<u>50,029</u>
WIC			
Salaries and employee benefits		349,123	
Operations and maintenance		38,702	
Total	<u>389,894</u>	<u>387,825</u>	<u>2,069</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, 2016**

**Exhibit B-1
Page 10 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Child Services Coordination			
Salaries and employee benefits		151,872	
Operations and maintenance		52,315	
Total	<u>259,222</u>	<u>204,187</u>	<u>55,035</u>
Pregnancy Care Management			
Salaries and employee benefits		141,657	
Operations and maintenance		34,029	
Total	<u>224,615</u>	<u>175,686</u>	<u>48,929</u>
Child Health			
Salaries and employee benefits		84,829	
Operations and maintenance		17,398	
Total	<u>114,219</u>	<u>102,227</u>	<u>11,992</u>
Environmental Health			
Salaries and employee benefits		382,794	
Operations and maintenance		28,946	
Capital outlay		16,500	
Total	<u>437,087</u>	<u>428,240</u>	<u>8,847</u>
Food and Lodging			
Travel	<u>7,000</u>	<u>5,567</u>	<u>1,433</u>
State Bio-Terrorism			
Salaries and employee benefits		58,166	
Operations and maintenance		5,214	
Total	<u>71,523</u>	<u>63,380</u>	<u>8,143</u>
Total Health	<u>3,596,196</u>	<u>3,246,803</u>	<u>349,393</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, 2016**

**Exhibit B-1
Page 11 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		7,420,791	
Operations and maintenance		1,327,531	
Capital outlay		-	
Total	<u>9,199,067</u>	<u>8,748,322</u>	<u>450,745</u>
Assistance			
Food stamp issuance		19,861	
WFBG programs		365	
Medicaid transportation		885,208	
Daycare		2,177,575	
AA-AD-AB rest homes		580,771	
Aid to the blind		4,885	
Crisis intervention program		180,708	
In-Home services		10,374	
Foster care		1,024,648	
Adoption assistance		138,219	
Low income energy assistance		323,319	
Other programs		94,782	
Total	<u>6,816,483</u>	<u>5,440,715</u>	<u>1,375,768</u>
Total Social Services	<u>16,015,550</u>	<u>14,189,037</u>	<u>1,826,513</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		171,361	
Operations and maintenance		57,366	
Total	<u>263,105</u>	<u>228,727</u>	<u>34,378</u>
Transportation			
Salaries and employee benefits		26,019	
Operations and maintenance		70	
Total	<u>26,160</u>	<u>26,089</u>	<u>71</u>
Personal Care Block Grant			
Salaries and employee benefits		139,450	
Operations and maintenance		285,573	
Total	<u>464,471</u>	<u>425,023</u>	<u>39,448</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, 2016**

**Exhibit B-1
Page 12 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Home Repairs			
Salaries and employee benefits		67,807	
Operations and maintenance		79,411	
Total	<u>167,987</u>	<u>147,218</u>	<u>20,769</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		83,678	
Operations and maintenance		15,651	
Total	<u>99,378</u>	<u>99,329</u>	<u>49</u>
Adult Daycare			
Salaries and employee benefits		165,411	
Operations and maintenance		93,307	
Total	<u>259,395</u>	<u>258,718</u>	<u>677</u>
Information/Case Assistance			
Salaries and employee benefits		48,846	
Operations and maintenance		1,852	
Total	<u>53,817</u>	<u>50,698</u>	<u>3,119</u>
Nutrition Program			
Salaries and employee benefits		108,326	
Operations and maintenance		291,316	
Total	<u>400,116</u>	<u>399,642</u>	<u>474</u>
Family Caregiver Support			
Salaries and employee benefits		6,838	
Operations and maintenance		32,119	
Total	<u>39,380</u>	<u>38,957</u>	<u>423</u>
Total Aging and In-Home Services	<u>1,773,809</u>	<u>1,674,401</u>	<u>99,408</u>
Total Human Services	<u>22,066,650</u>	<u>19,768,649</u>	<u>2,298,001</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, 2016**

**Exhibit B-1
Page 13 of 14**

	Final Budget	Actual	Variance Positive (Negative)
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education		8,002,650	
Clinton City Board of Education		2,844,870	
Sampson Community College		1,384,164	
Capital Outlay			
Sampson County Board of Education		798,816	
Clinton City Board of Education		374,821	
Sampson Community College		329,243	
Total Education	<u>14,236,369</u>	<u>13,734,564</u>	<u>501,805</u>
Culture and Recreation			
Library			
Salaries and employee benefits		610,226	
Operations and maintenance		132,858	
Capital outlay		83,123	
Total	<u>844,205</u>	<u>826,207</u>	<u>17,998</u>
Special Appropriations			
Special projects	<u>62,666</u>	<u>62,127</u>	<u>539</u>
Recreation			
Salaries and employee benefits		415,529	
Operations and maintenance		67,164	
Programs		112,055	
Capital outlay		7,397	
Total Recreation	<u>627,021</u>	<u>602,145</u>	<u>24,876</u>
Agri-Exposition Center			
Salaries and employee benefits		123,497	
Operations and maintenance		397,406	
Special events		3,673	
Total	<u>578,402</u>	<u>524,576</u>	<u>53,826</u>
Total Culture and Recreation	<u>2,112,294</u>	<u>2,015,055</u>	<u>97,239</u>
Debt Service			
Principal		3,984,495	
Interest and fees		5,426,548	
Administration		80,746	
Total Debt Service	<u>12,460,799</u>	<u>9,491,789</u>	<u>2,969,010</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, 2016**

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

	Final Budget	Actual	Variance Positive (Negative)
Contingency	280,000	-	280,000
Total expenditures	78,032,007	70,186,774	7,845,233
Excess (deficiency) of revenues over expenditures	(8,897,537)	(622,815)	8,274,722
Other financing sources (uses)			
Transfers in	2,778,019	2,485,856	(292,163)
Transfers out	(229,501)	(229,501)	-
Loan proceeds	873,377	-	(873,377)
Total Other Financing Sources (Uses)	3,421,895	2,256,355	(1,165,540)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(5,475,642)	1,633,540	7,109,182
Appropriated Fund Balance	5,475,642	-	(5,475,642)
Net change in fund balance	\$ -	1,633,540	\$ 1,633,540
Fund balance - beginning		21,034,659	
Restatement		289,732	
Fund balance - ending		<u>\$ 22,957,931</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, 2016**

Exhibit B-2

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings:			
Library reserve	\$ -	\$ 5	\$ 5
Airport reserve	-	854	854
Livestock arena reserve	-	110	110
Schools building reserve	-	399	399
County building reserve	-	340	340
Water line repairs	-	81	81
Total revenues	<u>-</u>	<u>1,789</u>	<u>1,789</u>
Other Financing Sources (Uses)			
Transfers in (out)			
To Airport Capital Projects	(21,752)	(21,752)	-
To General fund	(103,750)	(5,750)	98,000
From General Fund for Airport Committed	-	-	-
From General Fund for County School Bldg Committed	-	-	-
From General Fund for City School Bldg Committed	-	-	-
From General Fund for SCC Bldg Committed	-	-	-
From General Fund for County Bldg Committed	-	-	-
Total other financing sources (uses)	<u>(125,502)</u>	<u>(27,502)</u>	<u>98,000</u>
Excess (deficiency) of revenues over expenditures	<u>(125,502)</u>	<u>(25,713)</u>	<u>99,789</u>
Appropriated Fund Balance	<u>125,502</u>	<u>-</u>	<u>(125,502)</u>
Net change in fund balance	<u>\$ -</u>	<u>(25,713)</u>	<u>\$ (25,713)</u>
Fund balance - beginning		<u>1,003,707</u>	
Fund balance - ending		<u>\$ 977,994</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, 2016**

Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad-valorem taxes	\$ -	\$ 122,000	\$ 122,000
Investment earnings	-	1,784	1,784
Total revenues	<u>122,000</u>	<u>123,784</u>	<u>123,784</u>
Expenditures			
Real property appraisals	<u>122,000</u>	-	<u>122,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>123,784</u>	<u>245,784</u>
Other Financing Sources			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	123,784	123,784
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>123,784</u>	<u>\$ 123,784</u>
Fund balance - beginning		<u>804,043</u>	
Fund balance - ending		<u>\$ 927,827</u>	

**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, 2016**

Exhibit B-4

	Final <u>Budget</u>	Actual	Variance with Final Positive (Negative)
Revenues			
Other taxes and licenses	\$ 2,362,989	\$ 2,408,793	\$ 45,804
Investment earnings	<u>-</u>	<u>3,881</u>	<u>3,881</u>
Total revenues	<u>2,362,989</u>	<u>2,412,674</u>	<u>49,685</u>
 Other Financing Sources (Uses)			
Transfers (out)			
To General Fund for:			
County schools capital outlay	(952,800)	(798,816)	153,984
City schools capital outlay	(513,000)	(374,821)	138,179
Debt service	<u>(1,419,489)</u>	<u>(1,306,469)</u>	<u>113,020</u>
Total other financing uses	<u>(2,885,289)</u>	<u>(2,480,106)</u>	<u>405,183</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(522,300)</u>	<u>(67,432)</u>	<u>454,868</u>
 Appropriated Fund Balance	<u>522,300</u>	<u>-</u>	<u>(522,300)</u>
 Net change in fund balance	<u>\$ -</u>	(67,432)	<u>\$ (67,432)</u>
 Fund balance - beginning		<u>2,750,908</u>	
Fund balance - ending		<u>\$ 2,683,476</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, 2016

Exhibit B-5

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal and Local Grants:					
USDA Rural Development	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	24,000	150,293	-	150,293	126,293
Donations	-	-	-	-	-
Sales tax refund	-	279,498	-	279,498	279,498
Total revenues	24,000	429,791	-	429,791	405,791
Expenditures					
School Construction:					
Clinton City Schools other	2,024,000	2,004,307	-	2,004,307	19,693
Sampson County Schools other	2,000,000	1,992,887	-	1,992,887	7,113
Community Facilities	2,536,536	1,205,827	188,882	1,394,709	1,141,827
Total expenditures	6,560,536	5,203,021	188,882	5,391,903	1,168,633
Excess (deficiency) of revenues over expenditures	(6,536,536)	(4,773,230)	(188,882)	(4,962,112)	1,574,424
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	4,000,000	4,000,000	-	4,000,000	-
Total other financing uses	6,536,536	6,876,937	-	6,876,937	340,401
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	-	2,103,707	(188,882)	1,914,825	1,914,825
Appropriated Fund Balance	-	-	-	-	-
Net change in fund balance	\$ -	\$ 2,103,707	(188,882)	\$ 1,914,825	\$ 1,914,825
Fund balance - beginning			2,103,707		
Fund balance - ending			\$ 1,914,825		



**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2016**

Exhibit B-6

	Project Authorization	Actual		Inception to Date	Variance with Final Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 4,471,386	\$ 3,477,888	\$ 325,892	\$ 3,803,780	\$ (667,606)
City of Clinton	248,411	152,904	-	152,904	(95,507)
Other revenue	-	-	1,811	1,811	1,811
Total revenues	<u>4,719,797</u>	<u>3,630,792</u>	<u>327,703</u>	<u>3,958,495</u>	<u>(761,302)</u>
Expenditures					
Economic Development					
Professional services	1,335,114	1,078,566	157,350	1,235,916	99,198
Capital outlay	58,520	58,520	-	58,520	-
Construction costs	3,173,507	2,601,673	301,390	2,903,063	270,444
Land	401,067	340,027	-	340,027	61,040
Total expenditures	<u>4,968,208</u>	<u>4,078,786</u>	<u>458,740</u>	<u>4,537,526</u>	<u>430,682</u>
Excess (deficiency) of revenues over expenditures	<u>(248,411)</u>	<u>(447,994)</u>	<u>(131,037)</u>	<u>(579,031)</u>	<u>(330,620)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	<u>248,411</u>	<u>175,156</u>	<u>21,752</u>	<u>196,908</u>	<u>(51,503)</u>
Total other financing sources	248,411	175,156	21,752	196,908	(51,503)
Net change in fund balance	<u>\$ -</u>	<u>\$ (272,838)</u>	(109,285)	<u>\$ (382,123)</u>	<u>\$ (382,123)</u>
Fund balance - beginning			<u>(272,838)</u>		
Fund balance - ending			<u>\$ (382,123)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
ASSETS				
Cash and cash equivalents	\$ 788,141	\$ -	\$ 1,401	\$ 764,477
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	104,546
Other receivables	18,244	186,992	-	30,399
TOTAL ASSETS	\$ 806,385	\$ 186,992	\$ 1,401	\$ 899,422
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 4,195	\$ 14,380	\$ -	\$ 2,716
Due to General Fund	-	38,320	-	-
Total Liabilities	4,195	52,700	-	2,716
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	104,546
Total Deferred Inflows of Resources	-	-	-	104,546
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	18,244	186,992	-	30,399
Public safety	-	-	-	761,761
Assigned				
General government	-	-	-	-
Public safety	783,946	-	-	-
Environmental protection	-	-	-	-
Human services	-	(52,700)	1,401	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned				
Total Fund Balances (Deficits)	802,190	134,292	1,401	792,160
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 806,385	\$ 186,992	\$ 1,401	\$ 899,422

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016**

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

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
ASSETS				
Cash and cash equivalents	\$ 65,822	\$ -	\$ -	\$ 8,763
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	126	5,055	21,086	-
TOTAL ASSETS	\$ 65,948	\$ 5,055	\$ 21,086	\$ 8,763
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 655	\$ 3,877	\$ -
Due to General Fund	-	4,436	17,209	-
Total Liabilities	-	5,091	21,086	-
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	126	5,055	21,086	-
Public safety	-	-	-	-
Assigned				
General government	-	-	-	-
Public safety	-	(5,091)	-	-
Environmental protection	65,822	-	-	-
Human services	-	-	(21,086)	8,763
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	65,948	(36)	-	8,763
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 65,948	\$ 5,055	\$ 21,086	\$ 8,763

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016**

**Exhibit C-1
 Page 3 of 4**

	<u>Special Revenue Funds</u>		
	Homeland Security Equipment	Employment and Training	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ 24,875	\$ 11,020	\$ 1,664,499
Restricted cash	-	-	-
Taxes receivable (net)	-	-	104,546
Other receivables	-	-	261,902
TOTAL ASSETS	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ 2,030,947</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 25,823
Due to General Fund	-	-	59,965
Total Liabilities	<u>-</u>	<u>-</u>	<u>85,788</u>
Deferred Inflows of Resources:			
Property taxes receivable	-	-	104,546
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>104,546</u>
Fund Balances (Deficits):			
Restricted			-
Stabilization by state statute	-	-	261,902
Public safety	-	-	761,761
Assigned			
General government	-	11,020	11,020
Public safety	24,875	-	803,730
Environmental protection	-	-	65,822
Human services	-	-	(63,622)
Culture and recreation	-	-	-
Capital expansion	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>24,875</u>	<u>11,020</u>	<u>1,840,613</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ 2,030,947</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016**

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

	Capital Project Funds			
	Courthouse Annex Renovation	County Bldgs Construction & Renovation	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,701,603
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	104,546
Other receivables	-	-	-	261,902
TOTAL ASSETS	\$ 29,104	\$ 8,000	\$ 37,104	\$ 2,068,051
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 25,823
Due to General Fund	-	-	-	59,965
Total Liabilities	-	-	-	85,788
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	104,546
Total Deferred Inflows of Resources	-	-	-	104,546
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	-	-	-	261,902
Public safety	-	-	-	761,761
Assigned				
General government	-	-	-	11,020
Public safety	-	-	-	803,730
Environmental protection	-	-	-	65,822
Human services	-	-	-	(63,622)
Culture and recreation	-	-	-	-
Capital expansion	29,104	8,000	37,104	37,104
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	29,104	8,000	37,104	1,877,717
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,104	\$ 8,000	\$ 37,104	\$ 2,068,051

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,657,673
Sales taxes	-	-	-	-
State, federal and local grants	-	464,853	-	-
Fees	218,929	114,484	-	-
Investment earnings	1,445	3	-	1,466
Miscellaneous	-	-	-	-
Total revenues	<u>220,374</u>	<u>579,340</u>	<u>-</u>	<u>2,659,139</u>
Expenditures				
General government	-	-	-	-
Public safety	187,734	-	-	2,700,697
Environmental protection	-	-	-	-
Human services	-	699,818	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>187,734</u>	<u>699,818</u>	<u>-</u>	<u>2,700,697</u>
Excess (deficiency) of revenues over expenditures	<u>32,640</u>	<u>(120,478)</u>	<u>-</u>	<u>(41,558)</u>
Other Financing Sources (Uses)				
Transfers in	-	229,501	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>229,501</u>	<u>-</u>	<u>-</u>
Net change in fund balances	32,640	109,023	-	(41,558)
Fund balances - beginning	<u>769,550</u>	<u>25,269</u>	<u>1,401</u>	<u>833,718</u>
Fund balances - ending	<u>\$ 802,190</u>	<u>\$ 134,292</u>	<u>\$ 1,401</u>	<u>\$ 792,160</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016**

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

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	5,550	8,270	172,952	-
Fees	-	-	-	-
Investment earnings	123	-	-	-
Miscellaneous	1,065	-	-	-
Total revenues	<u>6,738</u>	<u>8,270</u>	<u>172,952</u>	<u>-</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	4,736	-	-	-
Human services	-	5,160	172,952	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>4,736</u>	<u>5,160</u>	<u>172,952</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,002</u>	<u>3,110</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>	<u>-</u>
Net change in fund balances	2,002	3,110	-	-
Fund balances - beginning	63,946	(3,146)	-	8,763
Fund balances - ending	<u>\$ 65,948</u>	<u>\$ (36)</u>	<u>\$ -</u>	<u>\$ 8,763</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016**

**Exhibit C-2
 Page 3 of 4**

	Special Revenue Funds		Total Nonmajor Special Revenue Funds
	Homeland Security Equipment	Employment and Training	
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ 2,657,673
Sales taxes	-	-	-
State, federal and local grants	-	-	651,625
Fees	-	-	333,413
Investment earnings	-	-	3,037
Miscellaneous	-	-	1,065
Total revenues	-	-	3,646,813
Expenditures			
General government	-	-	-
Public safety	-	-	2,888,431
Environmental protection	-	-	4,736
Human services	-	-	877,930
Culture and recreation	-	-	-
Capital Expansion	-	-	-
Total Expenditures	-	-	3,771,097
Excess (deficiency) of revenues over expenditures	-	-	(124,284)
Other Financing Sources (Uses)			
Transfers in	-	-	229,501
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	-	-	229,501
Net change in fund balances	-	-	105,217
Fund balances - beginning	24,875	11,020	1,735,396
Fund balances - ending	\$ 24,875	\$ 11,020	\$ 1,840,613

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2016**

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

	Capital Project Funds			Total Nonmajor Governmental Funds
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds	
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,657,673
Sales taxes	-	-	-	-
State, federal and local grants	-	-	-	651,625
Fees	-	-	-	333,413
Investment earnings	-	-	-	3,037
Miscellaneous	-	-	-	1,065
Total revenues	-	-	-	3,646,813
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	2,888,431
Environmental protection	-	-	-	4,736
Human services	-	-	-	877,930
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	-	-	-	3,771,097
Excess (deficiency) of revenues over expenditures	-	-	-	(124,284)
Other Financing Sources (Uses)				
Transfers in	-	-	-	229,501
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	229,501
Net change in fund balances	-	-	-	105,217
Fund balances - beginning	29,104	8,000	37,104	1,772,500
Fund balances - ending	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,877,717

**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, 2016**

Exhibit C-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
NC 911 PSAP fees	\$ 200,441	\$ 218,929	\$ 18,488
Investment earnings	-	1,445	1,445
Total revenues	<u>200,441</u>	<u>220,374</u>	<u>19,933</u>
Expenditures			
Operations and maintenance	10,010	6,503	3,507
Telephone and postage	106,641	97,442	9,199
Contracted services	83,790	83,789	1
Capital outlay	-	-	-
Total expenditures	<u>200,441</u>	<u>187,734</u>	<u>12,707</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>32,640</u>	<u>32,640</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	-	32,640	32,640
Appropriated Fund Balance		-	-
Net change in fund balance	<u>\$ -</u>	<u>32,640</u>	<u>\$ 32,640</u>
Fund balance - beginning		<u>769,550</u>	
Fund balance - ending		<u>\$ 802,190</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, 2016**

Exhibit C-4

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grants:			
Transportation-capital improvements	\$ 154,086	\$ 128,676	\$ (25,410)
Transportation-riders	135,605	185,189	49,584
Development funds	133,880	129,542	(4,338)
Workfirst	17,293	21,446	4,153
Mileage fees	90,927	114,484	23,557
Miscellaneous	-	-	-
Investment earnings	-	3	3
Total revenues	<u>531,791</u>	<u>579,340</u>	<u>47,549</u>
Expenditures			
Salaries and employee benefits	436,466	420,510	15,956
Gas, oil, and tires	52,521	45,004	7,517
Maintenance and repairs	34,422	30,452	3,970
Operations	56,141	51,267	4,874
Insurance and bonds	6,464	6,357	107
Capital outlay	175,278	146,228	29,050
Total expenditures	<u>761,292</u>	<u>699,818</u>	<u>61,474</u>
Excess (deficiency) of revenues over expenditures	<u>(229,501)</u>	<u>(120,478)</u>	<u>109,023</u>
Other Financing Sources (Uses)			
Transfers:			
From General fund	<u>229,501</u>	<u>229,501</u>	<u>-</u>
Total other financing sources (uses)	229,501	229,501	-
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	-	109,023	109,023
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>109,023</u>	<u>\$ 109,023</u>
Fund balance - beginning		<u>25,269</u>	
Fund balance - ending		<u>\$ 134,292</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, 2016**

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, 2016**

Exhibit C-6

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Current year	\$ 2,465,522	\$ 2,586,277	\$ 120,755
Prior year	71,525	68,200	(3,325)
Interest	-	3,196	3,196
Investment earnings	-	1,466	1,466
Total revenues	<u>2,537,047</u>	<u>2,659,139</u>	<u>122,092</u>
Expenditures			
Fire protection	<u>2,709,278</u>	<u>2,700,697</u>	<u>8,581</u>
Total expenditures	<u>2,709,278</u>	<u>2,700,697</u>	<u>8,581</u>
Excess (deficiency) of revenues over expenditures	<u>(172,231)</u>	<u>(41,558)</u>	<u>130,673</u>
Appropriated Fund Balance	<u>172,231</u>	<u>-</u>	<u>(172,231)</u>
Net change in fund balance	<u>\$ -</u>	<u>(41,558)</u>	<u>\$ (41,558)</u>
Fund balance - beginning		<u>833,718</u>	
Fund balance - ending		<u>\$ 792,160</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, 2016**

**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, 2015</u>	<u>Fund Balance June 30, 2016</u>
Coharie	\$ 157,774	\$ 144,900	\$ 12,874	\$ 65,556	\$ 78,430
Franklin	151,138	143,808	7,330	51,388	58,718
Godwin-Falcon	25,990	25,817	173	8,470	8,643
Halls	139,028	151,000	(11,972)	29,905	17,933
Herring	142,107	150,635	(8,528)	43,025	34,497
Honeycutt-Salemburg	170,556	176,100	(5,544)	64,645	59,101
Newton Grove	77,670	75,225	2,445	21,015	23,460
Piney Grove	80,209	80,160	49	19,494	19,543
Plain View	249,952	298,200	(48,248)	124,987	76,739
Spivey's Corner	154,622	164,805	(10,183)	45,273	35,090
Turkey	143,504	137,414	6,090	43,271	49,361
Vanns Crossroads	75,626	74,000	1,626	17,701	19,327
Clinton	475,486	460,000	15,486	84,904	100,390
Clement	202,037	184,800	17,237	75,995	93,232
Autryville	109,891	117,886	(7,995)	19,753	11,758
Garland	128,281	152,291	(24,010)	49,817	25,807
Taylors Bridge	161,657	151,156	10,501	67,152	77,653
Goshen	13,611	12,500	1,111	1,367	2,478
	<u>\$ 2,659,139</u>	<u>\$ 2,700,697</u>	<u>\$ (41,558)</u>	<u>\$ 833,718</u>	<u>\$ 792,160</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, 2016**

Exhibit C-7

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grant	\$ 3,600	\$ 5,550	\$ 1,950
Miscellaneous	750	1,065	315
Investment earnings	-	123	123
Total revenues	<u>4,350</u>	<u>6,738</u>	<u>2,388</u>
Expenditures			
Travel	2,000	2,000	-
Operations and maintenance	<u>2,741</u>	<u>2,736</u>	<u>5</u>
Total expenditures	4,741	4,736	5
Excess (deficiency) of revenues over expenditures	<u>(391)</u>	<u>2,002</u>	<u>2,383</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	(391)	2,002	2,393
Appropriated Fund Balance	<u>391</u>	<u>-</u>	<u>(391)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,002</u>	<u>\$ 2,002</u>
Fund balance - beginning		<u>63,946</u>	
Fund balance - ending		<u>\$ 65,948</u>	

**SAMPSON COUNTY, NORTH CAROLINA
HAZARD MITIGATION PLAN UPDATE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2016**

Exhibit C-8

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 60,000	\$ 35,995	\$ 8,270	\$ 44,265	\$ (15,735)
Miscellaneous	-	-	-	-	-
Total revenue	<u>60,000</u>	<u>35,995</u>	<u>8,270</u>	<u>44,265</u>	<u>(15,735)</u>
Expenditures					
Supplies	8,000	22	-	22	7,978
Travel	1,500	-	-	-	1,500
Printing	6,500	174	105	279	6,221
Contract services	<u>44,000</u>	<u>38,945</u>	<u>5,055</u>	<u>44,000</u>	<u>-</u>
Total expenditures	<u>60,000</u>	<u>39,141</u>	<u>5,160</u>	<u>44,301</u>	<u>15,699</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (3,146)</u>	3,110	<u>\$ (36)</u>	<u>\$ (36)</u>
Fund balance - beginning			<u>(3,146)</u>		
Fund balance - ending			<u>\$ (36)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SINGLE FAMILY REHABILITATION SFR-14
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2016**

Exhibit C-9

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 397,960	\$ 13,114	\$ 172,952	\$ 186,066	\$ (211,894)
Total revenue	<u>397,960</u>	<u>13,114</u>	<u>172,952</u>	<u>186,066</u>	<u>(211,894)</u>
Expenditures					
Administration	82,960	13,114	38,329	51,443	31,517
Housing rehabilitation	315,000	-	134,623	134,623	180,377
Total expenditures	<u>397,960</u>	<u>13,114</u>	<u>172,952</u>	<u>186,066</u>	<u>211,894</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			-		
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, 2016**

Exhibit C-10

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 350,000	\$ 275,000	\$ -	\$ 275,000	\$ (75,000)
Interest earned	390	826	-	826	436
Total revenue	<u>350,390</u>	<u>275,826</u>	<u>-</u>	<u>275,826</u>	<u>(74,564)</u>
Expenditures					
Salaries and employee benefits	5,609	5,609	-	5,609	-
Building materials	58,470	49,624	-	49,624	8,846
Department supplies	71,970	7,587	-	7,587	64,383
Contracted services	214,341	204,243	-	204,243	10,098
Total expenditures	<u>350,390</u>	<u>267,063</u>	<u>-</u>	<u>267,063</u>	<u>83,327</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 8,763</u>	<u>-</u>	<u>\$ 8,763</u>	<u>\$ 8,763</u>
Fund balance - beginning			<u>8,763</u>		
Fund balance - ending			<u>\$ 8,763</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, 2016**

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
 EMPLOYMENT AND TRAINING FUND
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2016**

Exhibit C-12

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State and local grants	\$ -	\$ -	\$ -
Interest earned	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Salaries and employee benefits	-	-	-
Building materials	-	-	-
Department supplies	-	-	-
Contracted services	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning		<u>11,020</u>	
Fund balance - ending		<u>\$ 11,020</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, 2016**

Exhibit C-13

	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, 2016**

Exhibit C-14

	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, 2016**

Exhibit D-1

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,959,224	\$
Penalties		34,614	
Tap fees		44,250	
Miscellaneous		47,552	
Total Operating Revenues	<u>2,030,585</u>	<u>2,085,640</u>	<u>55,055</u>
Nonoperating Revenues:			
Interest earnings		2,346	
Total Nonoperating Revenues	<u>-</u>	<u>2,346</u>	<u>2,346</u>
Total Revenues	<u>2,030,585</u>	<u>2,087,986</u>	<u>57,401</u>
Expenditures:			
Salaries and employee benefits		354,221	
Bulk water purchases		66,315	
Travel		2,441	
Contracted services		189,370	
Operations and maintenance		260,143	
Capital outlay		16,806	
Bond issuance cost		-	
Debt service principal		408,090	
Debt service interest		525,108	
Total Expenditures	<u>2,060,285</u>	<u>1,822,494</u>	<u>237,791</u>
Revenues Over (Under) Expenditures	<u>(29,700)</u>	<u>265,492</u>	<u>295,192</u>
Other Financing Sources:			
Transfer from general fund	-	-	-
Bond proceeds	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(29,700)</u>	<u>265,492</u>	<u>295,192</u>
Appropriated Fund Balance	<u>29,700</u>	<u>-</u>	<u>(29,700)</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 265,492</u>	<u>\$ 265,492</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, 2016**

**Exhibit D-1
continued**

Reconciliation from budgetary basis (modified accrual) to full accrual	
Revenues and Other Financing Sources	
Over (Under) Expenditures	<u>\$ 265,492</u>
Reconciling Items:	
Debt principal	408,090
Loan proceeds	-
Other post-employment benefits	(6,218)
Net Pension asset	(17,969)
Deferred outflows of resources for pensions	2,264
Net Pension liability	(15,662)
Deferred inflows of resources for pensions	35,159
Compensated absences	(10,694)
Accrued interest	(13,631)
Bad debt expense	-
Depreciation	(711,578)
Capital outlay	16,806
Capital contributions in capital projects	1,558,770
Amortization of Bond Premiums	<u>28,092</u>
Total reconciling items	<u>1,273,429</u>
Change in net position	<u>\$ 1,538,921</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, 2016**

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	\$ 835,000	\$ -	\$ 835,000	\$ 150
Sales Tax Refund	52,300	116,460	-	116,460	64,160
Total Revenues	<u>887,150</u>	<u>951,460</u>	<u>-</u>	<u>951,460</u>	<u>64,310</u>
Expenditures:					
Engineering	349,927	349,927	-	349,927	-
Other professional services	14,984	14,984	-	14,984	-
Land	77,435	77,435	-	77,435	-
Construction	2,169,466	2,169,466	-	2,169,466	-
Capitalized interest	58,970	58,970	-	58,970	-
Legal	8,368	8,368	-	8,368	-
Total Expenditures	<u>2,679,150</u>	<u>2,679,150</u>	<u>-</u>	<u>2,679,150</u>	<u>-</u>
Revenues Over (Under) Expenditures	(1,792,000)	(1,727,690)	-	(1,727,690)	64,310
Other Financing Sources:					
Bonds issued	-	-	-	-	-
Installment purchase debt proceeds	1,792,000	1,792,000	-	1,792,000	-
	<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>\$ 64,310</u>	<u>\$ -</u>	<u>\$ 64,310</u>	<u>\$ 64,310</u>

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND-403 INFRASTRUCTURE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2016**

Exhibit D-3

	Project Authorization	Actual		Inception to Date	Variance
		Prior Years	Current Year		Positive (Negative)
Revenues:					
State Federal and Local Grants:					
NC Department of Commerce	\$ 781,500	\$ -	\$ 566,925	\$ 566,925	\$ (214,575)
DOC Economic Development Div.	566,925	-	631,845	631,845	64,920
Golden Leaf Funding	450,000	-	360,000	360,000	(90,000)
Total Revenues	<u>1,798,425</u>	<u>-</u>	<u>1,558,770</u>	<u>1,558,770</u>	<u>(239,655)</u>
Expenditures:					
Engineering	111,140	72,912	27,678	100,590	10,550
Other professional services	10,000	5,414	5,372	10,786	(786)
Land	7,860	-	-	-	7,860
Construction	1,694,431	731	1,592,020	1,592,751	101,680
Contingency	7,769	-	-	-	7,769
Legal	6,300	1,294	95	1,389	4,911
Total Expenditures	<u>1,837,500</u>	<u>80,351</u>	<u>1,625,165</u>	<u>1,705,516</u>	<u>131,984</u>
Revenues Over (Under) Expenditures	(39,075)	(80,351)	(66,395)	(146,746)	(107,671)
Other Financing Sources:					
County contribution	39,075	-	-	-	(39,075)
	<u>39,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,075)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (80,351)</u>	<u>\$ (66,395)</u>	<u>\$ (146,746)</u>	<u>\$ (146,746)</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, 2016**

Exhibit D-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 568,807	\$
Penalties		10,050	
Tap fees		6,650	
Miscellaneous		13,805	
Total Operating Revenues	<u>531,994</u>	<u>599,312</u>	<u>67,318</u>
Nonoperating Revenues:			
Interest earnings		3,518	
Total Nonoperating Revenues	<u>-</u>	<u>3,518</u>	<u>3,518</u>
Total Revenues	<u>531,994</u>	<u>602,830</u>	<u>70,836</u>
Expenditures:			
Salaries and employee benefits		102,838	
Bulk water purchases		193,743	
Travel		708	
Contracted services		54,979	
Operations and maintenance		70,343	
Capital outlay		16,807	
Debt service principal		46,950	
Debt service interest		40,716	
Total Expenditures	<u>531,994</u>	<u>527,084</u>	<u>4,910</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>75,746</u>	<u>75,746</u>
Other Financing Sources:			
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>75,746</u>	<u>75,746</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 75,746</u>	<u>\$ 75,746</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 75,746</u>	
Reconciling Items:			
Debt principal		46,950	
Net Pension asset		(8,851)	
Deferred outflows of resources for pensions		(1,891)	
Net Pension liability		(4,547)	
Deferred inflows of resources for pensions		19,094	
Other post-employment benefits		(3,399)	
Depreciation		(111,115)	
Compensated absences		(6,365)	
Capital outlay		16,807	
Accrued interest		401	
Total reconciling items		<u>(52,916)</u>	
Change in net position		<u>\$ 22,830</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, 2016**

Exhibit D-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 6,459,814	\$
Miscellaneous		528,028	
Total Operating Revenues	<u>7,002,100</u>	<u>6,987,842</u>	<u>(14,258)</u>
Nonoperating Revenues:			
Interest earnings		6,592	
Total Nonoperating Revenues	<u>-</u>	<u>6,592</u>	<u>6,592</u>
Total Revenues	<u>7,002,100</u>	<u>6,994,434</u>	<u>(7,666)</u>
 Expenditures:			
Insurance claims paid		6,863,994	
Total Expenditures	<u>7,002,100</u>	<u>6,863,994</u>	<u>138,106</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>130,440</u>	<u>130,440</u>
 Appropriated Fund Balance	<u>475,886</u>	<u>-</u>	<u>(475,886)</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ 475,886</u>	<u>\$ 130,440</u>	<u>\$ (345,446)</u>
 Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ 130,440</u>	
 Reconciling Items:			
Change in net position		<u>\$ 130,440</u>	

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2016

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	\$ 107,437	\$ -	\$ 65,079	\$ -	\$ 126
Accounts receivable	-	-	-	6,683	38,758
TOTAL ASSETS	<u>\$ 107,437</u>	<u>\$ -</u>	<u>\$ 65,079</u>	<u>\$ 6,683</u>	<u>\$ 38,884</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous liabilities	107,437	-	65,079	6,683	38,884
TOTAL LIABILITIES	<u>\$ 107,437</u>	<u>\$ -</u>	<u>\$ 65,079</u>	<u>\$ 6,683</u>	<u>\$ 38,884</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2016

Exhibit E-1
Page 2 of 2

	<u>Fines and Forfeitures</u>	<u>Detention Center Trust</u>	<u>Total June 30, 2016</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 43,867	\$ 216,509
Accounts receivable	<u>23,016</u>	<u>-</u>	<u>68,457</u>
TOTAL ASSETS	<u>\$ 23,016</u>	<u>\$ 43,867</u>	<u>\$ 284,966</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 23,016	\$ -	\$ 23,016
Miscellaneous liabilities	<u>-</u>	<u>43,867</u>	<u>261,950</u>
TOTAL LIABILITIES	<u>\$ 23,016</u>	<u>\$ 43,867</u>	<u>\$ 284,966</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2016

Exhibit E-2
Page 1 of 2

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Social Services Funds				
Assets:				
Cash and cash equivalents	\$ 57,148	\$ 701,958	\$ 651,669	\$ 107,437
	<u>57,148</u>	<u>701,958</u>	<u>651,669</u>	<u>107,437</u>
Liabilities:				
Accounts payable	-	325,529	325,529	-
Miscellaneous liabilities	57,148	376,429	326,140	107,437
	<u>\$ 57,148</u>	<u>\$ 701,958</u>	<u>\$ 651,669</u>	<u>\$ 107,437</u>
4-H Funds				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:				
Accounts payable	-	-	-	-
Miscellaneous liabilities	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous Agency Funds				
Assets:				
Cash and cash equivalents	\$ 95,466	\$ 5,580	\$ 35,967	\$ 65,079
	<u>95,466</u>	<u>5,580</u>	<u>35,967</u>	<u>65,079</u>
Liabilities:				
Accounts payable	-	-	-	-
Miscellaneous liabilities	95,466	5,580	35,967	65,079
	<u>\$ 95,466</u>	<u>\$ 5,580</u>	<u>\$ 35,967</u>	<u>\$ 65,079</u>
Tax Collection Funds				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,972,951	\$ 2,972,951	\$ -
Accounts receivable	53,343	6,683	53,343	6,683
	<u>53,343</u>	<u>2,979,634</u>	<u>3,026,294</u>	<u>6,683</u>
Liabilities:				
Accounts payable	-	-	-	-
Miscellaneous liabilities	53,343	2,979,634	3,026,294	6,683
	<u>\$ 53,343</u>	<u>\$ 2,979,634</u>	<u>\$ 3,026,294</u>	<u>\$ 6,683</u>
Motor Vehicle Tax Funds				
Assets:				
Cash and cash equivalents	\$ -	\$ 392,746	\$ 392,620	\$ 126
Accounts receivable	40,088	38,758	40,088	38,758
	<u>40,088</u>	<u>431,504</u>	<u>432,708</u>	<u>38,884</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Miscellaneous liabilities	40,088	431,504	432,708	38,884
	<u>\$ 40,088</u>	<u>\$ 431,504</u>	<u>\$ 432,708</u>	<u>\$ 38,884</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2016

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	\$ -	\$ 320,465	\$ 320,465	\$ -
Accounts receivable	-	23,016	-	23,016
	<u>-</u>	<u>343,481</u>	<u>320,465</u>	<u>23,016</u>
Liabilities:				
Accounts payable	-	343,481	320,465	23,016
	<u>\$ -</u>	<u>\$ 343,481</u>	<u>\$ 320,465</u>	<u>\$ 23,016</u>
<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 35,125	\$ 266,638	\$ 257,896	\$ 43,867
	<u>35,125</u>	<u>266,638</u>	<u>257,896</u>	<u>43,867</u>
Liabilities:				
Miscellaneous liabilities	35,125	266,638	257,896	43,867
	<u>\$ 35,125</u>	<u>\$ 266,638</u>	<u>\$ 257,896</u>	<u>\$ 43,867</u>
	Balance July 1	Additions	Deductions	Balance June 30
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 187,739	\$ 4,660,338	\$ 4,631,568	\$ 216,509
Accounts receivable	93,431	68,457	93,431	68,457
	<u>281,170</u>	<u>4,728,795</u>	<u>4,724,999</u>	<u>284,966</u>
Liabilities:				
Accounts payable	-	669,010	645,994	23,016
Miscellaneous liabilities	281,170	4,059,785	4,079,005	261,950
	<u>\$ 281,170</u>	<u>\$ 4,728,795</u>	<u>\$ 4,724,999</u>	<u>\$ 284,966</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2016**

Exhibit F-1

	Uncollected Balance July 1, 2015	Additions	Collections and Credits	Uncollected Balance June 30, 2016
County-wide:				
General County				
Fiscal Year 2005-2006	\$ 61,192	\$ -	\$ 59,591	\$ 1,601
Fiscal Year 2006-2007	73,668	-	2,586	71,082
Fiscal Year 2007-2008	80,824	-	3,595	77,229
Fiscal Year 2008-2009	81,894	-	6,347	75,547
Fiscal Year 2009-2010	78,914	-	10,869	68,045
Fiscal Year 2010-2011	94,247	-	18,378	75,869
Fiscal Year 2011-2012	116,421	-	18,662	97,759
Fiscal Year 2012-2013	241,492	-	95,105	146,387
Fiscal Year 2013-2014	379,928	-	199,948	179,980
Fiscal Year 2014-2015	952,302	-	678,773	273,529
Fiscal Year 2015-2016	-	35,808,433	34,888,288	920,145
Total General County	<u>2,160,882</u>	<u>35,808,433</u>	<u>35,982,142</u>	<u>1,987,173</u>
Fire Districts:				
Plain View	11,540	252,576	253,618	10,498
Spivey's Corner	4,610	156,112	156,361	4,361
Halls	6,144	139,900	140,782	5,262
Franklin	10,168	151,852	153,309	8,711
Turkey	7,097	144,998	145,451	6,644
Vanns	2,397	83,456	76,835	9,018
Godwin-Falcon	594	26,082	26,341	335
Coharie	11,232	158,794	160,677	9,349
Herring	6,694	142,242	144,027	4,909
Honeycutt-Salemburg	10,220	173,122	173,476	9,866
Piney Grove	2,690	80,883	81,282	2,291
Newton Grove	3,760	78,516	78,970	3,306
Clinton	20,632	479,540	483,527	16,645
Clement	8,237	204,013	204,710	7,540
Autryville	4,817	110,612	111,645	3,784
Garland	8,240	128,954	130,471	6,723
Taylor's Bridge	4,455	153,596	154,511	3,540
Goshen	779	14,051	13,728	1,102
Taylor's Bridge Service	472	9,277	9,287	462
	<u>124,778</u>	<u>2,688,576</u>	<u>2,699,008</u>	<u>114,346</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	-	-	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 2,107,860</u>	<u>\$ 38,497,009</u>	<u>\$ 38,681,150</u>	<u>\$ 1,923,719</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 35,547,525		
Taxes Ad Valorem Revaluation Fund		122,000		
Penalties and interest		343,304		
Taxes Ad Valorem Fire Districts		2,654,477		
Discounts, adjustments and releases		(48,058)		
Amounts written off per statute of limitations		58,994		
Total Collections and Credits		<u>\$ 38,678,242</u>		

ADDITIONAL FINANCIAL DATA



**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2016**

**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	\$ 4,085,123,012	.830	\$ 33,906,521	\$ 29,639,033	\$ 4,267,488
Discoveries:	234,816,386	.830	1,948,976	1,948,976	-
Abatements:					
Real, personal, & business property	(5,670,361)	.830	(47,064)	(47,064)	-
Motor vehicles at current year rate	-	.830	-	-	-
Total Property Valuation	<u>4,314,269,037</u>		<u>(47,064)</u>	<u>(47,064)</u>	<u>-</u>
Net Levy			35,808,433	31,540,945	4,267,488
Uncollected taxes at June 30, 2016			<u>920,145</u>	<u>920,145</u>	<u>-</u>
Current year taxes collected			<u>34,888,288</u>	<u>30,620,800</u>	<u>4,267,488</u>
Current levy collection percentage			<u>97.43%</u>	<u>97.08%</u>	<u>100.00%</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2016**

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)		100 %
Real property	\$	3,288,869,258
Personal property		888,470,045
Public service companies (2)		<u>136,929,734</u>
Total assessed valuation	\$	4,314,269,037
Tax rate per \$100		<u>0.830</u>
Levy (includes discoveries, releases and abatements) (3)	\$	<u>35,808,433</u>

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>2,685,839</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, 2016

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Duke Energy Progress Inc	Utility	\$ 113,149,402	2.62 %
South River Electric Membership Corp.	Utility	81,042,380	1.88
Prestage Farms, Inc.	Swine/Poultry Grower	60,235,673	1.40
Smithfield Foods, Inc.	Meat Packing	38,556,213	0.89
Four County EMC	Utility	30,540,708	0.71
Smithfield Farmland Corp.	Swine Grower	26,384,548	0.61
USCOC of Greater NC LLC	Cellular Provider	23,610,660	0.55
Piedmont Natural Gas Company	Utility	20,026,918	0.46
Carolina Telephone	Utility	19,875,804	0.46
Butterball, Inc.	Poultry Grower	18,444,424	0.43
		<u>\$ 431,866,730</u>	<u>10.01 %</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2016**

**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	\$ 3,800,113,855	.830	\$ 29,639,033	\$ 1,948,976	\$ 47,064
Registered Motor Vehicles	514,155,181	.830	4,267,488	-	-
	<u>4,314,269,036</u>		<u>33,906,521</u>	<u>1,948,976</u>	<u>47,064</u>
Fire Districts:					
Plain View	280,302,222	.090	244,226	8,356	310
Spivey's Corner	156,115,000	.100	146,866	9,249	-
Halls	199,480,000	.070	132,486	7,417	267
Franklin	189,788,750	.080	146,673	5,186	28
Turkey	207,005,714	.070	138,510	6,489	95
Vanns	83,154,000	.100	75,102	8,355	303
Godwin-Falcon	26,083,000	.100	24,527	1,556	-
Coharie	185,943,529	.085	145,449	13,348	745
Herring	166,921,176	.085	135,119	7,126	362
Honeycutt-Salemburg	173,101,000	.100	165,672	7,455	26
Piney Grove	107,830,667	.075	76,893	3,991	11
Newton Grove	120,538,462	.065	74,054	4,463	167
Clinton	478,990,000	.100	464,250	15,297	557
Clement	226,610,000	.090	196,668	7,348	67
Autryville	116,357,895	.095	105,949	4,665	74
Garland	128,933,000	.100	122,551	6,405	23
Taylor's Bridge	219,780,000	.070	144,117	9,815	86
Goshen	20,074,286	.070	14,021	31	-
Taylor's Bridge Service	26,500,000	.035	8,741	536	2
			<u>2,561,874</u>	<u>127,088</u>	<u>3,123</u>
Grand Total			<u>\$ 36,468,395</u>	<u>\$ 2,076,064</u>	<u>\$ 50,187</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2016**

**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	\$ 31,540,945	\$ 920,145	\$ 30,620,800	97.08	%
Registered Motor Vehicles	4,267,488	-	4,267,488	100.00	
	<u>35,808,433</u>	<u>920,145</u>	<u>34,888,288</u>	<u>97.43</u>	
Fire Districts:					
Plain View	252,272	3,372	248,900	98.66	
Spivey's Corner	156,115	2,404	153,711	98.46	
Halls	139,636	3,265	136,371	97.66	
Franklin	151,831	5,345	146,486	96.48	
Turkey	144,904	4,566	140,338	96.85	
Vanns	83,154	8,353	74,801	89.95	
Godwin-Falcon	26,083	271	25,812	98.96	
Coharie	158,052	5,834	152,218	96.31	
Herring	141,883	3,470	138,413	97.55	
Honeycutt-Salemburg	173,101	6,496	166,605	96.25	
Piney Grove	80,873	1,536	79,337	98.10	
Newton Grove	78,350	2,338	76,012	97.02	
Clinton	478,990	10,308	468,682	97.85	
Clement	203,949	5,270	198,679	97.42	
Autryville	110,540	2,759	107,781	97.50	
Garland	128,933	3,947	124,986	96.94	
Taylor's Bridge	153,846	2,196	151,650	98.57	
Goshen	14,052	606	13,446	95.69	
Taylor's Bridge Service	9,275	308	8,967	96.68	
	<u>2,685,839</u>	<u>72,644</u>	<u>2,613,195</u>	<u>97.30</u>	
Grand Total	<u>\$ 38,494,272</u>	<u>\$ 992,789</u>	<u>\$ 37,501,483</u>	<u>97.42</u>	%

COMPLIANCE SECTION





Thompson, Price, Scott, Adams & Co., P.A.
Post Office Box 1690
Elizabethtown, North Carolina 28337
Telephone (910) 862-8129
Fax (910) 862-8120

**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, 2016, and the related notes to the financial statements, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated November 28, 2016. 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 the 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 the 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 a certain deficiency in internal control, described in the accompanying schedule of findings and question cost that we consider to be a significant deficiency, 2016-001.

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*.

Sampson County's Response to Findings

Sampson County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned cost. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

Elizabethtown, North Carolina

November 28, 2016



Thompson, Price, Scott, Adams & Co., P.A.
Post Office Box 1690
Elizabethtown, North Carolina 28337
Telephone (910) 862-8129
Fax (910) 862-8120

Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; OMB With Uniform Guidance 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 *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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., PA
Elizabethtown, North Carolina
November 28, 2016



Thompson, Price, Scott, Adams & Co., P.A.
Post Office Box 1690
Elizabethtown, North Carolina 28337
Telephone (910) 862-8129
Fax (910) 862-8120

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; OMB With Uniform Guidance; 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, 2016. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Thompson, Price, Scott, Adams & Co., PA
Elizabethtown, North Carolina
November 28, 2016

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditors' Results

State Awards

Internal control over major State programs:

Material Weakness(es) identified? _____ Yes X No
Significant Deficiency(s) identified? _____ 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

N.C. Education Lottery
N.C. Department of Commerce–Rural Economic Dev–Project Trio
Medical Assistance Program (Title XIX Medicaid)
(The Medical Assistance Program is a State match on a federal program and also met the criteria for a major State program, but this program has 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, 2016**

Section II – Financial Statement Findings

Finding: 2016-001 Restatement of previously issued financial statements to reflect the correction of a material misstatement.

Criteria: Beginning net position was decreased by \$3,150,000 for the governmental type activities.

Condition: The decrease was due to the adjustment to beginning debt balance related debt retired during the 2014-2015 debt refunding transaction.

Effect: Liabilities were understated.

Cause: The County computed the remaining balance incorrectly on the remaining amount of bonds not defeased.

Recommendation: Create procedures to review future bond refunding calculations.

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

Section III – Federal Awards Findings and Questioned Costs

None Reported.

Section IV – State Awards Findings and Questioned Costs

None Reported.

Section II – Financial Statement Findings

Finding 2016 – 001 Name of contact person: Billy C. Lockamy, Chairperson

Corrective Action: County personnel and those assisting will review calculations.

Proposed Completion Date: Certain controls have been established. 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, 2016**

Finding 2010-2, 2011-1, 2012-1, 2013-1, 2014-1

Status: Corrected

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, 2016**

**Exhibit G
Page 1 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	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						
Food Stamp Fraud Administration	10.561		70,165	-	-	70,165
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		878,531	-	-	878,531
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		383,927	-	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,621,969	-	-	-
Child and Adult Care Food Program	10.558		56,012	-	-	-
Total US Department of Agriculture			3,010,604	-	-	948,696
US Department of Housing & Urban Development						
Passed through the NC Housing Finance Agency						
Home Investment Partnership Program	14.239	SFR14	172,952	-	-	-
Passed through the NC Department of Commerce						
Community Development Block Grant	14.228	13-E-2640	566,925	-	-	-
Total US Department of Housing & Urban Dev.			739,877	-	-	-
US Department of Justice						
<u>Bureau of Justice Assistance</u>						
Passed through the NC Dept. of Public Safety						
Byrne Justice Assistance	16.738	011372	43,400	-	-	14,467
<u>Office for Victims of Crime</u>						
Passed through the NC Dept. of Public Safety						
Victims of Crime Act	16.575	010814	26,255	-	-	12,176
Total US Department of Justice			69,655	-	-	26,643

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 2 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards continued:						
US Department of Transportation						
<u>Federal Aviation Administration</u>						
Passed through the NC Dept. of Transportation						
State Aid to Airports:						
Airport Construction	20.106	36237.12.10.2	\$ 39,943	\$ -	\$ -	\$ 4,438
Airport Construction	20.106	36237.12.13.1	4,768	-	-	530
Airport Construction	20.106	36237.12.12.1	368,155	-	-	40,906
Total State Aid to Airports			<u>412,866</u>	<u>-</u>	<u>-</u>	<u>45,874</u>
<u>Federal Transit Administration</u>						
Passed through the NC Dept. of Transportation						
Public Transportation Division						
Community Transportation:						
Administration Funds (15-CT-015)	20.509	36233.94.16.1	12,542	784	-	2,352
Administration Funds (14-CT-015)	20.509	36233.94.17.1	105,947	6,621	-	19,865
Capital Program (15-CT-015)	20.509	36233.94.16.3	114,378	14,297	-	14,297
Total Community Transportation:			<u>232,867</u>	<u>21,702</u>	<u>-</u>	<u>36,514</u>
Total US Department of Transportation			<u>645,733</u>	<u>21,702</u>	<u>-</u>	<u>82,388</u>
US Department of Homeland Security						
Passed through NC Dept. of Public Safety						
FY 2015 EMPG	97.042		34,655	-	-	-
Total US Department of Homeland Security			<u>34,655</u>	<u>-</u>	<u>-</u>	<u>-</u>
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						
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		227,554	-	-	25,284
Special Programs for the Aging - Title III B						
Access Services	93.044		59,233	-	-	6,582
In-Home & Support Services	93.044		281,878	-	-	31,320
Total Aging Cluster			<u>568,665</u>	<u>-</u>	<u>-</u>	<u>63,186</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 3 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	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		\$ 75,759	\$ 32,936	\$ -	\$ 49,349
Title IV-E Foster Care Trn	93.658		533	-	-	177
Title IV-E Foster Care/Off Trn	93.658		274,463	-	-	274,463
Title IV-E Adoption	N/A		1,227	-	-	43
Title IV-E Adoption/Off Trn	93.659		14,135	-	-	14,135
Title IV-E Optional Adopt Trn 5	93.659		1,155	-	-	1,155
Title IV-E Admin Co Paid to CCI	93.659		76,017	38,008	-	38,008
Title IV-E Adoption Subsidy & Vendor	93.659		225,272	57,535	-	64,982
Title IV-E Admin Foster Care	93.658		5,287	-	-	5,287
Title IV-E Family Foster Care Max	93.658		418	-	-	213
Foster Care-Direct Benefit Payments	93.658		192,571	49,252	-	49,253
IV-E Foster Care In Excess	93.658		152,962	39,150	-	39,150
Foster Care	N/A		36,308	-	-	19,834
Total Foster Care and Adoption Cluster			<u>1,056,107</u>	<u>216,881</u>	<u>-</u>	<u>556,049</u>
Temporary Assistance for Needy Families Cluster						
Temporary Assistance for Needy Families (TANF)-						
TANF-Family Preservation	93.556		17,111	-	-	-
TANF-Direct Benefit Pymts & Penalties	93.558		262,717	-	-	-
Work First Service	93.558		432,906	-	-	534,311
Work First Administration	93.558		75,236	-	-	98,934
TANF	93.558		7,667	-	-	-
Special Children Adoption	93.558		115,200	3,600	-	-
Total TANF Cluster			<u>910,837</u>	<u>3,600</u>	<u>-</u>	<u>633,245</u>
IV-D Administration	93.563		803,928	-	-	414,145
IV-D Offset Fees-Federal	93.563		122	-	-	63
IV-D Offset Fees-ESC	93.563		76	-	-	39
Refugee Assit Admin	93.566		73	-	-	-
Refugee Assistance Payments	93.566		541	-	-	-
Low Income Home Energy Assistance Block Grant						
Administration	93.568		55,526	-	-	-
Direct Benefit Payments	93.568		323,725	-	-	-
Crisis Intervention Program	93.568		171,301	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 4 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards continued:						
US Dept. of Health & Human Services continued						
Child Welfare Services-						
Stephanie Tubbs Jones Child Welfare Services Program	93.645		\$ 16,970	\$ -	\$ -	\$ 5,657
SSBG-Other Service & Training	93.667		247,349	26,329	-	91,226
SSBG-In Home Services Over 60	93.667		1,575	1,435	-	430
SSBG-Adult Day Care Over 60	93.667		4,555	1,360	-	845
Independent Living Grant (LINKS)	93.674		3,823	956	-	-
 <u>Health Resources & Service Administration</u>						
Passed through the NC Dept of Health & Human Svcs.						
Division of Child Development and Early Education						
Subsidized Child Care (Note 2)						
Child Care Development Fund Cluster						
Division of Social Services						
Child Care Development Mandatory & Match Fund-Administration	93.596		92,017	-	-	-
Division of Child Development						
Child Care & Development Block Grant	93.575		1,090,095	-	-	-
Child Care & Development Mandatory	93.596		353,950	-	-	-
Child Care & Development Match	93.596		131,601	-	-	-
Total Child Care Fund Cluster			<u>1,667,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		311,382	-	-	-
Foster Care Title IVE	93.658		20,909	10,715	-	-
State Appropriations			-	147,124	-	-
TANF-Maintenance of Effort			-	108,360	-	-
Total Subsidized Child Care (Note 2)			<u>1,999,954</u>	<u>266,199</u>	<u>-</u>	<u>-</u>
 Passed through the NC Dept of Health & Human Svcs.						
Division of Medical Assistance:						
Direct Benefit Payments:						
Medical Assistance Program	93.778		65,205,261	35,574,624	-	-
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		1,989,902	-	-	668,515
MAC	93.778		71,435	-	-	71,435
Adult Care Home Case Management	93.778		19,823	8,310	-	11,513
DMA Equipment			92,077	-	-	30,692
State/County Special Assistance	93.778		40,902	-	-	13,634
Total Medical Assistance Program			<u>67,419,400</u>	<u>35,582,934</u>	<u>-</u>	<u>795,789</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 5 of 8**

<u>Grantor/Pass-through Agency Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Federal Awards continued:						
US Dept. of Health & Human Services continued						
Direct Benefit Payments:						
State Children's Insurance Program-NC Health Choice	93.767		\$ 1,765,776	\$ 63,041	\$ -	\$ -
Division of Social Services:						
Administration:						
State Children's Insurance Program-NC Health Choice	93.767		68,577	2,661	-	357
Total State Children's Insurance Program- NC Health Choice			<u>1,834,353</u>	<u>65,702</u>	<u>-</u>	<u>357</u>
Passed through the NC Dept of Health & Human Svcs.						
Division of Public Health						
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		37,176	-	-	-
Well-Integrated Screening & Evaluation for Women Across the Nation	93.094		7,381	-	-	-
HPP & PHEP Aligned Cooperative Agreements	93.074		15,000	-	-	-
Public Health Emergency Preparedness Comprehensive Breast & Cervical Cancer Early Detection Programs	93.069		47,806	-	-	-
Preventive Health & Health Svcs Block Grant	93.919		9,690	-	-	-
funded solely with PPHF	93.758		30,991	-	-	-
TANF	93.558		10,922	-	-	-
Statewide Health Promotion	93.991		6,789	-	-	-
Immunization Grants	93.268		14,564	-	-	-
<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		143,981	47,991	-	-
HIV Prevention Activities	93.940		2,000	-	-	-
Sexually Transmitted Diseases Control	93.977		510	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 6 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards continued:						
US Dept. of Health & Human Services continued						
<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			<u>46,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total US Dept. of Health & Human Services			<u>75,791,958</u>	<u>36,213,387</u>	<u>-</u>	<u>2,561,031</u>
			<u>80,292,482</u>	<u>36,235,089</u>	<u>-</u>	<u>3,618,758</u>
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			-	580,771	-	580,771
Energy Assistance Private Grants			-	3,464	-	-
AFDC Incentive Program Integrity			-	3,248	-	-
State Foster Home			-	74,077	-	74,077
SFHF Maximization			-	79,959	-	79,959
St Child Welfare/CPS/CS LD			-	28,559	-	-
CWS Adoption Subsidy			-	122,571	-	22,473
Total Division of Social Services			<u>-</u>	<u>892,649</u>	<u>-</u>	<u>757,280</u>
<u>Division of Public Health</u>						
General Aid to Counties			-	130,230	-	-
Maternal Health (HMHC)			-	19,341	-	-
HIV/STD SSBG Aid			-	500	-	-
Child Health			-	496	-	-
Gen. Communicable Disease Control			-	3,659	-	-
Food and Lodging			-	6,421	-	-
HMHC-Family Planning			-	11,353	-	-
School Nurse Funding Initiative			-	400,000	400,000	-
Women's Health Service Fund			-	11,694	-	-
Breast & Cervical Cancer Program			-	4,845	-	-
Sexually Transmitted Diseases			-	1,590	-	-
Tuberculosis			-	60,163	-	-
Tuberculosis Medical Services			-	2,271	-	-
Total Division of Public Health			<u>-</u>	<u>652,563</u>	<u>400,000</u>	<u>-</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 7 of 8**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
State Awards continued:						
<u>Division of Aging & Adult Services</u>						
Garland Senior Center			\$ -	\$ 15,196	\$ -	\$ -
Family Caregiver Support Program			-	28,600	-	-
Total Division of Aging & Adult Services			-	43,796	-	-
NC Department of Transportation						
ROAP-Elderly and Disabled Trans.		36220.10.6.1	-	64,856	-	-
ROAP- Employment		36236.11.3.1	-	17,157	-	-
ROAP-Rural General Programs		36228.22.6.1	-	83,294	-	-
Total NC Department of Transportation			-	165,307	-	-
Golden Leaf Foundation						
Project Trio (Water Tank)		FY2013-217	-	295,075	-	-
N.C. Department of Commerce						
Rural Economic Development Division						
Project Trio (Water Tank)		2013-223-40401-107	-	631,845	-	23,649
State Building Re-Use (Brooks Brothers)			-	-	-	5,500
Total N.C. Department of Commerce			-	631,845	-	29,149
N.C. Department of Public Safety						
Juvenile Crime Prevention Programs:						
Administration			-	4,867	-	-
Teen Court & Restitution			-	75,224	-	-
Juvenile Innovations Program			-	10,500	-	-
Total NC Department of Public Safety			-	90,591	-	-
NC Department of Cultural and Natural Resources						
<u>Division of State Library</u>						
State Aid to Public Libraries			-	120,440	-	705,767
Total NC Dept of Cultural Resources			-	120,440	-	705,767
NC Department of Public Instruction						
N.C. Education Lottery			-	1,619,300	1,619,300	-
Total NC Dept of Public Instruction			-	1,619,300	1,619,300	-
Total State Awards			-	4,511,566	2,019,300	1,492,196
Total Federal and State Awards			<u>\$ 80,292,482</u>	<u>\$40,746,655</u>	<u>\$ 2,019,300</u>	<u>\$ 5,110,954</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

**Exhibit G
Page 8 of 8**

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

Note 1) Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Sampson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Sampson County, it is not intended Federal Awards (Uniform Guidance) and the State Single Audit to and does not present the financial position, changes in net assets or cash flows of Sampson County.

Note 2) Cluster of Programs

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

Note 3) Summary of Significant Accounting Policies

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

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

