

**SAMPSON COUNTY  
NORTH CAROLINA  
JUNE 30, 2013**



**SAMPSON COUNTY  
NORTH CAROLINA**

**FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

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

**David K. Clack  
Finance Officer**



**Sampson County, North Carolina**

**Principal Officials**

**June 30, 2013**

**Board of Commissioners**

**Billy C. Lockamy  
Chairman**

**Jarvis H. McLamb  
Vice Chairman**

**John A. Blanton**

**Jefferson B. Strickland**

**Albert D. Kirby, Jr.**

**County Manager**

**Edwin W. Causey**

**Finance Officer**

**David K. Clack**



**SAMPSON COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2013**

	<u>Exhibit</u>	<u>Page</u>
Financial Section:		
Independent Auditor's 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 & School Capital Project Fund	5	23-25
Statement of Fund Net Position – Proprietary Funds	6	26
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	27
Statement of Cash Flows – Proprietary Funds	8	28-29
Statement of Fiduciary Net Position – Fiduciary Funds	9	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	10	31
Notes to the Financial Statements		32-73

**SAMPSON COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2013**

	<u>Exhibit</u>	<u>Page</u>
Required Supplemental Financial Data:		
Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress	A-1	74
Law Enforcement Officers' Special Separation Allowance – Schedule of Employer Contributions	A-2	75
Law Enforcement Officers' Special Separation Allowance – Notes to the Required Schedules	A-2	75
Other Post-Employment Benefits – Schedule of Funding Progress	A-3	76
Other Post-Employment Benefits – Schedule of Employer Contributions	A-4	77
Other Post-Employment Benefits – Notes to the Required Schedules	A-4	77
Combining and Individual Fund Statements and Schedules:		
Balance Sheet – General Fund	B-1	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance General Fund – Budget and Actual	B-2	79-92
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County Capital Projects Fund	B-3	93
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Revaluation Fund	B-4	94
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – County & City School Const. Fund	B-5	95
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Airport Expansion Apron Fund	B-6	96
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	97-103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	C-2	104-110
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Emergency Telephone System Fund	C-3	111
Sampson Area Transportation Fund	C-4	112
Head Start Programs Grants Project Fund	C-5	113



**SAMPSON COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2013**

	<u>Exhibit</u>	<u>Page</u>
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
Fire Districts Fund	C-6	114-115
Soil and Water Conservation District Fund	C-7	116
Community Development Grant Project 10-C-2128	C-8	117
Community Development Grant Project SFR-11	C-9	118
Governor's Highway Safety Program	C-10	119
Urgent Home Repair Grant Project	C-11	120
Recreation Western District Park Project	C-12	121
Homeland Security Grant Equipment	C-13	122
NC Tomorrow Grant	C-14	123
CDBG – Scattered Sites Project 07-C-1673	C-15	124
CDBG – Single Family Rehab – SFR-08	C-16	125
CDBG – Infrastructure Hookup	C-17	126
Airport Expansion Capital Project Fund – Taxiway Rehabilitation	C-18	127
Airport Expansion Capital Project Fund – Land Acquisition	C-19	128
Airport Expansion Capital Project Fund – Airport Construction	C-20	129
Courthouse Annex I Renovations Capital Project Fund	C-21	130
County Bldgs Construction & Renovations Capital Project Fund	C-22	131
 Enterprise Funds:		
Water and Sewer District II Fund - Schedule of Revenues, and Expenditures – Budget and Actual (Non GAAP)	D-1	132
Water and Sewer Construction Fund - Schedule of Revenues and Expenditures – Budget and Actual (Non GAAP)	D-2	133
Water and Sewer District I Fund - Schedule of Revenues, and Expenditures – Budget and Actual (Non GAAP)	D-3	134
Employee Hospitalization Insurance – Schedule of Revenues Expenditures Financial Plan and Actual (Non GAAP)	D-4	135

**SAMPSON COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2013**

	<u>Exhibit</u>	<u>Page</u>
Agency Funds:		
Combining Balance Sheet	E-1	136-137
Combining Statement of Changes in Assets and Liabilities Agency Funds	E-2	138-139
Additional Financial Data:		
Schedule of Ad Valorem Taxes Receivable	F-1	140
Analysis of Current Tax Levy	F-2	141-142
Ten Largest Tax Payers	F-3	143
Analysis of Current Tax Levy – County-wide and Special Districts	F-4	144-145
Schedule of General Capital Assets – By Source	G-1	146
Schedule of General Capital Assets – By Function and Activity	G-2	147-148
Schedule of Changes in General Capital Assets – By Function and Activity	G-3	149-150
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>		151-152
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		153-154
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		155-156
Schedule of Findings and Questioned Costs		157-160
Corrective Action Plan		161
Summary Schedule of Prior Year Findings		162
Schedule of Expenditures of Federal and State Awards	K	163-171



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## **Independent Auditors' Report**

To the Board of County Commissioners  
Sampson County, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year then ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Sampson County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

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

### ***Opinions***

In our opinions, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Schools Capital Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note VIII to the financial statements, Sampson County has received a disclaimer of opinion on the June 30, 2012 compliance audit of the Head Start Program Cluster. The possible outcome of this matter, which has been reported to appropriate federal officials, is uncertain at this time. Accordingly, management has made no provision for any liability in the financial statements for federal claims for refunds of those grant monies. Our opinion is not modified with respect to that matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

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

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013 on our consideration of Sampson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson County's internal control over financial reporting and compliance.

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

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*Thompson, Price, Scott, Adams & Co., P.A.  
Elizabethtown, North Carolina  
December 20, 2013*

## 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, 2013. 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.

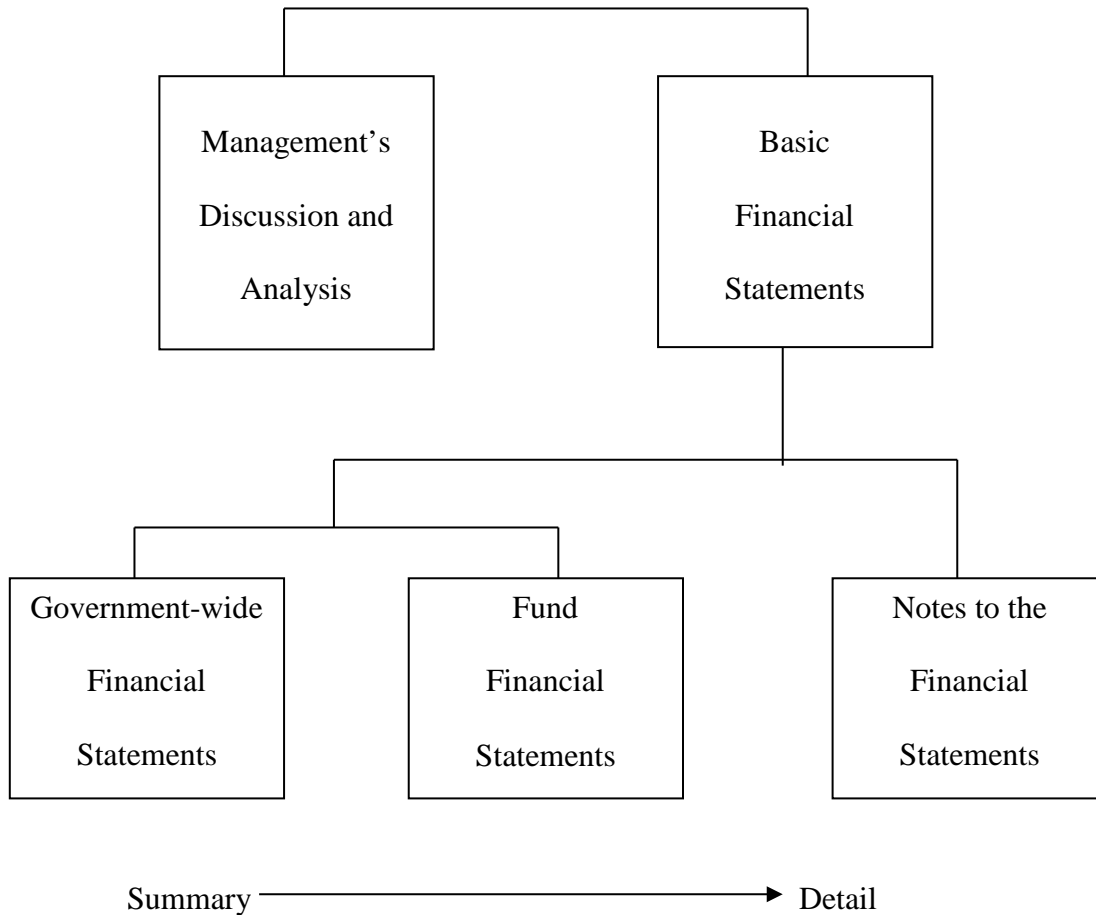
### Financial Highlights

- The assets of Sampson County exceeded its liabilities at the close of the most recent fiscal year by \$44,584,303 (net position).
- The government's total net position decreased by \$3,440,998, primarily due to decreases in net position for both the Governmental Activities and Business-Type Activities.
- As of the close of the current fiscal year, Sampson County's governmental funds reported combined ending fund balances of \$29,720,302, a decrease of \$1,884,921 in comparison with the prior year. Airport apron construction decreased the fund balance by \$256,871, School Capital Projects fund activity decreased the fund balance by \$870,828 and School Construction Fund activity decreased the fund balance by \$527,551. General fund activity decreased fund balance by \$273,013. Approximately thirty-one percent (31%) of the fund balance amount, \$7,407,510, 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 \$7,407,510, or twelve percent (12%) of total general fund expenditures for the fiscal year.
- Sampson County's total debt decreased by \$915,630. Several factors led the decrease in total debt as follows:
  - Based on our actuarial study of our post-employment health care benefit the County recognized an unfunded liability of \$1,297,765.
  - These increases were partially offset by corresponding payments of principal on other loans.
  - Installment loan for the new well project in the amount \$1,792,000.

### 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



### Basic Financial Statements

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

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

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

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

## **Government-wide Financial Statements**

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

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

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

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

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

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



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

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

**Proprietary Funds** – Sampson County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Sampson County uses enterprise funds to account for its water and sewer activities. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Sampson County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide post-employment health care benefits to eligible employees. Required supplementary information can be found beginning on page 74 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 liabilities and deferred inflows of resources by \$44,584,303 as of June 30, 2013. The County's net position decreased by \$3,440,998 for the fiscal year ended June 30, 2013. The largest portion

\$42,147,389 (94%) 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 \$18,305,547 (41%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$15,868,633.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 36,796,193	\$ 40,410,616	\$ 4,196,503	\$ 2,295,432	\$ 40,992,696	\$ 42,706,048
Capital assets	<u>144,044,404</u>	<u>146,575,041</u>	<u>24,985,012</u>	<u>25,551,875</u>	<u>169,029,416</u>	<u>172,126,916</u>
Total assets	<u>\$ 180,840,597</u>	<u>\$ 186,985,657</u>	<u>\$ 29,181,515</u>	<u>\$ 27,847,307</u>	<u>\$ 210,022,112</u>	<u>\$ 214,832,964</u>
Deferred outflows of resources	\$ 347,458	\$ 362,565	\$ -	\$ -	347,458	362,565
Long-term liabilities outstanding	\$ 140,515,200	\$ 143,571,700	\$ 15,078,159	\$ 13,669,729	\$ 155,593,359	\$ 157,241,429
Other liabilities	<u>9,358,408</u>	<u>9,385,359</u>	<u>790,183</u>	<u>543,440</u>	<u>10,148,591</u>	<u>9,928,799</u>
Total liabilities	<u>\$ 149,873,608</u>	<u>\$ 152,957,059</u>	<u>\$ 15,868,342</u>	<u>\$ 14,213,169</u>	<u>\$ 165,741,950</u>	<u>\$ 167,170,228</u>
Deferred inflows of resources	\$ 43,317	\$ -	\$ -	\$ -	\$ 43,317	\$ -
Net position:						
Net investment in capital assets	\$ 32,532,915	\$ 32,660,173	\$ 9,614,474	\$ 11,592,381	\$ 42,147,389	\$ 44,252,554
Restricted	18,305,547	17,896,567	-	-	18,305,547	17,896,567
Unrestricted	<u>(19,567,332)</u>	<u>(16,165,577)</u>	<u>3,698,699</u>	<u>2,041,757</u>	<u>(15,868,633)</u>	<u>(14,123,820)</u>
Total net position	<u>\$ 31,271,130</u>	<u>\$ 34,391,163</u>	<u>\$ 13,313,173</u>	<u>\$ 13,634,138</u>	<u>\$ 44,584,303</u>	<u>\$ 48,025,301</u>

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

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of approximately 95%.
- Collections in excess of budget on property taxes, ambulance fees, and sales taxes.

Other factors negatively influenced the total unrestricted governmental net position.

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

**Sampson County Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,217,050	\$ 9,503,017	\$ 2,575,457	\$ 2,636,544	\$ 12,792,507	\$ 12,139,561
Operating grants and contributions	12,657,071	16,139,477	-	-	12,657,071	16,139,477
Capital grants and contributions	240,312	1,611,726	-	-	240,312	1,611,726
General revenues:						
Property taxes	34,493,494	33,722,918	-	-	34,493,494	33,722,918
Other taxes	9,091,383	8,889,709	-	-	9,091,383	8,889,709
Investment earnings, unrestricted	20,486	30,780	1,429	1,719	21,915	32,499
Other	<u>307,342</u>	<u>209,474</u>	<u>-</u>	<u>-</u>	<u>307,342</u>	<u>209,474</u>
Total revenues	<u>67,027,138</u>	<u>70,107,101</u>	<u>2,576,886</u>	<u>2,638,263</u>	<u>69,604,024</u>	<u>72,745,364</u>
<b>Expenses:</b>						
General government	9,522,738	9,087,659	-	-	9,522,738	9,087,659
Public safety	18,376,532	17,319,010	-	-	18,376,532	17,319,010
Environmental protection	1,469,785	1,036,732	-	-	1,469,785	1,036,732
Economic and physical development	1,170,583	2,150,335	-	-	1,170,583	2,150,335
Human services	20,083,198	23,503,412	-	-	20,083,198	23,503,412
Cultural and recreation	2,022,108	2,042,842	-	-	2,022,108	2,042,842
Education	11,944,414	10,890,451	-	-	11,944,414	10,890,451
Interest on long-term debt	5,531,213	5,846,285	-	-	5,531,213	5,846,285
Water and sewer Dist. I	-	-	535,383	495,532	535,383	495,532
Water and sewer Dist. II	-	-	2,389,068	2,322,422	2,389,068	2,322,422
Total expenses	<u>70,120,571</u>	<u>71,876,726</u>	<u>2,924,451</u>	<u>2,817,954</u>	<u>73,045,022</u>	<u>74,694,680</u>
Change in net position before transfers & special items	(3,093,433)	(1,769,625)	(347,565)	(179,691)	(3,440,998)	(1,949,316)
Transfers	<u>(26,600)</u>	<u>(26,600)</u>	<u>26,600</u>	<u>26,600</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(3,120,033)</u>	<u>(1,796,225)</u>	<u>(320,965)</u>	<u>(153,091)</u>	<u>(3,440,998)</u>	<u>(1,949,316)</u>
Net position, beginning	<u>34,391,163</u>	<u>36,187,388</u>	<u>13,634,138</u>	<u>13,787,229</u>	<u>48,025,301</u>	<u>49,974,617</u>
Net position, ending	<u>\$ 31,271,130</u>	<u>\$ 34,391,163</u>	<u>\$ 13,313,173</u>	<u>\$ 13,634,138</u>	<u>\$ 44,584,303</u>	<u>\$ 48,025,301</u>

**Governmental activities:** Governmental activities decreased the County's net position by \$3,120,033, thereby accounting for ninety percent 90% of the total reduction in the net position of Sampson County. Key elements of this decrease are as follows:

- Decrease in grants and contributions.
- Reduction in fees collected for health, and other services.

**Business-type activities:** Business-type activities decreased Sampson County's net position by \$320,965, accounting for the remaining reduction in the government's total net position. Key elements of this decrease are as follows:

- Increase in expenditures and a decrease in charges for service.

### **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 \$7,407,510, while total fund balance was \$23,052,315. 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 eleven percent (11%) of total General Fund expenditures, while total fund balance represents thirty-six percent (36%) percent of that same amount.

At June 30, 2013, the governmental funds of Sampson County reported a combined fund balance of \$29,720,302, a five percent (5%) decrease over last year. The primary reason for this decrease is the decrease in the fund balance in all major governmental funds.

The other major governmental funds include the Schools Capital Projects Fund, the Airport Apron Construction capital project fund, and the School Construction capital project fund. The Schools Capital Projects Fund accounts for the accumulation of resources to fund capital needs and debt for capital needs for the County's school districts. In the current fiscal year, restricted fund balance of the Schools Capital Projects Fund was \$3,541,543.

The Schools Capital Projects Fund fund balance decreased \$870,828. This decrease was due to revenues that were less than the expenditures for capital outlay and debt service for the school systems. The amount of fund balance decrease was less than the amount of fund balance appropriated for the fiscal year by \$283,177. The reasons we did not use all of the fund balance appropriated in the fiscal year were that sales taxes collected exceeded projections and the capital outlay budgeted by the school systems was not completely expended.

The County's two major capital project funds are the Airport Construction and the Schools Construction Fund. The Airport Construction fund accounts for the resources and costs to construct a taxi-way and apron at the Clinton-Sampson Airport. This construction is funded primarily grant funds from the North Carolina Department of Transportation. The School Construction fund accounts for the resources and costs to construct new school facilities in the County. This fund currently has a fund balance of \$2,028,774.

**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 \$1,238,334 or two percent (2%).

**Proprietary Funds.** Sampson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. During the year, net position decreased by \$320,965. This was due primarily to reduction in charges for services and higher expenditures.

### **Capital Asset and Debt Administration**

**Capital assets.** Sampson County's capital assets for its governmental and business-type activities as of June 30, 2013, totals \$169,029,416 (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.

**SAMPSON COUNTY'S CAPITAL ASSETS**  
**(net of depreciation)**

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 6,172,038	\$ 6,172,038	\$ 225,319	\$ 225,319	\$ 6,397,357	\$ 6,397,357
Buildings and Systems	125,543,601	116,114,580	23,529,042	24,310,098	149,072,643	140,424,678
Machinery and Equipment	6,694,458	6,530,095	177,437	192,719	6,871,895	6,722,814
Vehicles and Motorized Equipment	1,645,693	1,669,480	183,619	150,903	1,829,312	1,820,383
Construction in Progress	3,988,614	16,088,848	869,595	672,836	4,858,209	16,761,684
<b>Total</b>	<b>\$ 144,044,404</b>	<b>\$ 146,575,041</b>	<b>\$ 24,985,012</b>	<b>\$ 25,551,875</b>	<b>\$ 169,029,416</b>	<b>\$ 172,126,916</b>

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, 2013, Sampson County had total bonded debt outstanding of \$11,895,500 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$79,500,419 outstanding in installment/purchase contracts, \$11,045,000 outstanding in installment purchase revenue bonds and \$48,760,000 outstanding in Certificates of Participation – all of which are being paid from general fund, school capital reserve fund, NC Education Lottery and water district service revenues.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ -	\$ -	\$ 11,895,500	\$ 12,117,000	\$ 11,895,500	\$ 12,117,000
Revenue Bonds	11,045,000	12,105,000	-	-	11,045,000	12,105,000
Installment Purchases	76,025,381	77,012,782	3,475,038	1,842,493	79,500,419	78,855,275
Certification of Participation	48,760,000	50,335,000	-	-	48,760,000	50,335,000
<b>Total</b>	<b>\$ 135,830,381</b>	<b>\$ 139,452,782</b>	<b>\$ 15,370,538</b>	<b>\$ 13,959,493</b>	<b>\$ 151,200,919</b>	<b>\$ 153,412,275</b>

Sampson County's total debt decreased by \$915,630 or one half of percent (1/2%) during the past fiscal year, primarily due to the issuance of Installment Purchases for the construction of the new well project and an increase in the other post-employment benefits liability.

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 \$233,709,240.

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

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

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

- The County's unemployment rate as of December, 2012 of 8.7% was lower than the state average of 10.6%.
- The property tax base grew .04%.
- The tax collection rate of approximately 95% remained steady for the year.

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2014 fiscal year.

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

**Governmental Activities:** Sampson County is currently working on capital construction projects to be of approximately \$112.9 million to be completed within a five year period -- \$110 for school construction and \$ 2.9 million for government buildings. In fiscal year June 30, 2013, the County tax rate was reduced to \$.785 cents per \$100 of value. The reduction was due to the implementation of new values for real property. The total operating budget decreased by approximately \$4,000,000, primarily due to increases in debt service requirements.

General Fund revenues are projected to increase \$1,813,291 or two percent (2%). Increases in property tax revenue and ambulance charges represent the largest increases in revenues.

Budgeted expenditures in the General Fund are expected to increase two percent (2%) to \$75,935,295. The largest increases are in costs for new software for the Tax Office, and costs for public safety activities.

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

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Sampson County, P.O. Box 257, Clinton, N.C. 28329.





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

**Exhibit 1**

**June 30, 2013**

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Sampson County	Sampson
	Activities	Activities		Tourism Development	Reg. Medical
			Authority	Center, Inc.	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,960,490	\$ 2,871,654	\$ 22,832,144	\$ 79,128	\$ 3,246,022
Receivables (net)	11,212,975	224,509	11,437,484	5,129	9,267,484
Inventories	14,690	114,593	129,283	-	1,372,282
Prepays	-	-	-	-	340,106
Restricted cash and cash equivalents	5,608,038	985,747	6,593,785	-	14,988,142
Other non-current receivables	-	-	-	-	145,653
Capital assets:					
Land, improvements, and construction in progress	10,160,652	1,094,914	11,255,566	-	2,141,445
Other capital assets, net of depreciation	133,883,752	23,890,098	157,773,850	-	24,840,900
Total capital assets	144,044,404	24,985,012	169,029,416	-	26,982,345
Total assets	<u>\$ 180,840,597</u>	<u>\$ 29,181,515</u>	<u>\$ 210,022,112</u>	<u>\$ 84,257</u>	<u>\$ 56,342,034</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>347,458</u>	<u>-</u>	<u>347,458</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 3,697,163	\$ 377,579	\$ 4,074,742	\$ 487	\$ 6,996,548
Customer deposits	-	-	-	-	-
Long-term liabilities:					
Due within one year	5,661,245	412,604	6,073,849	-	3,913,852
Due in more than one year	140,515,200	15,078,159	155,593,359	-	9,987,319
Total liabilities	<u>149,873,608</u>	<u>15,868,342</u>	<u>165,741,950</u>	<u>487</u>	<u>20,897,719</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid Taxes	43,317	-	43,317	-	-
Total Deferred Inflows of Resources	<u>43,317</u>	<u>-</u>	<u>43,317</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in capital assets	32,532,915	9,614,474	42,147,389	-	15,547,318
Restricted for:					
Stabilization by state statute	9,213,931	-	9,213,931	5,129	-
Revaluation	559,757	-	559,757	-	-
Public safety	1,009,542	-	1,009,542	-	-
Debt Service	2,474,036	-	2,474,036	-	-
Education	5,048,281	-	5,048,281	-	-
Capital acquisitions	-	-	-	-	393,200
Unrestricted	(19,567,332)	3,698,699	(15,868,633)	78,641	19,152,458
Net position of controlled organization	31,271,130	13,313,173	44,584,303	83,770	35,092,976
Noncontrolling interest in entity	-	-	-	-	351,339
Total net position	<u>\$ 31,271,130</u>	<u>\$ 13,313,173</u>	<u>\$ 44,584,303</u>	<u>\$ 83,770</u>	<u>\$ 35,444,315</u>

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

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

**Exhibit 2  
Page 1 of 2**

**For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 9,522,738	\$ 681,141	\$ 5,800	\$ -
Public safety	18,376,532	5,340,313	366,000	144,000
Environmental protection	1,469,785	2,036,547	131,104	-
Economic and physical development	1,170,583	85,072	161,385	96,312
Human services	20,083,198	1,786,767	11,988,782	-
Education	11,944,414	-	-	-
Culture and recreation	2,022,108	287,210	4,000	-
Interest on long-term debt	5,531,213	-	-	-
Total governmental activities	<u>70,120,571</u>	<u>10,217,050</u>	<u>12,657,071</u>	<u>240,312</u>
Business-type activities:				
Water District II	2,389,068	1,996,287	-	-
Water District I	535,383	579,170	-	-
Total business-type activities	<u>2,924,451</u>	<u>2,575,457</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 73,045,022</u>	<u>\$ 12,792,507</u>	<u>\$ 12,657,071</u>	<u>\$ 240,312</u>
Component unit:				
Sampson County Tourism Dev Authority	73,508	-	-	-
Sampson Regional Medical Ctr. Inc.	62,009,441	60,304,517	-	42,224
Total component unit	<u>\$ 62,082,949</u>	<u>\$ 60,304,517</u>	<u>\$ -</u>	<u>\$ 42,224</u>

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

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

**Exhibit 2  
Page 2 of 2**

**For the Year Ended June 30, 2013**

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.
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ (8,835,797)	\$ -	\$ (8,835,797)		
Public safety	(12,526,219)	-	(12,526,219)		
Environmental protection	697,866	-	697,866		
Economic and physical development	(827,814)	-	(827,814)		
Human services	(6,307,649)	-	(6,307,649)		
Education	(11,944,414)	-	(11,944,414)		
Culture and recreation	(1,730,898)	-	(1,730,898)		
Interest on long-term debt	(5,531,213)	-	(5,531,213)		
Total governmental activities	<u>(47,006,138)</u>	<u>-</u>	<u>(47,006,138)</u>		
Business-type activities:					
Water District II	-	(392,781)	(392,781)		
Water District I	-	43,787	43,787		
Total business-type activities	<u>-</u>	<u>(348,994)</u>	<u>(348,994)</u>		
Total primary government	<u>\$ (47,006,138)</u>	<u>\$ (348,994)</u>	<u>\$ (47,355,132)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (73,508)	\$ -
Sampson Regional Medical Ctr. Inc.				-	(1,662,700)
Total component units				<u>\$ (73,508)</u>	<u>\$ (1,662,700)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	34,493,494	-	34,493,494	-	-
Other taxes and fees	9,091,383	-	9,091,383	57,200	-
Investment earnings, unrestricted	20,486	1,429	21,915	-	140,902
Miscellaneous, unrestricted	307,342	-	307,342	-	98,547
Total general revenues excluding transfers	<u>43,912,705</u>	<u>1,429</u>	<u>43,914,134</u>	<u>57,200</u>	<u>239,449</u>
Transfers	(26,600)	26,600	-	-	-
Total general revenues and transfers	<u>43,886,105</u>	<u>28,029</u>	<u>43,914,134</u>	<u>57,200</u>	<u>239,449</u>
Change in net position	(3,120,033)	(320,965)	(3,440,998)	(16,308)	(1,423,251)
Net position - beginning	34,391,163	13,634,138	48,025,301	100,078	36,516,227
Net position - ending	<u>\$ 31,271,130</u>	<u>\$ 13,313,173</u>	<u>\$ 44,584,303</u>	<u>\$ 83,770</u>	<u>\$ 35,092,976</u>

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

**SAMPSON COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

**Exhibit 3  
Page 1 of 3**

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Apron 19.6.1
<b>Assets:</b>				
Cash and cash equivalents	\$ 16,602,230	\$ -	\$ -	\$ -
Restricted cash	559,757	3,019,507	2,028,774	-
Taxes receivable (net)	2,733,882	-	-	-
Accounts receivable	6,000,994	522,036	-	1,030,795
Due from other funds	1,462,265	-	-	-
Inventories	14,690	-	-	-
<b>Total Assets</b>	<b><u>\$ 27,373,818</u></b>	<b><u>\$ 3,541,543</u></b>	<b><u>\$ 2,028,774</u></b>	<b><u>\$ 1,030,795</u></b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,544,304	\$ -	\$ -	\$ 16,800
Due to general fund	-	-	-	1,267,333
<b>Total Liabilities</b>	<b><u>1,544,304</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,284,133</u></b>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	2,733,882	-	-	-
Prepaid Taxes	43,317	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>2,777,199</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund balances:</b>				
Nonspendable:				
Inventories	14,690	-	-	-
Restricted:				
Stabilization by State Statute	7,475,838	522,036	-	1,030,795
Public safety	431,913	-	-	-
Debt service	2,474,036	-	-	-
Education	-	3,019,507	2,028,774	-
Revaluation	559,757	-	-	-
Committed:				
Nonmajor funds	-	-	-	-
Capital projects	1,055,845	-	-	(1,284,133)
Assigned:				
Subsequent year's expenditures	3,645,305	-	-	-
Unassigned	7,394,931	-	-	-
<b>Total fund balances</b>	<b><u>23,052,315</u></b>	<b><u>3,541,543</u></b>	<b><u>2,028,774</u></b>	<b><u>(253,338)</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 27,373,818</u></b>	<b><u>\$ 3,541,543</u></b>	<b><u>\$ 2,028,774</u></b>	<b><u>\$ 1,030,795</u></b>

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

**SAMPSON COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

**Exhibit 3  
Page 2 of 3**

	<u>Non-Major Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,407,556	\$ 18,009,786
Restricted cash	-	5,608,038
Taxes receivable (net)	167,269	2,901,151
Accounts receivable	185,262	7,739,087
Due from other funds	-	1,462,265
Inventories	-	14,690
Total Assets	<u>\$ 1,760,087</u>	<u>\$ 35,735,017</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 46,878	\$ 1,607,982
Due to general fund	194,932	1,462,265
Total Liabilities	<u>241,810</u>	<u>3,070,247</u>
<b>Deferred Inflows of Resources:</b>		
Property taxes receivable	167,269	2,901,151
Prepaid Taxes	-	43,317
Total Deferred Inflows of Resources	<u>167,269</u>	<u>2,944,468</u>
<b>Fund balances:</b>		
Nonspendable:		
Inventories	-	14,690
Restricted:		
Stabilization by State Statute	185,262	9,213,931
Public safety	577,629	1,009,542
Debt service	-	2,474,036
Education	-	5,048,281
Revaluation	-	559,757
Committed:		
Nonmajor funds	588,117	588,117
Capital projects	-	(228,288)
Assigned:		
Subsequent year's expenditures	-	3,645,305
Unassigned		
Total fund balances	<u>1,351,008</u>	<u>29,720,302</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,760,087</u>	<u>\$ 35,735,017</u>

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

**SAMPSON COUNTY, NORTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

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

Total Fund Balance, Governmental Funds	29,720,302
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	144,044,404
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds	568,415
Deferred inflows of resources for taxes.	2,901,151
Charges related to bonding refunding issue.	347,458
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(141,359,367)
Pension and other post-employment benefits liability	(6,841,549)
Internal service fund allocation	<u>1,890,316</u>
Net position of governmental activities	<u>\$ 31,271,130</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, 2013**

**Exhibit 4**  
**Page 1 of 3**

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Apron 19.6.1
<b>REVENUES</b>				
Ad Valorem taxes	\$ 32,207,132	\$ -	\$ -	\$ -
Other taxes and licenses	7,062,865	2,028,518	-	-
Intergovernmental Revenues:				
Restricted	12,104,008	-	-	-
Permits and fees	758,586	-	-	-
Sales and services	6,256,147	-	-	-
Investment earnings	15,573	2,584	306	-
Miscellaneous	2,998,516	-	-	-
Total revenues	<u>61,402,827</u>	<u>2,031,102</u>	<u>306</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,315,143	-	-	-
Public safety	15,612,457	-	-	-
Environmental protection	1,088,598	-	-	-
Economic and physical development	1,136,003	-	-	-
Human services	17,768,273	-	-	-
Culture and recreation	1,968,188	-	-	-
Education	12,232,241	-	-	-
Debt service				
Principal	3,750,001	-	-	-
Interest and fees	5,552,990	-	-	-
Administration	85,195	-	-	-
Capital expansion	-	-	527,857	256,871
Total expenditures	<u>64,509,089</u>	<u>-</u>	<u>527,857</u>	<u>256,871</u>
Excess (deficiency) of revenues over expenditures	<u>(3,106,262)</u>	<u>2,031,102</u>	<u>(527,551)</u>	<u>(256,871)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,901,930	-	-	-
Transfers out	(196,281)	(2,901,930)	-	-
Loan Proceeds	127,600	-	-	-
Total other financing sources (uses)	<u>2,833,249</u>	<u>(2,901,930)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(273,013)</u>	<u>(870,828)</u>	<u>(527,551)</u>	<u>(256,871)</u>
Fund balances-beginning	<u>23,325,328</u>	<u>4,412,371</u>	<u>2,556,325</u>	<u>3,533</u>
Fund balances-ending	<u>\$ 23,052,315</u>	<u>\$ 3,541,543</u>	<u>\$ 2,028,774</u>	<u>\$ (253,338)</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, 2013**

**Exhibit 4**  
**Page 2 of 3**

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
<b>REVENUES</b>		
Ad Valorem taxes	\$ 2,356,657	\$ 34,563,789
Other taxes and licenses	-	9,091,383
Intergovernmental Revenues:		
Restricted	970,113	13,074,121
Permits and fees	265,820	1,024,406
Sales and services	-	6,256,147
Investment earnings	739	19,202
Miscellaneous	69,988	3,068,504
Total revenues	<u>3,663,317</u>	<u>67,097,552</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	5,315,143
Public safety	2,487,985	18,100,442
Environmental protection	918	1,089,516
Economic and physical development	-	1,136,003
Human services	1,139,530	18,907,803
Culture and recreation	-	1,968,188
Education	-	12,232,241
Debt service		
Principal	-	3,750,001
Interest and fees	-	5,552,990
Administration	-	85,195
Capital expansion	161,223	945,951
Total expenditures	<u>3,789,656</u>	<u>69,083,473</u>
Excess (deficiency) of revenues over expenditures	<u>(126,339)</u>	<u>(1,985,921)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	169,681	3,071,611
Transfers out	-	(3,098,211)
Installment purchase debt issued	-	127,600
Total other financing sources (uses)	<u>169,681</u>	<u>101,000</u>
Net change in fund balance	43,342	(1,884,921)
Fund balances-beginning	1,307,666	31,605,223
Fund balances-ending	<u>\$ 1,351,008</u>	<u>\$ 29,720,302</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, 2013**

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

Net changes in fund balances - total governmental funds	\$ (1,884,921)
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.	(2,529,234)
Cost of capital asset disposed of during the year, not recongized on modified accrual basis	(1,403)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(70,295)
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 realted items.	3,691,845
Difference in insurance expense between fund statements (modified accrual) and government-wide statements (full accrual) due to the allocation of profit from internal service fund	(1,018,103)
Some expenses reported in the statement of activites do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,307,922)</u>
Total changes in net position of governmental funds	<u>(3,120,033)</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, 2013**

**Exhibit 5**  
**Page 1 of 3**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues</b>				
Ad Valorem taxes	\$ 31,728,571	\$31,728,571	\$32,085,132	\$ 356,561
Other taxes and licenses	6,938,000	6,938,000	7,062,865	124,865
Intergovernmental Revenues:				
Restricted	13,277,066	14,209,485	12,104,008	(2,105,477)
Permits and fees	677,700	677,700	758,586	80,886
Sales and services	6,310,121	6,152,166	6,256,147	103,981
Investment earnings	41,000	41,000	15,026	(25,974)
Miscellaneous	<u>2,105,138</u>	<u>2,569,008</u>	<u>2,998,516</u>	<u>429,508</u>
Total revenues	<u>61,077,596</u>	<u>62,315,930</u>	<u>61,280,280</u>	<u>(1,035,650)</u>
<b>Expenditures</b>				
Current:				
General government	5,636,997	5,923,777	5,292,845	630,932
Public safety	15,192,033	16,101,904	15,612,457	489,447
Environmental protection	1,140,342	1,265,221	1,088,598	176,623
Economic and physical dev	1,186,305	1,281,275	1,136,003	145,272
Human services	18,372,976	19,114,578	17,768,273	1,346,305
Education	12,077,279	12,544,112	12,232,241	311,871
Culture and recreation	2,058,941	2,104,269	1,968,188	136,081
Debt service				
Principal	4,332,113	4,295,773	3,750,001	545,772
Interest and fees	5,909,934	5,909,874	5,552,990	356,884
Administration	86,393	86,393	85,195	1,198
Contingency	<u>827,560</u>	<u>682,541</u>	<u>-</u>	<u>682,541</u>
Total expenditures	<u>66,820,873</u>	<u>69,309,717</u>	<u>64,486,791</u>	<u>4,822,926</u>
Revenues over (under) expenditures	<u>(5,743,277)</u>	<u>(6,993,787)</u>	<u>(3,206,511)</u>	<u>3,787,276</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,719,487	3,186,320	2,916,764	(269,556)
Transfers out	(601,281)	(601,281)	(601,281)	-
Loan proceeds	<u>548,343</u>	<u>675,943</u>	<u>127,600</u>	<u>(548,343)</u>
Total other financing sources (uses)	<u>2,666,549</u>	<u>3,260,982</u>	<u>2,443,083</u>	<u>(817,899)</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, 2013**

**Exhibit 5  
Page 2 of 3**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Positive (Negative)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,076,728)	(3,732,805)	(763,428)	2,969,377
Appropriated Fund Balance	<u>3,076,728</u>	<u>3,732,805</u>	<u>-</u>	<u>(3,732,805)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(763,428)	<u>\$ (763,428)</u>
Fund balance -beginning			<u>22,200,141</u>	
Fund balance - ending			<u>\$21,436,713</u>	

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

Property taxes & Interest income	122,547
Expenditures	(22,298)
Transfers to General Fund	(14,834)
Transfer from General Fund	405,000
Transfer to Other Funds	<u>-</u>
Fund Balance Beginning	<u>1,125,187</u>
Fund Balance Ending(Exhibit 4)	<u>\$23,052,315</u>

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL-SCHOOLS CAPITAL PROJECT FUND**  
**For the Fiscal Year Ended June 30, 2013**

**Exhibit 5**  
**Page 3 of 3**

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Positive (Negative)
<b>Revenues</b>				
Other taxes and licenses	\$ 2,017,480	\$ 2,017,480	\$ 2,028,518	\$ 11,038
Investment earnings	-	-	2,584	2,584
Total revenues	<u>2,017,480</u>	<u>2,017,480</u>	<u>2,031,102</u>	<u>13,622</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)				
To General Fund for:				
County schools capital outlay	(654,364)	(845,036)	(806,040)	38,996
City schools capital outlay	(226,816)	(490,142)	(259,583)	230,559
Debt service	<u>(1,836,307)</u>	<u>(1,836,307)</u>	<u>(1,836,307)</u>	-
Total other financing uses	<u>(2,717,487)</u>	<u>(3,171,485)</u>	<u>(2,901,930)</u>	<u>269,555</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(700,007)</u>	<u>(1,154,005)</u>	<u>(870,828)</u>	<u>283,177</u>
Appropriated Fund Balance	<u>700,007</u>	<u>1,154,005</u>	-	<u>(1,154,005)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(870,828)	<u>\$ (870,828)</u>
Fund balance - beginning			<u>4,412,371</u>	
Fund balance - ending			<u>\$ 3,541,543</u>	

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2013**

**Exhibit 6**

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 1,353,226	\$ 1,518,428	\$ 2,871,654	\$ 1,950,704
Restricted cash and cash equivalents	985,747		985,747	-
Accounts receivable (net)	190	55	245	4,323
Water fees receivable (net)	192,538	31,726	224,264	-
Inventory	94,177	20,416	114,593	-
Total current assets	<u>2,625,878</u>	<u>1,570,625</u>	<u>4,196,503</u>	<u>1,955,027</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	1,078,107	16,807	1,094,914	-
Other capital assets net of depreciation	21,669,189	2,220,909	23,890,098	-
Total capital assets	<u>22,747,296</u>	<u>2,237,716</u>	<u>24,985,012</u>	<u>-</u>
Total assets	<u>25,373,174</u>	<u>3,808,341</u>	<u>29,181,515</u>	<u>1,955,027</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	329,354	48,225	377,579	64,711
Compensated absences	13,009	7,640	20,649	-
Notes payable	139,005	20,450	159,455	-
General obligation bonds payable	209,000	23,500	232,500	-
Total Current Liabilities	<u>690,368</u>	<u>99,815</u>	<u>790,183</u>	<u>64,711</u>
Noncurrent liabilities:				
Compensated absences	1,169	687	1,856	-
Other post-employment benefits	63,100	34,620	97,720	-
Notes payable	3,274,683	40,900	3,315,583	-
General obligation bonds payable	10,849,000	814,000	11,663,000	-
Total noncurrent liabilities	<u>14,187,952</u>	<u>890,207</u>	<u>15,078,159</u>	<u>-</u>
Total liabilities	<u>14,878,320</u>	<u>990,022</u>	<u>15,868,342</u>	<u>64,711</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,275,608	1,338,866	9,614,474	-
Unrestricted	2,219,246	1,479,453	3,698,699	1,890,316
Total net position	<u>\$ 10,494,854</u>	<u>\$ 2,818,319</u>	<u>\$ 13,313,173</u>	<u>\$ 1,890,316</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, 2013**

**Exhibit 7**

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,878,915	\$ 545,492	\$ 2,424,407	\$ 4,509,932
Water tap fees	38,876	8,515	47,391	-
Miscellaneous	78,496	25,163	103,659	-
Total operating revenues	<u>1,996,287</u>	<u>579,170</u>	<u>2,575,457</u>	<u>4,509,932</u>
<b>OPERATING EXPENSES</b>				
Administration	279,105	85,495	364,600	-
Water Distribution	550,612	219,475	770,087	-
Operations and maintenance	258,611	76,919	335,530	-
Depreciation	706,706	105,749	812,455	-
Claims paid	-	-	-	5,529,319
Total operating expenses	<u>1,795,034</u>	<u>487,638</u>	<u>2,282,672</u>	<u>5,529,319</u>
Operating income (loss)	<u>201,253</u>	<u>91,532</u>	<u>292,785</u>	<u>(1,019,387)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	572	857	1,429	1,284
Interest expense	(594,034)	(47,745)	(641,779)	-
Total nonoperating revenues (expenses)	<u>(593,462)</u>	<u>(46,888)</u>	<u>(640,350)</u>	<u>1,284</u>
Income (loss) before contributions and transfers	(392,209)	44,644	(347,565)	(1,018,103)
Transfer from general fund	26,600	-	26,600	-
Change in net position	(365,609)	44,644	(320,965)	(1,018,103)
Total net position - beginning	<u>10,860,463</u>	<u>2,773,675</u>	<u>13,634,138</u>	<u>2,908,419</u>
Total net position - ending	<u>\$ 10,494,854</u>	<u>\$ 2,818,319</u>	<u>\$ 13,313,173</u>	<u>\$ 1,890,316</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, 2013**

**Exhibit 8**  
**Page 1 of 2**

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 2,004,467	\$ 582,716	\$ 2,587,183	\$ 4,164,013
Cash paid for goods and services	(739,262)	(273,680)	(1,012,942)	(5,620,757)
Cash paid to employees for services	(279,727)	(85,086)	(364,813)	-
Other operating revenues	20,812	6,984	27,796	342,230
Net cash provided (used) by operating activities	<u>1,006,290</u>	<u>230,934</u>	<u>1,237,224</u>	<u>(1,114,514)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds	26,600	-	26,600	-
Net cash provided by noncapital and related financing activities	26,600	-	26,600	-
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(95,883)	(24,416)	(120,299)	-
Loan proceeds	1,792,000	-	1,792,000	-
Principal paid on bond maturities and equipment contracts	(338,005)	(42,950)	(380,955)	-
Interest paid on bond maturities and equipment contracts	(586,893)	(47,932)	(634,825)	-
Net cash provided (used) by capital and related financing activities	<u>771,219</u>	<u>(115,298)</u>	<u>655,921</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest	572	857	1,429	1,284
Net increase (decrease) in cash and cash equivalents	1,804,681	116,493	1,921,174	(1,113,230)
Cash and cash equivalents, July 1	<u>534,292</u>	<u>1,401,935</u>	<u>1,936,227</u>	<u>3,063,934</u>
Cash and cash equivalents, June 30	<u>\$ 2,338,973</u>	<u>\$ 1,518,428</u>	<u>\$ 3,857,401</u>	<u>\$ 1,950,704</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, 2013**

**Exhibit 8**  
**Page 2 of 2**

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
<b>Reconciliation of operating income to net cash provided by operating activities</b>				
Operating income (loss)	\$ 201,253	\$ 91,532	\$ 292,785	\$(1,019,387)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	706,706	105,749	812,455	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	8,180	3,546	11,726	(4,323)
Inventory	8,377	-	8,377	8,377
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	69,959	22,987	92,946	(99,181)
Compensated absences	(1,627)	(218)	(1,845)	-
Other post-employment benefits	13,442	7,338	20,780	-
Total adjustments	<u>805,037</u>	<u>139,402</u>	<u>944,439</u>	<u>(95,127)</u>
Net cash provided (used) by operating activities	<u>\$ 1,006,290</u>	<u>\$ 230,934</u>	<u>\$ 1,237,224</u>	<u>\$(1,114,514)</u>

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



**SAMPSON COUNTY, NORTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2013**

**Exhibit 9**

	Pension Trust Fund	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 298,256	\$ 345,224
Accounts receivable	-	-
Total assets	<u>\$ 298,256</u>	<u>\$ 345,224</u>
<b>LIABILITIES AND NET POSITION</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 64,883
Miscellaneous liabilities	-	280,341
Total liabilities	<u>-</u>	<u>345,224</u>
Net position:		
Assets held in trust for pension benefits	<u>\$ 298,256</u>	<u>\$ -</u>

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

**SAMPSON COUNTY, NORTH CAROLINA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2013**

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**Exhibit 10**

	<u>Pension Trust Fund</u>
Additions:	
Employer Contributions	\$ 30,000
Investment income	
Interest	<u>156</u>
Total Additions	30,156
Deductions:	
Benefits	<u>27,088</u>
Total Deductions	<u>27,088</u>
Change in net position	3,068
Net position - beginning	<u>295,188</u>
Net position - ending	<u><u>\$ 298,256</u></u>

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

**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

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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

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

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

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

The County reports the following major governmental funds:

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

*Agency Funds.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; 4-H fund, which accounts for moneys deposited with County for use by the 4-H program; Tax Collection Fund, which accounts for property taxes billed and collected for various municipalities within the County; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Sampson County Boards of Education; Motor Vehicle 3% Interest Fund, which accounts for three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; Detention Center Trust Fund, which accounts for monies deposited with the County for use by inmates at the County Detention Center; Miscellaneous Agency Funds; which accounts for monies deposited with the County for use by various boards and organization in the County.

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

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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**Measurement Focus, Basis of Accounting**

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, 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 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 are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Sampson County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles property taxes are due the first day of the fourth month after the

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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

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

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

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General 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, 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, 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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County, the Authority and the Hospital may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposits.

State law (G.S.159-30(c)) authorizes the County, the Authority and the Hospital to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County, the Authority and the Hospital's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

The County and the Authority pools 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.

**3. Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Cash held for unspent funds for debt service, school capital and public safety as required by state statute or debt covenants.

**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, 2012. 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



**SAMPSON COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2013**

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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.

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The minimum capitalization threshold for land, buildings, improvements, lines and other plant and distribution systems, furniture and equipment, and vehicles is \$2,500. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

	<u>Useful Life</u>
Land improvements	5 to 15 years
Buildings	5 to 40 years

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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

**9. Long-term Obligations**

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

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

**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.

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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

**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 \$1,550,828 consists of several elements as follows:

<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).	\$ 177,447,741
Less accumulated depreciation	<u>33,403,337</u>
Net capital assets	144,044,404
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	568,415
Deferred charges related to bond issued - included on government-wide statement of net position but are not current financial resources.	347,458
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.	1,890,316
Liabilities for deferred inflows of resources reported in the funds statements but not the government-wide.	2,901,151
Unearned revenue for unamortized premium received on debt issuance.	(1,944,673)
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	(135,830,381)
Compensated absences	(1,559,843)
Law enforcement special separation allowance pension liability	(214,644)
Other postemployment benefits	(6,626,904)
Accrued interest payable	<u>(2,024,471)</u>
Total adjustment	<u>\$ 1,550,828</u>

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**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 \$(1,235,112) as follows: (see next page)

(continued on next page)



**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,258,940
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,788,174)
Cost of disposed asset.	(1,403)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(127,600)
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	3,750,001
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)	22,420
Amortization of deferred charge on bond refunding.	(15,107)
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	(1,018,103)
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	(48,536)
Other postemployment benefits are accrued in the government-wide statements but not the fund statements because they do not use current resources.	(1,265,220)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(16,586)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase in accrued interest on taxes receivable	(28,155)
Amortization of debt premium	84,551
Increase in deferred inflows of resources - taxes receivable - at end of year	(42,140)
Total adjustment	<u>\$ (1,235,112)</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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**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: Community Development Grant 10-C-2128 \$(38,010); Capital Project Funds: Airport Taxiway 12.6.2 \$(2,335), Airport Construction 12.8.1 \$(8,109), Airport Apron 19.6.1 \$(253,338) and Airport Construction 12.9.1 \$(10,224). The deficits occurred because of the timing of payments. Management intends to appropriate funds as necessary to cover deficit fund balance.

**III. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's, Authority's and all of the Hospital's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, Authority's or the Hospital's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, Authority and the Hospital, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, Authority or the Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Authority or the Hospital under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, Authority and the Hospital rely on the State Treasurer to monitor those financial institutions. The County, Authority and the Hospital analyze the financial soundness of any other financial institution used by them. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, Authority and the Hospital do not have policies regarding custodial credit risk for deposits.

At June 30, 2013, the County's deposits had a carrying amount of \$10,117,871 and a bank balance of \$11,013,184. Of the bank balance, \$1,000,000 was covered by federal depository insurance, \$10,044,673 in interest bearing deposits were covered by collateral held under the Pooling Method and \$1,118,025 in interest bearing deposits were covered by collateral held under the dedicated method. At June 30, 2013, Sampson County had \$3,995 cash on hand.

The Hospital's deposits had a carrying amount of \$1,842,783 and a bank balance of \$2,175,202 as of September 30, 2012, of the bank balance \$250,000 was secured by federal depository

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

insurance, \$1,592,783 in interest bearing deposits were covered by collateral held under the Pooling Method.

The Authority's deposits had a carrying amount of \$79,128 and a bank balance of \$79,128 as of June 30, 2013, of the bank balance \$79,128 was in interest bearing deposits and were covered by collateral held under the Pooling Method.

**2. Investments**

At June 30, 2013, the County's investments consisted of \$19,947,543 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, 2012, the Hospital's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Cost</u>
Cash	\$2,233,954	\$2,233,954
U.S. Treasury and agency bonds	11,356,304	11,513,461
FDIC-Guaranteed Corporate Bonds	-0-	-0-
NC Capital Management Trust	<u>4,643,906</u>	<u>4,643,906</u>
Total:	<u>\$18,234,164</u>	<u>\$18,391,321</u>

Investment grade bonds included U.S. Treasury issues with ratings of A or better by Standards & Poors'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 \$7,238,712 at September 30, 2012 and they mature between 2012 and 2014. All FDIC guaranteed corporate bonds mature in 2012.

**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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,745,176	\$ 713,746	\$ 3,458,922
2010	2,793,264	474,855	3,268,119
2011	3,704,126	296,330	4,000,456
2012	<u>3,778,063</u>	<u>-</u>	<u>3,778,063</u>
	<u>\$13,020,629</u>	<u>\$ 1,484,931</u>	<u>\$ 14,505,560</u>



**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**4. Receivables**

Receivables at the government-wide level at June 30, 2013, 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>
<b>Governmental Activities:</b>					
General	\$ 748,516	\$ 2,901,882	\$ 5,252,478	\$ 4,322	\$ 8,907,198
Accrued interest	-	568,415	-	-	568,415
Other Governmental	<u>96,867</u>	<u>177,069</u>	<u>1,641,226</u>	<u>-</u>	<u>1,915,162</u>
Total receivables	845,383	3,647,366	6,893,704	4,322	11,390,775
Allowance for doubtful accounts	<u>-</u>	<u>(177,800)</u>	<u>-</u>	<u>-</u>	<u>(177,800)</u>
Total governmental activities	<u>\$ 845,383</u>	<u>\$ 3,469,566</u>	<u>\$ 6,893,704</u>	<u>\$ 4,322</u>	<u>\$ 11,212,975</u>
<b>Business-type Activities</b>					
Water Districts I and II	\$ 346,494	\$ -	\$ -	\$ 245	\$ 346,739
Total receivables	346,494	-	-	245	346,739
Allowance for doubtful accounts	<u>(122,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,230)</u>
Total business-type activities	<u>\$ 224,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245</u>	<u>\$ 224,509</u>

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

Local option sales tax	\$ 3,375,029
State & federal grants	<u>3,518,675</u>
	<u>\$ 6,893,704</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$8,406,000.

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, 2013**

**5. Capital Assets**

**Primary Government**

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

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,172,038	\$ -	\$ -	\$ 6,172,038
Construction in progress	<u>16,088,848</u>	<u>889,394</u>	<u>12,989,628</u>	<u>3,988,614</u>
Total capital assets not being depreciated	<u>22,260,886</u>	<u>889,394</u>	<u>12,989,628</u>	<u>10,160,652</u>
Capital assets being depreciated:				
Buildings and improvements	135,920,946	13,007,512	-	148,928,458
Equipment	10,994,354	848,049	79,478	11,762,925
Vehicles and motor equipment	<u>6,092,093</u>	<u>503,613</u>	<u>-</u>	<u>6,595,706</u>
Total capital assets being depreciated	<u>153,007,393</u>	<u>14,359,174</u>	<u>79,478</u>	<u>167,287,089</u>
Less accumulated depreciation for:				
Buildings and improvements	19,806,366	3,578,491	-	23,384,857
Equipment	4,464,259	682,283	78,075	5,068,467
Vehicles and motor equipment	<u>4,422,613</u>	<u>527,400</u>	<u>-</u>	<u>4,950,013</u>
Total accumulated depreciation	<u>28,693,238</u>	<u>\$ 4,788,174</u>	<u>\$ 78,075</u>	<u>33,403,337</u>
Total capital assets being depreciated, net	<u>124,314,155</u>			<u>133,883,752</u>
Governmental activity capital assets, net	<u>\$ 146,575,041</u>			<u>\$ 144,044,404</u>

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

General government	\$ 3,866,741
Public safety	758,444
Economic & physical development	28,051
Human services	87,513
Environmental protection	12,528
Cultural and recreational	<u>34,897</u>
Total depreciation expense	<u>\$ 4,788,174</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Business-type activities:				
Water District 2 Capital assets being depreciated:				
Distribution systems	\$ 27,311,103	\$ -	\$ -	\$ 27,311,103
Equipment	287,364	-	-	287,364
Vehicles	94,098	24,416	-	118,514
Total capital assets being depreciated	<u>27,692,565</u>	<u>24,416</u>	<u>-</u>	<u>27,716,981</u>
Accumulated depreciation distribution	5,229,611	682,779	-	5,912,390
Accumulated depreciation equipment	95,502	15,019	-	110,521
Accumulated depreciation vehicles	15,973	8,908	-	24,881
Total accumulated depreciation	<u>5,341,086</u>	<u>706,706</u>	<u>-</u>	<u>6,047,792</u>
Water District 2 capital assets, net	<u>22,351,479</u>			<u>21,669,189</u>
Capital assets not being depreciated:				
Land	208,512	-	-	208,512
Construction in progress	672,836	196,759	-	869,595
Water capital assets not depreciated	<u>881,348</u>	<u>\$ 196,759</u>	<u>\$ -</u>	<u>1,078,107</u>
Water District 2 net capital assets	<u>\$ 23,232,827</u>			<u>\$ 22,747,296</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	21,076	-	-	21,076
Vehicles	91,067	24,416	-	115,483
Total capital assets being depreciated	<u>4,043,224</u>	<u>24,416</u>	<u>-</u>	<u>4,067,640</u>
Accumulated depreciation distribution	1,702,475	98,277	-	1,800,752
Accumulated depreciation equipment	20,219	263	-	20,482
Accumulated depreciation vehicles	18,288	7,209	-	25,497
Total accumulated depreciation	<u>1,740,982</u>	<u>105,749</u>	<u>-</u>	<u>1,846,731</u>
Water District 1 capital assets, net	<u>2,302,242</u>			<u>2,220,909</u>
Capital assets not being depreciated:				
Land	16,807	\$ -	\$ -	16,807
Water District 1 net capital assets	<u>2,319,049</u>			<u>2,237,716</u>
Business-type activities capital assets, net	<u>\$ 25,551,876</u>			<u>\$ 24,985,012</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

**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, 2012, was as follows:

	September 30, 2011	Additions	Retirements	September 30, 2012
Capital assets not being depreciated:				
Land	\$ 1,770,971	\$ 184,082	\$ -	\$ 1,955,053
Construction in progress	596,015	1,157,620	1,567,243	186,392
Total capital assets not being depreciated	<u>2,366,986</u>	<u>1,341,702</u>	<u>1,567,243</u>	<u>2,141,445</u>
Capital assets being depreciated:				
Land improvements	1,995,138	83,377	-	2,078,515
Buildings and improvements	33,149,692	2,646,073	-	35,795,765
Furniture and equipment	47,744,250	3,094,524	824,312	50,014,462
Total capital assets being depreciated	<u>82,889,080</u>	<u>5,823,974</u>	<u>824,312</u>	<u>87,888,742</u>
Less accumulated depreciation for:				
Land improvements	1,507,030	73,363	-	1,580,393
Buildings and improvements	19,191,872	952,516	-	20,144,388
Furniture and equipment	38,882,151	3,083,655	642,745	41,323,061
Total accumulated depreciation	<u>59,581,053</u>	<u>4,109,534</u>	<u>642,745</u>	<u>63,047,842</u>
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 25,675,013</u>			<u>\$ 26,982,345</u>

**B. Liabilities**

**1. Payables**

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

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental activities:				
General	\$ 1,494,677	\$ 114,338	\$ 2,024,470	\$ 3,633,485
Other governmental	61,093	2,585	-	63,678
Total governmental activities	<u>\$ 1,555,770</u>	<u>\$ 116,923</u>	<u>\$ 2,024,470</u>	<u>\$ 3,697,163</u>
Business-type activities:				
Water District II	\$ 273,374	\$ 721	\$ 55,259	\$ 329,354
Water District I	44,327	202	3,696	48,225
Total business-type activities	<u>\$ 317,701</u>	<u>\$ 923</u>	<u>\$ 58,955</u>	<u>\$ 377,579</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2013**

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**2. Pension Plan and Other Post-Employment Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description* – Sampson County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions and contribution requirements to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy* – Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 7.22%, respectively, of annual covered payroll. The contribution requirements of members and of Sampson County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,120,863, \$1,242,417, and \$937,856, respectively. The contributions made by the County equaled the required contributions for each year.

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

**1. Plan Description**

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**2. Summary of Significant Account Policies**

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

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

**3. Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County allocated \$30,000 or .98% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the fiscal year ended June 30, 2013 was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5%-7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ended 6/30/2013

(a) Employer annual required contribution	\$ 80,568
(b) Interest on net pension obligation	8,305
(c) Adjustment to annual required contribution	<u>(10,337)</u>
(d) Annual pension cost	78,536
(e) Employer contributions made for fiscal year 6/30/2013	<u>30,000</u>
(f) Increase in net pension obligation	48,536
(g) Net pension obligation beginning of fiscal year	<u>166,108</u>
(h) Net pension obligation end of fiscal year	<u>\$ 214,644</u>

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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For the Year Ended June 30	3 Year Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage Of APC Contributed	
2011	\$ 54,160	55.39%	\$ 122,217
2012	73,891	40.60%	166,108
2013	78,536	38.20%	214,644

**4. Funding Status and Funding Progress**

As of December 31 2012, the most recent actuarial valuation date, the plan was 47.69 percent funded. The actuarial accrued liability for benefits was \$705,747, and the actuarial value of assets was \$336,592, resulting in an unfunded actuarial accrued liability (UAAL) of \$369,155. The covered payroll (annual payroll of active employees covered by the plan) was \$3,243,504, and the ratio of the UAAL to the covered payroll was 11.38 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, 2013 were \$221,106 which consisted of \$165,594 from the County and \$55,512 from the law enforcement officers. The County contributes 2.35% of each non-law enforcement employees salary who are vested under this plan. Non law enforcement contributions were \$451,478 which consisted of \$338,128 from the County and \$113,350 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

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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not available to employees until termination, retirement, death, or unforeseeable emergency. The County does not contribute any portion into this plan.

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

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

*Funding Policy* – On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2013, the County's required and actual contributions were \$3,921.

**f. Other Post-Employment Benefits**

**Healthcare Benefits**

*Plan Description* - Under the County's annual budget ordinance, Sampson County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have worked at least 15 continuous years in local or State government with the last 10 years worked with Sampson County. Employees must be eligible to retire under retirement system guidelines. The County pay 100% of the individual premium for employees who have worked 20 continuous years in local or State government with the last 10 years worked with Sampson County and 75% of the individual premium for employees who have worked at least 15 continuous years in local or State government with the last 10 years worked with Sampson County. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.



**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

Membership of the HCB Plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

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

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under the County budget ordinance that can be amended by the Board of Commissioners. The County's members pay \$245 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 8.11% of annual covered payroll. For the current year, the County contributed \$792,000 or 5% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 3.09% and 2.66% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$76,000. 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.

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

Annual required contribution	\$ 2,082,000
Interest on net OPEB obligation	218,000
Adjustment to annual required contribution	<u>222,000</u>
Annual OPEB cost (expense)	2,078,000
Contributions made	<u>(792,000)</u>
Increase in net OPEB obligation	1,286,000
Net OPEB obligation, beginning of year	<u>5,438,624</u>
Net OPEB obligation, end of year	<u>\$ 6,724,624</u>

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 1,825,000	31.4%	\$ 4,121,624
2012	1,924,000	31.5	5,438,624
2013	2,078,000	38.1	6,724,624

*Funded Status and Funding Progress.* As of June 30, 2013, 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 \$18,838,000. The covered payroll (annual payroll of active employees covered by the plan) was \$16,887,916, and the ratio of the UAAL to the covered payroll was 111.55 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, 2013 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, 2013, 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

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. 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 contributes 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 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.

Funding Policy –The Hospital's contribution to the Plans for the current year was \$1,484,215.

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

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

**4. Deferred Outflows and Inflows of Resources**

The amount of deferred outflows of resources is a charge on refunding of debt of \$347,458.

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

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 43,317
Taxes receivable, net (General)	2,733,882	-
Taxes receivable, net (Special Revenue)	<u>167,269</u>	<u>-</u>
Total	<u>\$ 2,901,151</u>	<u>\$ 43,317</u>

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**5. Disclosure of Significant Commitments**

The County has active construction projects as of June 30, 2013. The projects include the County Administration offices, Human Services building construction, Clinton High School construction, Union High School construction, and Midway High School construction. At June 30, 2013, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Well Construction Project	137,146	1,160,352

**6. 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.

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.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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

	June 30, 2013
Claims payable, beginning	
Of year	\$ 156,149
Add: Claims received	5,529,319
Less: Claims paid	5,620,757
Claims payable, end of year	<u>\$ 64,711</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.

**7. Contingent Liabilities**

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

**8. Long-Term Obligations**

**a. Installment Purchases**

The County's installment purchase agreements payable at June 30, 2013 are comprised of the following individual issues:

Serviced by the Governmental Funds:

Installment agreement with USDA for the construction of a new Midway High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2013, there were 37 payments remaining. \$ 3,706,350

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, 2013, there were 21 installments remaining. 1,657,385

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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<p>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, 2013, there were 33 payments remaining.</p>	10,288,876
<p>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, 2013 there were 34 payments remaining.</p>	2,130,859
<p>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, 2013 there were 34 payments remaining.</p>	28,422,185
<p>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, 2013 there were 9 payments remaining.</p>	1,378,566
<p>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, 2013 there were 35 payments remaining.</p>	9,111,824
<p>Installment purchase agreement with USDA for the renovation of a County owned building to house the Public Works and Data Processing Departments. This agreement is secured by the building and land. The loan amount is \$862,800 and will be repaid in 28 annual installments of \$53,283 including interest at 4.125%. At June 30, 2013 there were 25 payments remaining.</p>	790,707
<p>Installment agreement with USDA for the construction of a new Union High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2013, there were 37 payments remaining.</p>	3,706,350
<p>Installment purchase agreement with Regions Bank for renovations on Sampson County Board of Education owned facilities. These are Qualified Zone Academy Bonds in the amount of \$2,000,000 secured by the buildings and land. The loan will be repaid in 14 annual installments of \$155,667 including interest at 1%. At June 30, 2013 there were 11 payments remaining.</p>	1,440,000

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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 be made annually in the amount of \$59,096 including interest at 4.75%. At June 30, 2013 there were 26 payments remaining. 878,934

Installment agreement with USDA for the construction of a Roseboro Elementary School, secured by the building and land. The total loan is \$12,400,000 and will be repaid in two interest only payments due December 16, 2011 and 2012 of 3.75% then 38 annual installments of \$617,520 including interest at 3.75%. Principal and interest repayment will begin in fiscal year 2013-2014. At June 30, 2013, there were 40 payments remaining. 12,400,000

Installment purchase propane equipment vehicles. This agreement is secured by the equipment and calls for 36 monthly payments of \$4,117 each including interest. At June 30, 2012 there were 32 payments remaining. 113,345

\$ 76,025,381

For Sampson County, the future minimum payments as of June 30, 2013, including \$64,257,806 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2014	\$ 1,396,851	\$ 3,053,625
2015	1,445,034	3,004,042
2016	1,478,881	2,952,326
2017	1,494,617	2,902,251
2018	1,543,922	2,851,547
2019-2023	8,229,811	13,421,898
2024-2028	8,554,361	11,817,381
2029-2033	10,482,308	9,889,435
2034-2038	12,114,146	7,556,031
2039-2043	14,359,996	4,861,697
2044-2048	12,478,238	1,773,151
2049-2051	2,447,216	174,422
Total principal payments	<u>\$ 76,025,381</u>	
Total interest payments		<u>\$ 64,257,806</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

Serviced by the Water and Sewer Districts.

Installment agreement with USDA for the new well project, secured by land. The total loan is \$500,000 and will be repaid in two interest only payments due May 9, 2014 and 2015 of 3.50% then 38 annual installments of \$21,065 including interest at 3.50%. Principal and interest repayment will begin in fiscal year 2015-2016. At June 30, 2013, there were 40 payments remaining. \$ 500,000

Installment agreement with USDA for the new well project, secured by land. The total loan is \$500,000 and will be repaid in two interest only payments due May 9, 2014 and 2015 of 3.50% then 38 annual installments of \$21,065 including interest at 3.50%. Principal and interest repayment will begin in fiscal year 2015-2016. At June 30, 2013, there were 40 payments remaining. 1,292,000  
\$ 1,792,000

For Sampson County, the future minimum payments as of June 30, 2013, including \$1,532,249 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2014	\$ -	\$ 58,970
2015	-	58,970
2016	23,323	58,970
2017	24,084	58,209
2018	24,871	57,422
2019-2023	137,094	274,371
2024-2028	161,046	250,418
2029-2033	189,238	222,228
2034-2038	222,423	189,043
2039-2043	261,498	149,968
2044-2048	307,517	103,947
2049-2053	440,906	49,733
Total principal payments	<u>\$ 1,792,000</u>	
Total interest payments		<u>\$ 1,532,249</u>

**b. General Obligation Indebtedness**

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



**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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The Water and Sewer District's general obligation bonds payable at June 30, 2013 are comprised of the following individual issues which are serviced by the Water and Sewer Districts:

\$4,982,000 Water Series A bonds issued on February 28, 2000, due in annual installments of \$51,000 to \$202,000 through June 1, 2039 with the first installment due June 1, 2002; 5.125 percent interest rate.	\$ 4,176,000
\$421,000 Water Series B bonds issued on February 28, 2000 Due in annual installments of \$5,000 to \$20,000 through June 1, 2039 with the first installment due June 1, 2002; 4.75 percent interest rate.	349,000
\$1,093,000 Water and Sewer bonds issued on August 7, 1995, due in annual installments of \$11,500 to \$46,000 Through June 1, 2035 with the first installment due June 1, 1998; 5.125 percent interest rate.	837,500
\$2,486,000 Water Series A bonds issued on January 26, 2004, due in annual installments of \$37,545 to \$112,725 Through June 1, 2043 with the first installment due June 1, 2004; 4.375 percent interest rate.	2,235,000
\$948,000 Water Series B bonds issued on January 26, 2004 due in annual installments of \$14,726 to \$41,800 Through June 1, 2043 with the first installment due June 1, 2004; 4.5 percent interest rate.	852,000
\$2,297,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$97,623 to 123,753 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate.	2,092,000
\$1,486,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$63,155 to 80,395 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate.	1,354,000
	<u>\$ 11,895,500</u>

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$9,367,411 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2014	\$ 232,500	\$ 556,096
2015	243,000	545,079
2016	255,500	533,565
2017	266,500	521,453
2018	280,000	508,817
2019-2023	1,602,000	2,332,829
2024-2028	2,013,000	1,914,829
2029-2033	2,430,000	1,395,144
2034-2038	2,597,000	797,932
2039-2043	1,804,000	254,357
2044	172,000	7,310
Total principal payments	<u>\$ 11,895,500</u>	
Total interest payments		<u>\$ 9,367,411</u>

**c. Refunding Bonds**

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

The installment purchase was executed on April 7, 2010 to the outstanding amount of the January, 1999 issue. The transactions calls for 15 annual principal payments of \$985,000 to \$1,280,000 and thirty semiannual interest payments, due on December 1 and June 1, at interest rates varying from 2.00 percent to 5.25 percent. These refunding bonds which mature through June 1, 2024 are reported in the general fund because they are being repaid from general fund revenues. Balance outstanding at June 30, 2013 is \$11,045,000.

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$3,090,163 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2014	\$ 1,045,000	\$ 488,225
2015	1,030,000	456,875
2016	1,020,000	415,675
2017	1,020,000	364,675
2018	1,010,000	323,875
2019-2023	4,935,000	989,125
2024	985,000	51,713
Total principal payments	<u>\$ 11,045,000</u>	
Total interest payments		<u>\$ 3,090,163</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, 2013**

Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$825,475, are as follows:

Year Ending September 30	Principal	Interest
2013	\$ 941,667	\$ 169,385
2014	941,667	147,035
2015	941,667	124,685
2016	941,667	102,335
2017	941,667	79,985
2018-2022	2,708,331	151,589
2023-2027	1,375,001	48,116
2028-2032	366,666	2,345
Total principal payments	<u>\$ 9,158,333</u>	
Total interest payments		<u>\$ 825,475</u>

**e. State Clean Water Bond Loan**

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

\$61,350

Debt service requirements to maturity, including interest of \$4,445 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2014	\$ 20,450	\$ 2,671
2015	20,450	1,493
2016	20,450	281
Total principal payments	<u>\$ 61,350</u>	
Total interest payments		<u>\$ 4,445</u>

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

\$ 510,110

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

1,111,578  
\$1,621,688

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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Debt service requirements to maturity, including interest of \$371,069 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 139,005	\$ 56,654
2015	139,005	52,778
2016	139,005	48,935
2017	139,005	44,161
2018	139,005	39,107
2019-2023	695,026	116,931
2024-2025	<u>231,637</u>	<u>12,503</u>
Total principal payments	<u>\$ 1,621,688</u>	
Total interest payments		<u>\$ 371,069</u>

**f. Certificates of Participation**

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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Annual debt service requirements to maturity for the County's certificates of participation, including interest of \$31,359,345 and unamortized bond premium of \$1,944,673 are as follows: The balance of the obligation is 48,760,000 plus the unamortized premium of \$1,944,673 will equal the below amount.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2014	\$ 1,659,551	\$ 2,347,935
2015	1,659,551	2,269,185
2016	1,659,551	2,206,185
2017	1,659,551	2,127,435
2018	1,659,551	2,048,685
2019-2023	8,297,755	9,085,175
2024-2028	12,477,755	6,832,725
2029-2033	13,522,755	3,732,250
2034-2036	8,108,653	709,770
Total principal payments	<u>\$ 50,704,673</u>	
Total interest payments		<u>\$ 31,359,345</u>

**g. Conduit Debt Obligations**

Sampson County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$40,985,000.

**h. Debt Related to Capital Activities**

Of the total Governmental Activities debt listed only \$111,511,489 relates to assets the County holds title.

Sampson County had a legal debt margin of \$233,709,240 at June 30, 2013.

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

**i. Long-Term Obligation Activity**

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

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

	Balance July 1,	Increases	Decreases	Balance June 30,	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchases	\$ 77,012,782	\$ 127,600	\$ 1,115,001	\$ 76,025,381	\$ 1,396,851
Refunding bonds	12,105,000	-	1,060,000	11,045,000	1,045,000
Certificates of Participation	50,335,000	-	1,575,000	48,760,000	1,575,000
Unamortized premium on COPs	2,029,224	-	84,551	1,944,673	84,551
Unfunded pension liability	166,108	78,536	30,000	214,644	-
Other post-employment benefits	5,361,684	2,057,220	792,000	6,626,904	-
Compensated absences	<u>1,543,257</u>	<u>1,560,738</u>	<u>1,544,152</u>	<u>1,559,843</u>	<u>1,559,843</u>
Total governmental activities	<u>\$ 148,553,055</u>	<u>\$ 3,824,094</u>	<u>\$ 6,200,704</u>	<u>\$ 146,176,445</u>	<u>\$ 5,661,245</u>
<b>Business-type activities:</b>					
General obligation debt	\$ 12,117,000	\$ -	\$ 221,500	\$ 11,895,500	\$ 232,500
Installment purchases	-	1,792,000	-	1,792,000	-
State Clean Water bonds	1,842,493	-	159,455	1,683,038	159,455
Other post-employment benefits	76,940	20,780	-	97,720	-
Compensated absences	<u>24,350</u>	<u>20,649</u>	<u>22,494</u>	<u>22,505</u>	<u>20,649</u>
Total business-type activities	<u>\$ 14,060,783</u>	<u>\$ 1,833,429</u>	<u>\$ 403,449</u>	<u>\$ 15,490,763</u>	<u>\$ 412,604</u>
<b>Discretely presented component units:</b>					
Revenue bonds	\$ 10,100,000	\$ -	\$ 941,667	\$ 9,158,333	\$ 941,667
Notes payable	-	1,054,639	-	1,054,639	-
Capital leases	1,702,537	-	480,482	1,222,055	506,041
Compensated absences	<u>2,660,834</u>	<u>-</u>	<u>194,690</u>	<u>2,466,144</u>	<u>2,466,144</u>
Total discretely presented component units:	<u>\$ 14,463,371</u>	<u>\$ 1,054,639</u>	<u>\$ 1,616,839</u>	<u>\$ 13,901,171</u>	<u>\$ 3,913,852</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2013**

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**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2013, consists of the following:

From the General fund to the County Capital Project fund to provide for County building improvements	405,000
From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	169,681
From the General fund to Sampson County Water District 2 fund to supplement other funding resources	<u>26,600</u>
Total Transfers out from the General Fund	<u>601,281</u>
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	2,901,930
From the County Capital Project fund to the General Fund to pay building repair costs for Sampson Community College	12,834
From the County Capital Project fund to the General Fund to pay maintenance and repair costs on the Livestock Arena	<u>2,000</u>
Total Transfers in to the General Fund	<u>2,916,764</u>
Total	<u><u>\$ 3,518,045</u></u>

Interfund balances at June 30, 2013, consists of the following:

Due to the General fund from:

Airport Apron 19.6.1 Capital Project Fund	\$ 1,267,333
Nonmajor Governmental Funds:	
Community Development CDBG 10-C-2128 Special Revenue Fund	112,552
Governor's Highway Safety Program Special Revenue Fund	6,385
Recreation Western District Park Special Revenue Fund	49,614
Airport Construction 12.9.1 Capital Project Fund	10,224
Airport Construction 12.8.1 Capital Project Fund	8,109
Airport Taxiway 12.6.2 Capital Project Fund	2,335
County Buildings Construction & Renovation Capital Project Fund	<u>5,713</u>
Total nonmajor (other) governmental funds	<u>194,932</u>
Total all funds	<u><u>\$ 1,462,265</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.



**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

Total Fund Balance - General Fund	\$23,052,315
Less:	
Inventories	14,690
Stabilization by State Statute	7,475,838
Public Safety	431,913
Debt Service	2,474,036
Revaluation	559,757
Capital Projects	1,055,845
Appropriated Fund Balance in 2014 Budget	3,645,305
Remaining Fund Balance	7,394,931

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
	\$12,579	\$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, 2013. 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, 2013**

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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 \$1,217,137 and \$0 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2013. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2013. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

At September 30, 2011, the Hospital's "Investment in Joint Venture" represents a 50% interest in Sampson Regional Cancer Center, LLC ("SRCC"). Since the Hospital does not control SRCC, the investment in SRCC is accounted for under the equity method. Under the equity method, the Hospital's investment in SRCC is recorded at cost, while the Hospital's share of SRCC's net income or loss increases or decreases the amount of investment and is recognized by the Hospital as non-operating revenue or loss. Any distributions made to the Hospital by SRCC reduce the amount of investment. Effective April 1, 2012, the Hospital purchased the remaining 50% interest of SRCC. Upon purchase, the net assets of SRCC were transferred to the Hospital and SRCC was dissolved.

**VI. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

**SAMPSON COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2013**

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**VII. 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	\$ -	\$ 621,433
Temporary Assistance to Needy Families	380,250	-
Medicaid	60,638,881	34,357,160
Energy Assistance	208,900	-
Program for Women, Infants & Children	1,765,863	-
Title IV-E Foster Care	<u>246,125</u>	<u>64,888</u>
Totals	<u>\$ 63,240,019</u>	<u>\$ 35,043,481</u>

**VIII. 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.

**IX. Potential Repayment of Head Start Funds**

As reported in the compliance section of the 2011-2012 audit, the County was not in compliance with requirements of the Head Start Program. This occurred due to the destruction of a large portion of applicant files containing vital information. Therefore, compliance testing was not possible and resulted in a disclaimer of opinion for that major program only. The resulting questioned cost of \$3,176,097 has not been accrued in the financial statements. The County is currently requesting confirmation from the grantor that no further action will be taken against the County to collect any of the funds due to the circumstances surrounding the destruction of the files. During fiscal year 2011, the County requested to no longer administer the Sampson County Head Start program for the 2013 year. Head Start agreed to do such and in turn asked the County to remain as administrator for 2012 until a new administrator could be put in place. During the conversion of administrator roles the County's applicant files were destroyed. It is management's strong belief that there will be no future requirement to repay any of the funding used in the 2011-2012 Head Start Program. If there would be such a financial request, management believes that the County would have sufficient financial resources to meet the request and still be financially capable to meet its obligations for a reasonable period of time.

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

**Exhibit A-1**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ 223,934	\$ 448,971	\$ 225,037	49.88 %	\$ 2,361,153	9.53 %
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

**SAMPSON COUNTY, NORTH CAROLINA  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ANALYSIS OF FUNDING PROGRESS**

**Exhibit A-2**

**Trend Information**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	\$ 54,160	55.39 %
2012	73,891	40.60
2013	78,536	38.20

Notes to the Required Schedules:

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

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

**SAMPSON COUNTY, NORTH CAROLINA  
OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

**Exhibit A-3**

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)
12/31/08	\$ -	\$ 11,510,000	\$ 11,510,000	- %	\$ 18,251,607	63.06 %
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
6/30/12	-	16,502,000	16,502,000	-	18,983,789	86.93
6/30/13	-	18,838,000	18,838,000	-	16,887,916	111.55

**SAMPSON COUNTY, NORTH CAROLINA  
OTHER POST-EMPLOYMENT BENEFITS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ANALYSIS OF FUNDING PROGRESS**

**Exhibit A-4**

**Trend Information**

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

Notes to the Required Schedules:

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

Valuation Date	June 30, 2013
Actuarial cost method	Project unit credit
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation	Market value
Actuarial assumptions:	
Investment rate of return	4.00%
Medical cost trend	9.00%
Includes inflation at	2.50%
Cost-of-living adjustments	None

**SAMPSON COUNTY, NORTH CAROLINA  
GENERAL FUND  
BALANCE SHEET  
June 30, 2013**

**Exhibit B-1**

**Assets:**

Cash and cash equivalents	\$ 16,602,230
Restricted cash	559,757
Receivables (net)	
Taxes	2,733,882
Accounts	6,000,994
Due from other funds	1,462,265
Inventories	14,690
Total Assets	<u>\$ 27,373,818</u>

**Liabilities:**

Accounts payable and accrued liabilities	<u>\$ 1,544,304</u>
Total Liabilities	<u>1,544,304</u>

**Deferred Inflows of Resources:**

Property taxes receivable	2,733,882
Prepaid taxes	43,317
Total Deferred Inflows of Resources	<u>2,777,199</u>

**Fund Balances:**

Nonspendable	
Inventories	14,690
Restricted:	
Stabilization by State Statute	7,475,838
Public safety	431,913
Debt service	2,474,036
Education	-
Revaluation	559,757
Committed:	
Economic development	-
Capital projects	1,055,845
Assigned:	
Subsequent year's expenditures	3,645,305
Unassigned	7,394,931
Total Fund Balances	<u>23,052,315</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,373,818</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes:			
Ad valorem	\$	\$ 31,683,536	\$
Penalties and interest		401,596	
Total	<u>31,728,571</u>	<u>32,085,132</u>	<u>356,561</u>
Sales Tax:			
One cent		3,307,250	
One half cent article 40		2,078,016	
One half cent article 42		758,627	
One quarter cent article 46		918,972	
Total	<u>6,938,000</u>	<u>7,062,865</u>	<u>124,865</u>
Restricted:			
State grants		11,297,475	
Federal grants		427,325	
Court facility fees		176,738	
Local grants		202,470	
Total	<u>14,209,485</u>	<u>12,104,008</u>	<u>(2,105,477)</u>
Permits and Fees:			
Register of deeds		356,574	
Inspection		317,955	
Local subdivision fees		29,774	
Franchise		54,283	
Total	<u>677,700</u>	<u>758,586</u>	<u>80,886</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Sales and Services:</b>			
<b>Tax Collection Fees:</b>			
Town of Turkey		452	
Town of Salemburg		183	
Town of Roseboro		1,156	
Town of Newton Grove		296	
Town of Garland		3,529	
Town of Autryville		115	
Town of Harrells		619	
City of Clinton		56,839	
Tax collection		144,839	
Jail fees		1,493,953	
Sheriff fees		799,428	
Health fees		853,949	
Ambulance fees		2,284,623	
Aging services fees		616,166	
Total	<u>6,152,166</u>	<u>6,256,147</u>	<u>103,981</u>
Investment Earnings	<u>41,000</u>	<u>15,026</u>	<u>(25,974)</u>
<b>Miscellaneous:</b>			
Board of elections		-	
Short-term vehicle lease		12,999	
Recreation		48,149	
Agri-Exposition center		202,318	
Rent		2,079,975	
Other		655,075	
Total	<u>2,569,008</u>	<u>2,998,516</u>	<u>429,508</u>
Total revenues	<u>62,315,930</u>	<u>61,280,280</u>	<u>(1,035,650)</u>
<b>Expenditures</b>			
<b>General Government</b>			
<b>Governing Body</b>			
Salaries and employee benefits		89,899	
Operations and maintenance		47,451	
Total	<u>142,874</u>	<u>137,350</u>	<u>5,524</u>
<b>Administration</b>			
Salaries and employee benefits		271,786	
Operations and maintenance		26,999	
Total	<u>333,992</u>	<u>298,785</u>	<u>35,207</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Airport			
Operations and maintenance		47,843	
Total	63,520	47,843	15,677
Finance			
Salaries and employee benefits		604,984	
Operations and maintenance		396,561	
Total	1,101,760	1,001,545	100,215
Data Processing			
Salaries and employee benefits		243,096	
Operations and maintenance		210,111	
Capital outlay		5,550	
Total	549,636	458,757	90,879
Communications Tower			
Operations and maintenance		23,257	
Capital outlay		-	
Total	27,206	23,257	3,949
Tax Administration			
Salaries and employee benefits		794,276	
Operations and maintenance		422,760	
Total	1,237,192	1,217,036	20,156
Legal			
Professional services		19,895	
Total	53,000	19,895	33,105
Courts			
Operations and maintenance		6,660	
Total	9,060	6,660	2,400
Criminal Justice Partnership Program			
Operations and maintenance	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Salaries and employee benefits		95,829	
Operations and maintenance		150,379	
Total	<u>258,787</u>	<u>246,208</u>	<u>12,579</u>
Register of Deeds			
Salaries and employee benefits		322,515	
Operations and maintenance		82,423	
Total	<u>464,065</u>	<u>404,938</u>	<u>59,127</u>
Public Buildings			
Salaries and employee benefits		438,586	
Operations and maintenance		985,515	
Capital outlay		6,470	
Total	<u>1,682,685</u>	<u>1,430,571</u>	<u>252,114</u>
Total General Government	<u>5,923,777</u>	<u>5,292,845</u>	<u>630,932</u>
Public Safety			
Sheriff			
Salaries and employee benefits		4,378,117	
Operations and maintenance		1,436,057	
Capital outlay		524,204	
Total	<u>6,396,316</u>	<u>6,338,378</u>	<u>57,938</u>
Jail			
Salaries and employee benefits		1,849,922	
Operations and maintenance		1,260,049	
Capital outlay		-	
Total	<u>3,293,140</u>	<u>3,109,971</u>	<u>183,169</u>
Communications			
Salaries and employee benefits		847,559	
Operations and maintenance		72,485	
Capital outlay		12,615	
Total	<u>940,710</u>	<u>932,659</u>	<u>8,051</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Emergency Management			
Salaries and employee benefits		319,206	
Operations and maintenance		135,136	
Capital outlay		10,500	
Total	<u>568,565</u>	<u>464,842</u>	<u>103,723</u>
Volunteer Fire Departments			
Assistance to County fire departments	<u>253,121</u>	<u>251,221</u>	<u>1,900</u>
Inspections			
Salaries and employee benefits		317,574	
Operations and maintenance		41,237	
Capital outlay		50,116	
Total	<u>414,084</u>	<u>408,927</u>	<u>5,157</u>
Coroner			
Professional services	<u>43,600</u>	<u>41,266</u>	<u>2,334</u>
Rescue			
Salaries and employee benefits		2,548,534	
Assistance to County rescue units		211,716	
Operations and maintenance		673,935	
Capital outlay		393,948	
Total	<u>3,931,481</u>	<u>3,828,133</u>	<u>103,348</u>
Dive Team			
Contracted services	<u>17,310</u>	<u>17,310</u>	<u>-</u>
Animal Control			
Salaries and employee benefits		104,309	
Operations and maintenance		115,441	
Total	<u>243,577</u>	<u>219,750</u>	<u>23,827</u>
Total Public Safety	<u>16,101,904</u>	<u>15,612,457</u>	<u>489,447</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Solid Waste			
Contracted services		787,393	
Operations and maintenance		9,330	
Total	<u>934,717</u>	<u>796,723</u>	<u>137,994</u>
Forestry			
State forestry program	<u>133,680</u>	<u>127,481</u>	<u>6,199</u>
Horticulture Project	<u>2,423</u>	<u>-</u>	<u>2,423</u>
Master Gardener Program	<u>2,300</u>	<u>2,169</u>	<u>131</u>
Lagoon Management	<u>9,983</u>	<u>2,202</u>	<u>7,781</u>
Senior Health Information Program	<u>7,472</u>	<u>7,301</u>	<u>171</u>
Cooperative Extension Seminars	<u>10,255</u>	<u>6,572</u>	<u>3,683</u>
Environmental Defense Fund Project			
Salaries and employee benefits		10,412	
Operations and maintenance		1,836	
Capital Outlay		87,596	
Total	<u>115,726</u>	<u>99,844</u>	<u>15,882</u>
4-H Prevention Program			
Salaries and employee benefits		27,605	
Operations and maintenance		18,701	
Total	<u>48,665</u>	<u>46,306</u>	<u>2,359</u>
Total Environmental Protection	<u>1,265,221</u>	<u>1,088,598</u>	<u>176,623</u>
Economic and Physical Development			
Planning and Zoning			
Contracted services		152,050	
Total	<u>159,040</u>	<u>152,050</u>	<u>6,990</u>

**SAMPSON COUNTY, NORTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Industrial Development			
Salaries and employee benefits		140,535	
Operations and maintenance		285,613	
Total	472,152	426,148	46,004
Industrial Utility			
Operations and maintenance		21,843	
Total	23,735	21,843	1,892
N.C. Cooperative Extension Service			
Salaries and employee benefits		281,282	
Operations and maintenance		53,321	
Total	405,220	334,603	70,617
Soil Conservation			
Salaries and employee benefits		195,208	
Operations and maintenance		6,151	
Total	221,128	201,359	19,769
Total Economic and Physical Development	1,281,275	1,136,003	145,272
Human Services			
Mental Health Administration			
Eastpointe Mental Health	274,678	274,678	-
Veterans			
Salaries and employee benefits		95,199	
Operations and maintenance		15,972	
Total	124,567	111,171	13,396

**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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Youth Needs Task Force			
Salaries and employee benefits		41,937	
Programs		127,910	
Total	175,744	169,847	5,897
Health			
Administration			
Salaries and employee benefits		17,485	
Operations and maintenance		47,348	
Capital outlay		2,247	
Total	106,210	67,080	39,130
Diabetes Self Management			
Salaries and employee benefits		34,855	
Operations and maintenance		31,930	
Total	90,769	66,785	23,984
School Nurse Initiatiave			
Contracted services	400,000	400,000	-
Tuberculosis - CDC			
Salaries and employee benefits		40,556	
Operations and maintenance		10,705	
Total	52,217	51,261	956
Tuberculosis Medical Services			
Professional services	2,271	2,271	-
Communicable Disease			
Salaries and employee benefits		114,939	
Operations and maintenance		35,554	
Total	187,040	150,493	36,547



**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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Adult Services			
Salaries and employee benefits		48,721	
Operations and maintenance		79,760	
Total	<u>151,644</u>	<u>128,481</u>	<u>23,163</u>
Health Promotion			
Salaries and employee benefits		20,418	
Operations and maintenance		1,171	
Total	<u>36,133</u>	<u>21,589</u>	<u>14,544</u>
Breast and Cervical Cancer			
Salaries and employee benefits		9,726	
Operations and maintenance		13,781	
Total	<u>31,777</u>	<u>23,507</u>	<u>8,270</u>
Healthy Carolinians			
Operations and maintenance	<u>8,617</u>	<u>6,223</u>	<u>2,394</u>
Immunization			
Salaries and employee benefits		41,531	
Operations and maintenance		13,217	
Capital outlay		2,761	
Total	<u>70,127</u>	<u>57,509</u>	<u>12,618</u>
Maternal Health & Outreach			
Salaries and employee benefits		380,284	
Operations and maintenance		84,053	
Total	<u>538,950</u>	<u>464,337</u>	<u>74,613</u>
Family Planning			
Salaries and employee benefits		237,814	
Operations and maintenance		79,910	
Total	<u>354,167</u>	<u>317,724</u>	<u>36,443</u>
WIC			
Salaries and employee benefits		286,135	
Operations and maintenance		95,540	
Total	<u>378,260</u>	<u>381,675</u>	<u>(3,415)</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Child Services Coordination			
Salaries and employee benefits		136,922	
Operations and maintenance		29,994	
Total	201,956	166,916	35,040
Pregnancy Care Management			
Salaries and employee benefits		149,192	
Operations and maintenance		38,458	
Total	200,591	187,650	12,941
Child Health			
Salaries and employee benefits		66,653	
Operations and maintenance		20,000	
Total	105,955	86,653	19,302
Environmental Health			
Salaries and employee benefits		363,281	
Operations and maintenance		32,672	
Total	419,971	395,953	24,018
Food and Lodging			
Travel	7,300	7,263	37
State Bio-Terrorism			
Salaries and employee benefits		52,826	
Operations and maintenance		3,200	
Total	61,061	56,026	5,035
Total Health	3,405,016	3,039,396	365,620

**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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		5,989,349	
Operations and maintenance		1,354,997	
Capital outlay		-	
Total	<u>7,413,249</u>	<u>7,344,346</u>	<u>68,903</u>
Assistance			
Food stamp issuance		21,133	
WFBG programs		9,548	
Medicaid transportation		954,811	
Daycare		2,009,104	
Medicaid		42,362	
AA-AD-AB rest homes		620,730	
Aid to the blind		7,370	
Crisis intervention program		484,673	
In-Home services		12,000	
Foster care		1,011,040	
Adoption assistance		53,787	
Other programs		12,137	
Total	<u>6,106,983</u>	<u>5,238,695</u>	<u>868,288</u>
Total Social Services	<u>13,520,232</u>	<u>12,583,041</u>	<u>937,191</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		129,084	
Operations and maintenance		63,567	
Total	<u>193,977</u>	<u>192,651</u>	<u>1,326</u>
Transportation			
Salaries and employee benefits		24,330	
Total	<u>26,160</u>	<u>24,330</u>	<u>1,830</u>
Personal Care Block Grant			
Salaries and employee benefits		157,959	
Operations and maintenance		312,920	
Total	<u>476,058</u>	<u>470,879</u>	<u>5,179</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Home Repairs			
Salaries and employee benefits		63,829	
Operations and maintenance		68,070	
Total	<u>133,727</u>	<u>131,899</u>	<u>1,828</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		82,256	
Operations and maintenance		9,773	
Total	<u>91,349</u>	<u>92,029</u>	<u>(680)</u>
Adult Daycare			
Salaries and employee benefits		147,993	
Operations and maintenance		78,985	
Total	<u>231,257</u>	<u>226,978</u>	<u>4,279</u>
Information/Case Assistance			
Salaries and employee benefits		45,639	
Operations and maintenance		3,403	
Total	<u>50,627</u>	<u>49,042</u>	<u>1,585</u>
Nutrition Program			
Salaries and employee benefits		110,444	
Operations and maintenance		260,984	
Total	<u>380,581</u>	<u>371,428</u>	<u>9,153</u>
Family Caregiver Support			
Salaries and employee benefits		21,021	
Operations and maintenance		9,883	
Total	<u>30,605</u>	<u>30,904</u>	<u>(299)</u>
Total Aging and In-Home Services	<u>1,614,341</u>	<u>1,590,140</u>	<u>24,201</u>
Total Human Services	<u>19,114,578</u>	<u>17,768,273</u>	<u>1,346,305</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education		7,342,732	
Clinton City Board of Education		2,551,230	
Sampson Community College		1,217,137	
Capital Outlay			
Sampson County Board of Education		806,040	
Clinton City Board of Education		259,581	
Sampson Community College		55,521	
Total Education	<u>12,544,112</u>	<u>12,232,241</u>	<u>311,871</u>
Culture and Recreation			
Library			
Salaries and employee benefits		639,952	
Operations and maintenance		132,113	
Capital outlay		95,590	
Total	<u>881,846</u>	<u>867,655</u>	<u>14,191</u>
Special Appropriations			
Special projects	<u>79,348</u>	<u>73,347</u>	<u>6,001</u>
Recreation			
Salaries and employee benefits		387,205	
Operations and maintenance		73,477	
Programs		96,592	
Capital outlay		9,094	
Total Recreation	<u>618,321</u>	<u>566,368</u>	<u>51,953</u>
Agri-Exposition Center			
Salaries and employee benefits		111,922	
Operations and maintenance		315,218	
Special events		33,678	
Total	<u>524,754</u>	<u>460,818</u>	<u>63,936</u>
Total Culture and Recreation	<u>2,104,269</u>	<u>1,968,188</u>	<u>136,081</u>
Debt Service			
Principal		3,750,001	
Interest and fees		5,552,990	
Administration		85,195	
Total Debt Service	<u>10,292,040</u>	<u>9,388,186</u>	<u>903,854</u>
Contingency	<u>682,541</u>	<u>-</u>	<u>682,541</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, 2013**

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

	Final Budget	Actual	Variance Positive (Negative)
Total expenditures	<u>69,309,717</u>	<u>64,486,791</u>	<u>4,822,926</u>
Excess (deficiency) of revenues over expenditures	<u>(6,993,787)</u>	<u>(3,206,511)</u>	<u>3,787,276</u>
<b>Other financing sources (uses)</b>			
Transfers in	3,186,320	2,916,764	(269,556)
Transfers out	(601,281)	(601,281)	-
Loan proceeds	<u>675,943</u>	<u>127,600</u>	<u>(548,343)</u>
Total Other Financing Sources (Uses)	<u>3,260,982</u>	<u>2,443,083</u>	<u>(817,899)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(3,732,805)	(763,428)	2,969,377
Appropriated Fund Balance	<u>3,732,805</u>	<u>-</u>	<u>(3,732,805)</u>
Net change in fund balance	<u>\$ -</u>	<u>(763,428)</u>	<u>\$ (763,428)</u>
Fund balance - beginning		<u>22,200,141</u>	
Fund balance - ending		<u>\$ 21,436,713</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, 2013**

**Exhibit B-3**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings:			
Library committed	\$ -	\$ 48	\$ 48
Airport committed	-	184	184
Livestock arena committed	-	27	27
Schools building committed	-	10	10
County building committed	-	6	6
Water line repairs	-	18	18
Total revenues	<u>-</u>	<u>293</u>	<u>293</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
To Airport Capital Projects	-	-	-
To General fund	(14,834)	(14,834)	-
From General Fund for Airport Committed	30,000	30,000	
From General Fund for County School Bldg Committec	112,500	112,500	
From General Fund for City School Bldg Committed	56,250	56,250	
From General Fund for SCC Bldg Committed	56,250	56,250	
From General Fund for County Bldg Committed	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources (uses)	390,166	390,166	-
Excess (deficiency) of revenues over expenditures	<u>390,166</u>	<u>390,459</u>	<u>293</u>
Appropriated Fund Balance	<u>(390,166)</u>	<u>-</u>	<u>390,166</u>
Net change in fund balance	<u>\$ -</u>	<u>390,459</u>	<u>\$ 390,459</u>
Fund balance - beginning		<u>665,386</u>	
Fund balance - ending		<u>\$ 1,055,845</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, 2013**

**Exhibit B-4**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad-valorem taxes	\$ -	\$ 122,000	\$ 122,000
Investment earnings		254	254
Total revenues	<u>122,000</u>	<u>122,254</u>	<u>122,254</u>
<b>Expenditures</b>			
Real property appraisals	<u>122,000</u>	<u>22,298</u>	<u>99,702</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>99,956</u>	<u>221,956</u>
<b>Other Financing Sources</b>			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	99,956	99,956
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>99,956</u>	<u>\$ 99,956</u>
Fund balance - beginning		<u>459,801</u>	
Fund balance - ending		<u>\$ 559,757</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, 2013**

**Exhibit B-5**

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
<b>Revenues</b>					
State, Federal and Local Grants:	\$ 959,650	\$ 959,650	\$ -	\$ 959,650	\$ -
Investment earnings	2,442,317	2,528,607	306	2,528,913	86,596
Donations	496,500	-	-	-	(496,500)
Sales tax refund	1,668,949	1,711,354	-	1,711,354	42,405
Total revenues	<u>5,567,416</u>	<u>5,199,611</u>	<u>306</u>	<u>5,199,917</u>	<u>(367,499)</u>
<b>Expenditures</b>					
School Construction:					
Union High School	32,995,947	32,976,944	-	32,976,944	19,003
Roseboro Elementary School	13,256,319	12,461,772	454,146	12,915,918	340,401
Midway High School	31,252,853	31,252,853	-	31,252,853	-
Clinton High School	30,996,500	30,413,438	-	30,413,438	583,062
Clinton City Schools other	2,024,000	2,004,307	-	2,004,307	19,693
Sampson County Schools other	2,000,000	1,917,786	73,711	1,991,497	8,503
Other costs	871,091	831,578	-	831,578	39,513
Community Facilities	2,536,536	1,150,438	-	1,150,438	1,386,098
Total expenditures	<u>115,933,246</u>	<u>113,009,116</u>	<u>527,857</u>	<u>113,536,973</u>	<u>2,396,273</u>
Excess (deficiency) of revenues over expenditures	<u>(110,365,830)</u>	<u>(107,809,505)</u>	<u>(527,551)</u>	<u>(108,337,056)</u>	<u>2,028,774</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in (out)					
To General Fund for:					
Debt payment	(1,094,019)	(1,094,019)	-	(1,094,019)	-
From School capital reserve	416,519	416,519	-	416,519	-
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
COPS debt issuance costs	(453,206)	(453,206)	-	(453,206)	-
Loan proceeds	108,960,000	108,960,000	-	108,960,000	-
Total other financing uses	<u>110,365,830</u>	<u>110,365,830</u>	<u>-</u>	<u>110,365,830</u>	<u>-</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>2,556,325</u>	<u>(527,551)</u>	<u>2,028,774</u>	<u>2,028,774</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,556,325</u>	<u>(527,551)</u>	<u>\$ 2,028,774</u>	<u>\$ 2,028,774</u>
Fund balance - beginning			<u>2,556,325</u>		
Fund balance - ending			<u>\$ 2,028,774</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY & APRON  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit B-6**

Project Number: 36244.19.6.1	Project Authorization	Actual		Inception to Date	Variance with Final Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 3,216,831	\$ 2,524,667	\$ -	\$ 2,524,667	\$ (692,164)
City of Clinton	178,713	140,259	-	140,259	(38,454)
Total revenues	<u>3,395,544</u>	<u>2,664,926</u>	<u>-</u>	<u>2,664,926</u>	<u>(730,618)</u>
<b>Expenditures</b>					
Capital Expansion:					
Administration	6,473	158	5,785	5,943	530
Engineering	840,165	664,767	-	664,767	175,398
Construction costs	2,727,619	2,140,261	251,086	2,391,347	336,272
Total expenditures	<u>3,574,257</u>	<u>2,805,186</u>	<u>256,871</u>	<u>3,062,057</u>	<u>512,200</u>
Excess (deficiency) of revenues over expenditures	<u>(178,713)</u>	<u>(140,260)</u>	<u>(256,871)</u>	<u>(397,131)</u>	<u>(218,418)</u>
<b>Other Financing Sources</b>					
Transfers In:					
From Airport Capital Reserve	178,713	143,793	-	143,793	(34,920)
Total other financing sources	178,713	143,793	-	143,793	(34,920)
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,533</u>	<u>(256,871)</u>	<u>\$ (253,338)</u>	<u>\$ (253,338)</u>
Fund balance - beginning			3,533		
Fund balance - ending			<u>\$ (253,338)</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
<b>ASSETS</b>				
Cash and cash equivalents	\$ 692,053	\$ 1,618	\$ 2,315	\$ 588,086
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	167,269
Other receivables		22,866		-
<b>TOTAL ASSETS</b>	<b>\$ 692,053</b>	<b>\$ 24,484</b>	<b>\$ 2,315</b>	<b>\$ 755,355</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 8,232	\$ 7,698	\$ 914	\$ 10,457
Due to General Fund	-	-	-	-
<b>Total Liabilities</b>	<b>8,232</b>	<b>7,698</b>	<b>914</b>	<b>10,457</b>
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	167,269
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,269</b>
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute		22,866		-
Public safety	-	-	-	577,629
Assigned				
General government	-	-	-	-
Public safety	683,821	-	-	-
Environmental protection	-	-	-	-
Human services	-	(6,080)	1,401	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>683,821</b>	<b>16,786</b>	<b>1,401</b>	<b>577,629</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 692,053</b>	<b>\$ 24,484</b>	<b>\$ 2,315</b>	<b>\$ 755,355</b>

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

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

	Special Revenue Funds			
	Soil and Water District	Community Development 10-C-2128	Community Development SFR-11	Governor's Highway Safety Prog
<b>ASSETS</b>				
Cash and cash equivalents	\$ 45,727	\$ -	\$ 12,322	\$ -
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	265	74,542	-	6,385
<b>TOTAL ASSETS</b>	<b>\$ 45,992</b>	<b>\$ 74,542</b>	<b>\$ 12,322</b>	<b>\$ 6,385</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,700	\$ -
Due to General Fund	-	112,552	-	6,385
<b>Total Liabilities</b>	<b>-</b>	<b>112,552</b>	<b>1,700</b>	<b>6,385</b>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
<b>Restricted</b>				
Stabilization by state statute	265	74,542	-	6,385
Public Safety	-	-	-	-
<b>Assigned</b>				
General government	-	-	-	-
Public safety	-	-	-	(6,385)
Environmental protection	45,727	-	-	-
Human services	-	(112,552)	10,622	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (Deficits)</b>	<b>45,992</b>	<b>(38,010)</b>	<b>10,622</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 45,992</b>	<b>\$ 74,542</b>	<b>\$ 12,322</b>	<b>\$ 6,385</b>

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

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

	Special Revenue Funds			
	Urgent Home Repair Project	Recreation Western Dist. Park	Homeland Security Equipment	Employment and Training
<b>ASSETS</b>				
Cash and cash equivalents	\$ 436	\$ -	\$ 24,875	\$ 11,020
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	-	49,614	-	-
<b>TOTAL ASSETS</b>	<b>\$ 436</b>	<b>\$ 49,614</b>	<b>\$ 24,875</b>	<b>\$ 11,020</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities		\$ -	\$ -	\$ -
Due to General Fund	-	49,614	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>49,614</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
<b>Restricted</b>				
Stabilization by state statute	-	49,614	-	-
Public Safety	-	-	-	-
<b>Assigned</b>				
General government	-	-	-	11,020
Public safety	-	-	24,875	-
Environmental protection	-	-	-	-
Human services	436	-	-	-
Culture and recreation	-	(49,614)	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>436</b>	<b>-</b>	<b>24,875</b>	<b>11,020</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 436</b>	<b>\$ 49,614</b>	<b>\$ 24,875</b>	<b>\$ 11,020</b>

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

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

	Special Revenue Funds	
	CDBG NC Tomorrow	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 1,378,452
Restricted cash	-	-
Taxes receivable (net)	-	167,269
Other receivables	<u>17,877</u>	<u>171,549</u>
TOTAL ASSETS	<u>\$ 17,877</u>	<u>\$ 1,717,270</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 17,877	\$ 46,878
Due to General Fund	<u>-</u>	<u>168,551</u>
Total Liabilities	<u>17,877</u>	<u>215,429</u>
Deferred Inflows of Resources:		
Property taxes receivable	<u>-</u>	<u>167,269</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>167,269</u>
Fund Balances (Deficits):		
Restricted		-
Stabilization by state statute	17,877	171,549
Public Safety	-	577,629
Assigned		
General government	-	11,020
Public safety	-	702,311
Environmental protection	-	45,727
Human services	(17,877)	(124,050)
Culture and recreation	-	(49,614)
Capital expansion	-	-
Subsequent year's expenditures	-	-
Unassigned	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>-</u>	<u>1,334,572</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 17,877</u>	<u>\$ 1,717,270</u>

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

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

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

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013**

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

	Capital Project Funds		Total Nonmajor Capital Project Funds
	Courthouse Annex Renovation	County Bldgs Construction & Renovation	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 29,104	\$ -	\$ 29,104
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Other receivables	-	13,713	13,713
<b>TOTAL ASSETS</b>	<b>\$ 29,104</b>	<b>\$ 13,713</b>	<b>\$ 42,817</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to General Fund	-	5,713	26,381
Total Liabilities	-	5,713	26,381
Deferred Inflows of Resources:			
Property taxes receivable	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balances (Deficits):			
Restricted			
Stabilization by state statute	-	13,713	13,713
Public Safety	-	-	-
Assigned			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital expansion	29,104	(5,713)	2,723
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	29,104	8,000	16,436
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 29,104</b>	<b>\$ 13,713</b>	<b>\$ 42,817</b>



**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2013**

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

	Total Nonmajor Governmental Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,407,556
Restricted cash	-
Taxes receivable (net)	167,269
Other receivables	<u>185,262</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,760,087</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 46,878
Due to General Fund	<u>194,932</u>
<b>Total Liabilities</b>	<b><u>241,810</u></b>
Deferred Inflows of Resources:	
Property taxes receivable	<u>167,269</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>167,269</u></b>
Fund Balances (Deficits):	
Restricted	
Stabilization by state statute	185,262
Public Safety	577,629
Assigned	
General government	11,020
Public safety	702,311
Environmental protection	45,727
Human services	(124,050)
Culture and recreation	(49,614)
Capital expansion	2,723
Subsequent year's expenditures	-
Unassigned	<u>-</u>
<b>Total Fund Balances (Deficits)</b>	<b><u>1,351,008</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 1,760,087</u></b>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,356,657
Sales taxes	-	-	-	-
State, federal and local grants	-	292,659	25,895	-
Fees	182,659	83,161	-	-
Investment earnings	376	3	-	334
Miscellaneous	-	-	-	-
Total revenues	<u>183,035</u>	<u>375,823</u>	<u>25,895</u>	<u>2,356,991</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	176,720	-	-	2,311,265
Environmental protection	-	-	-	-
Human services	-	496,083	34,355	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>176,720</u>	<u>496,083</u>	<u>34,355</u>	<u>2,311,265</u>
Excess (deficiency) of revenues over expenditures	<u>6,315</u>	<u>(120,260)</u>	<u>(8,460)</u>	<u>45,726</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	169,681	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>169,681</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,315	49,421	(8,460)	45,726
Fund balances - beginning	<u>677,506</u>	<u>(32,635)</u>	<u>9,861</u>	<u>531,903</u>
Fund balances - ending	<u>\$ 683,821</u>	<u>\$ 16,786</u>	<u>\$ 1,401</u>	<u>\$ 577,629</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

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

	Special Revenue Funds			
	Soil and Water District	Community Development 10-C-2128	Community Development SFR-11	Governor's Highway Safety Prog
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	-	132,633	335,290	-
Fees	-	-	-	-
Investment earnings	26	-	-	-
Miscellaneous	275	-	-	6,386
Total revenues	<u>301</u>	<u>132,633</u>	<u>335,290</u>	<u>6,386</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	918	-	-	-
Human services	-	170,643	324,758	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>918</u>	<u>170,643</u>	<u>324,758</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(617)</u>	<u>(38,010)</u>	<u>10,532</u>	<u>6,386</u>
<b>Other Financing Sources (Uses)</b>				
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	(617)	(38,010)	10,532	6,386
Fund balances - beginning	46,609	-	90	(6,386)
Fund balances - ending	<u>\$ 45,992</u>	<u>\$ (38,010)</u>	<u>\$ 10,622</u>	<u>\$ -</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

**Exhibit C-2  
 Page 3 of 7**

	Special Revenue Funds			
	Urgent Home Repair Project	Recreation Western Dist. Park	Homeland Security Equipment	Employment and Training
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	37,500	-	-	-
Fees	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	49,614	-	-
Total revenues	<u>37,500</u>	<u>49,614</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Human services	63,867	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>63,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(26,367)</u>	<u>49,614</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
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	(26,367)	49,614	-	-
Fund balances - beginning	26,803	(49,614)	24,875	11,020
Fund balances - ending	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ 24,875</u>	<u>\$ 11,020</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

**Exhibit C-2  
 Page 4 of 7**

	Special Revenue Funds			
	CDBG NC Tomorrow	CDBG Scattered Sites 07-C-1673	CDBG Single Family Rehab SFR-08	CDBG Infrastructure Hookup
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	49,824	-	-	-
Fees	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>49,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Human services	49,824	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>49,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
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	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

**Exhibit C-2  
 Page 5 of 7**

	Total Nonmajor Special Revenue Funds	Capital Project Funds		
		Airport Taxiway 12.6.2	Airport Construction 12.8.1	Airport Construction 12.9.1
<b>Revenues</b>				
Ad valorem taxes	\$ 2,356,657	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	873,801	-	-	96,312
Fees	265,820	-	-	-
Investment earnings	739	-	-	-
Miscellaneous	56,275	-	-	-
Total revenues	<u>3,553,292</u>	<u>-</u>	<u>-</u>	<u>96,312</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	2,487,985	-	-	-
Environmental protection	918	-	-	-
Human services	1,139,530	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	104,666
Total Expenditures	<u>3,628,433</u>	<u>-</u>	<u>-</u>	<u>104,666</u>
Excess (deficiency) of revenues over expenditures	<u>(75,141)</u>	<u>-</u>	<u>-</u>	<u>(8,354)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	169,681	-	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>169,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	94,540	-	-	(8,354)
Fund balances - beginning	1,240,032	(2,335)	(8,109)	(1,870)
Fund balances - ending	<u>\$ 1,334,572</u>	<u>\$ (2,335)</u>	<u>\$ (8,109)</u>	<u>\$ (10,224)</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

**Exhibit C-2  
 Page 6 of 7**

	Capital Project Funds		
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds
<b>Revenues</b>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
State, federal and local grants	-	-	96,312
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	13,713	13,713
Total revenues	<u>-</u>	<u>13,713</u>	<u>110,025</u>
<b>Expenditures</b>			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital Expansion	56,557	-	161,223
Total Expenditures	<u>56,557</u>	<u>-</u>	<u>161,223</u>
Excess (deficiency) of revenues over expenditures	<u>(56,557)</u>	<u>13,713</u>	<u>(51,198)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(56,557)	13,713	(51,198)
Fund balances - beginning	85,661	(5,713)	67,634
Fund balances - ending	<u>\$ 29,104</u>	<u>\$ 8,000</u>	<u>\$ 16,436</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2013**

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

	Total Nonmajor Governmental Funds
<b>Revenues</b>	
Ad valorem taxes	\$ 2,356,657
Sales taxes	-
State, federal and local grants	970,113
Fees	265,820
Investment earnings	739
Miscellaneous	69,988
Total revenues	<u>3,663,317</u>
<b>Expenditures</b>	
General government	-
Public safety	2,487,985
Environmental protection	918
Human services	1,139,530
Culture and recreation	-
Capital Expansion	161,223
Total Expenditures	<u>3,789,656</u>
Excess (deficiency) of revenues over expenditures	<u>(126,339)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in	169,681
Transfers out	-
Installment purchase debt issued	-
Total other financing sources (uses)	<u>169,681</u>
Net change in fund balances	43,342
Fund balances - beginning	<u>1,307,666</u>
Fund balances - ending	<u>\$ 1,351,008</u>



**SAMPSON COUNTY, NORTH CAROLINA  
EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2013**

**Exhibit C-3**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
NC 911 PSAP fees	\$ 199,044	\$ 182,659	\$ (16,385)
Investment earnings	-	376	376
Total revenues	<u>199,044</u>	<u>183,035</u>	<u>(16,009)</u>
<b>Expenditures</b>			
Operations and maintenance	41,990	6,000	35,990
Telephone and postage	113,016	103,923	9,093
Contracted services	154,833	66,797	88,036
Capital outlay	-	-	-
Total expenditures	<u>309,839</u>	<u>176,720</u>	<u>133,119</u>
Excess (deficiency) of revenues over expenditures	<u>(110,795)</u>	<u>6,315</u>	<u>117,110</u>
<b>Other financing sources (uses)</b>			
Transfers out			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(110,795)	6,315	117,110
Appropriated Fund Balance	<u>110,795</u>	<u>-</u>	<u>(110,795)</u>
Net change in fund balance	<u>\$ -</u>	<u>6,315</u>	<u>\$ 6,315</u>
Fund balance - beginning		<u>677,506</u>	
Fund balance - ending		<u>\$ 683,821</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, 2013**

**Exhibit C-4**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
State Grants:			
Transportation-capital improvements	\$ 177,860	\$ -	\$ (177,860)
Transportation-riders	145,571	144,692	(879)
Development funds	133,880	124,839	(9,041)
Workfirst	28,688	23,128	(5,560)
Mileage fees	79,210	83,161	3,951
Miscellaneous	-	-	-
Investment earnings	-	3	3
Total revenues	<u>565,209</u>	<u>375,823</u>	<u>(189,386)</u>
<b>Expenditures</b>			
Salaries and employee benefits	403,123	356,613	46,510
Gas, oil, and tires	69,340	66,269	3,071
Maintenance and repairs	17,000	15,981	1,019
Operations	57,664	50,638	7,026
Insurance and bonds	9,903	6,582	3,321
Capital outlay	<u>177,860</u>	<u>-</u>	<u>177,860</u>
Total expenditures	<u>734,890</u>	<u>496,083</u>	<u>238,807</u>
Excess (deficiency) of revenues over expenditures	<u>(169,681)</u>	<u>(120,260)</u>	<u>49,421</u>
<b>Other Financing Sources (Uses)</b>			
Transfers:			
From General fund	<u>169,681</u>	<u>169,681</u>	<u>-</u>
Total other financing sources (uses)	169,681	169,681	-
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	-	49,421	49,421
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>49,421</u>	<u>\$ 49,421</u>
Fund balance - beginning		<u>(32,635)</u>	
Fund balance - ending		<u>\$ 16,786</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, 2013**

**Exhibit C-5**

	Final Budget	Reported in Prior Year	Current Year	Total Actual	Variance Positive (Negative)
<b>Revenues</b>					
State & Federal Grants:					
DHHS Head Start	32,000	-	25,895	25,895	(6,105)
Miscellaneous	11,000	-	-	-	(11,000)
Total revenues	<u>43,000</u>	<u>-</u>	<u>25,895</u>	<u>25,895</u>	<u>(17,105)</u>
<b>Expenditures</b>					
Head Start Programs:					
Salaries and employee benefits	-	-	-	-	-
Operations and maintenance	43,000	-	34,355	34,355	8,645
PA-20 Employee training	-	-	-	-	-
Total Head Start program	<u>43,000</u>	<u>-</u>	<u>34,355</u>	<u>34,355</u>	<u>8,645</u>
Total expenditures	<u>43,000</u>	<u>-</u>	<u>34,355</u>	<u>34,355</u>	<u>8,645</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(8,460)</u>	<u>(8,460)</u>	<u>(8,460)</u>
Appropriated Fund Balance		-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(8,460)</u>	<u>\$ (8,460)</u>	<u>\$ (8,460)</u>
Fund balance - beginning			<u>9,861</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, 2013**

**Exhibit C-6**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad Valorem Taxes:			
Current year	\$ 2,168,688	\$ 2,249,431	\$ 80,743
Prior year	62,933	107,226	44,293
Investment earnings	-	334	334
Total revenues	<u>2,231,621</u>	<u>2,356,991</u>	<u>125,370</u>
<b>Expenditures</b>			
Fire protection	<u>2,311,265</u>	<u>2,311,265</u>	-
Total expenditures	<u>2,311,265</u>	<u>2,311,265</u>	-
Excess (deficiency) of revenues over expenditures	<u>(79,644)</u>	<u>45,726</u>	<u>125,370</u>
Appropriated Fund Balance	<u>79,644</u>	-	<u>(79,644)</u>
Net change in fund balance	<u>\$ -</u>	<u>45,726</u>	<u>\$ 45,726</u>
Fund balance - beginning		<u>531,903</u>	
Fund balance - ending		<u>\$ 577,629</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, 2013**

**Exhibit C-6,  
Continued**

<u>District</u>	<u>Ad Valorem Taxes &amp; Investment Earnings</u>	<u>Fire Protection Transfers to Districts</u>	<u>Revenues Over (Under) Expenditures</u>	<u>Fund Balance June 30, 2012</u>	<u>Fund Balance June 30, 2013</u>
Coharie	\$ 143,241	\$ 139,900	\$ 3,341	\$ 51,439	\$ 54,780
Franklin	129,456	127,690	1,766	33,004	34,770
Godwin-Falcon	23,751	22,463	1,288	5,713	7,001
Halls	126,605	122,600	4,005	10,233	14,238
Herring	128,238	127,780	458	26,371	26,829
Honeycutt-Salemburg	152,495	147,017	5,478	29,798	35,276
Newton Grove	71,595	76,550	(4,955)	18,669	13,714
Piney Grove	79,704	74,520	5,184	8,003	13,187
Plain View	223,913	221,393	2,520	64,033	66,553
Spivey's Corner	138,741	133,427	5,314	17,162	22,476
Turkey	112,466	92,115	20,351	44,714	65,065
Vanns Crossroads	71,852	72,670	(818)	9,574	8,756
Clinton	420,680	449,527	(28,847)	115,259	86,412
Clement	178,586	170,176	8,410	33,231	41,641
Autryville	112,743	106,257	6,486	18,178	24,664
Garland	101,830	98,200	3,630	18,122	21,752
Taylor's Bridge	141,095	128,980	12,115	28,400	40,515
	<u>\$ 2,356,991</u>	<u>\$ 2,311,265</u>	<u>\$ 45,726</u>	<u>\$ 531,903</u>	<u>\$ 577,629</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, 2013**

**Exhibit C-7**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
State Grant	\$ 3,600	\$ -	\$ (3,600)
Miscellaneous	1,500	275	(1,225)
Investment earnings	<u>-</u>	<u>26</u>	<u>26</u>
Total revenues	5,100	301	(4,799)
<b>Expenditures</b>			
Travel	1,100	304	796
Operations and maintenance	<u>4,000</u>	<u>614</u>	<u>3,386</u>
Total expenditures	5,100	918	4,182
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(617)</u>	<u>(8,981)</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	-	(617)	(617)
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(617)</u>	<u>\$ (617)</u>
Fund balance - beginning		<u>46,609</u>	
Fund balance - ending		<u>\$ 45,992</u>	

**SAMPSON COUNTY, NORTH CAROLINA  
COMMUNITY DEVELOPMENT GRANT PROJECT  
SCATTERED SITES PROJECT - 10-C-2128  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-8**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 400,000	\$ 10,548	\$ 132,633	\$ 143,181	\$ (256,819)
Miscellaneous	-	-	-	-	-
Total revenue	<u>400,000</u>	<u>10,548</u>	<u>132,633</u>	<u>143,181</u>	<u>(256,819)</u>
<b>Expenditures</b>					
Administration	35,000	7,698	13,046	20,744	14,256
Clearance activity	25,000	2,100	6,700	8,800	16,200
Relocation assistance	68,000	750	1,600	2,350	65,650
Housing rehabilitation	272,000	-	149,297	149,297	122,703
Total expenditures	<u>400,000</u>	<u>10,548</u>	<u>170,643</u>	<u>181,191</u>	<u>218,809</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(38,010)	<u>\$ (38,010)</u>	<u>\$ (38,010)</u>
Fund balance - beginning			-		
Fund balance - ending			<u>\$ (38,010)</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COMMUNITY DEVELOPMENT GRANT PROJECT  
SINGLE FAMILY REHABILITATION SFR-11  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-9**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 600,112	\$ 149,318	\$ 335,290	\$ 484,608	\$ (115,504)
Total revenue	<u>600,112</u>	<u>149,318</u>	<u>335,290</u>	<u>484,608</u>	<u>(115,504)</u>
<b>Expenditures</b>					
Administration	49,816	9,941	36,137	46,078	3,738
Soft cost	55,296	12,265	12,430	24,695	30,601
Housing rehabilitation	495,000	127,022	276,191	403,213	91,787
Total expenditures	<u>600,112</u>	<u>149,228</u>	<u>324,758</u>	<u>473,986</u>	<u>126,126</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 90</u>	10,532	<u>\$ 10,622</u>	<u>\$ 10,622</u>
Fund balance - beginning			<u>90</u>		
Fund balance - ending			<u>\$ 10,622</u>		



**SAMPSON COUNTY, NORTH CAROLINA  
 CRIME CONTROL & PUBLIC SAFETY GRANT PROJECT  
 GOVERNOR'S HIGHWAY SAFETY PROGRAM GRANT  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 From Inception and for the Year Ended June 30, 2013**

**Exhibit C-10**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 330,906	\$ 328,931	\$ -	\$ 328,931	
Miscellaneous	-	-	6,386	6,386	6,386
Total revenue	<u>330,906</u>	<u>328,931</u>	<u>6,386</u>	<u>335,317</u>	<u>6,386</u>
<b>Expenditures</b>					
Salaries and employee benefits	759,280	741,226	-	741,226	18,054
Operations and maintenance	11,583	-	-	-	11,583
Total expenditures	<u>770,863</u>	<u>741,226</u>	<u>-</u>	<u>741,226</u>	<u>29,637</u>
Excess (deficiency) of revenues over expenditures	<u>(439,957)</u>	<u>(412,295)</u>	<u>6,386</u>	<u>(405,909)</u>	<u>34,048</u>
<b>Other Financing Sources:</b>					
Transfers:					
From General fund	<u>439,957</u>	<u>405,909</u>	<u>-</u>	<u>405,909</u>	<u>(34,048)</u>
Total other financing sources	<u>439,957</u>	<u>405,909</u>	<u>-</u>	<u>405,909</u>	<u>(34,048)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (6,386)</u>	<u>6,386</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>(6,386)</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
URGENT HOME REPAIR GRANT PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-11**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 200,000	\$ 162,500	\$ 37,500	\$ 200,000	\$ -
Interest earned	390	826	-	826	436
Total revenue	<u>200,390</u>	<u>163,326</u>	<u>37,500</u>	<u>200,826</u>	<u>436</u>
<b>Expenditures</b>					
Salaries and employee benefits	5,609	5,607	2	5,609	-
Building materials	18,470	-	18,470	18,470	-
Department supplies	7,587	5,263	2,324	7,587	-
Contracted services	168,724	125,653	43,071	168,724	-
Total expenditures	<u>200,390</u>	<u>136,523</u>	<u>63,867</u>	<u>200,390</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 26,803</u>	<u>(26,367)</u>	<u>\$ 436</u>	<u>\$ 436</u>
Fund balance - beginning			<u>26,803</u>		
Fund balance - ending			<u>\$ 436</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
RECREATION PARK PROJECT  
WESTERN DISTRICT PARK  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-12**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Federal grants	\$ 92,822	\$ 91,423	\$ -	\$ 91,423	\$ (1,399)
State, and local grants	624,210	575,605	-	575,605	(48,605)
Miscellaneous	-	-	49,614	49,614	49,614
Donations	181,299	134,633	-	134,633	(46,666)
Total revenue	<u>898,331</u>	<u>801,661</u>	<u>49,614</u>	<u>851,275</u>	<u>(47,056)</u>
<b>Expenditures</b>					
Contingency	40,000	-	-	-	40,000
Administration	14,930	13,251	-	13,251	1,679
Engineering & contract services	115,830	113,714	-	113,714	2,116
Construction	628,619	653,795	-	653,795	(25,176)
Land	62,680	60,042	-	60,042	2,638
Capital Outlay	185,300	204,001	-	204,001	(18,701)
Total expenditures	<u>1,047,359</u>	<u>1,044,803</u>	<u>-</u>	<u>1,044,803</u>	<u>2,556</u>
Excess (deficiency) of revenues over expenditures	<u>(149,028)</u>	<u>(243,142)</u>	<u>49,614</u>	<u>(193,528)</u>	<u>(44,500)</u>
<b>Other Financing Sources:</b>					
Transfers:					
From Capital reserve fund	26,492	26,492	-	26,492	-
From General fund	122,536	167,036	-	167,036	44,500
Total other financing sources	<u>149,028</u>	<u>193,528</u>	<u>-</u>	<u>193,528</u>	<u>44,500</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (49,614)</u>	<u>49,614</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			(49,614)		
Fund balance - ending			<u>\$ -</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, 2013**

**Exhibit C-13**

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

**SAMPSON COUNTY, NORTH CAROLINA  
NC TOMORROW GRANT  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-14**

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

**SAMPSON COUNTY, NORTH CAROLINA  
COMMUNITY DEVELOPMENT GRANT PROJECT  
SCATTERED SITES PROJECT - 07-C-1673  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-15**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 400,000	\$ 357,172	\$ -	\$ 357,172	\$ (42,828)
Miscellaneous	-	1,071	-	1,071	1,071
Total revenue	<u>400,000</u>	<u>358,243</u>	<u>-</u>	<u>358,243</u>	<u>(41,757)</u>
<b>Expenditures</b>					
Administration	36,500	15,607	-	15,607	20,893
Planning	3,500	3,500	-	3,500	-
Clearance activity	30,000	20,800	-	20,800	9,200
Relocation assistance	325,000	318,336	-	318,336	6,664
Housing rehabilitation	5,000	-	-	-	5,000
Total expenditures	<u>400,000</u>	<u>358,243</u>	<u>-</u>	<u>358,243</u>	<u>41,757</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COMMUNITY DEVELOPMENT GRANT PROJECT  
SINGLE FAMILY REHABILITATION SFR-08  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-16**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 400,000	\$ 395,007	\$ -	\$ 395,007	\$ (4,993)
Total revenue	<u>400,000</u>	<u>395,007</u>	<u>-</u>	<u>395,007</u>	<u>(4,993)</u>
<b>Expenditures</b>					
Administration	31,995	31,995	-	31,995	-
Soft cost	44,190	39,197	-	39,197	4,993
Relocation assistance	1,800	1,800	-	1,800	-
Housing rehabilitation	322,015	322,015	-	322,015	-
Total expenditures	<u>400,000</u>	<u>395,007</u>	<u>-</u>	<u>395,007</u>	<u>4,993</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COMMUNITY DEVELOPMENT GRANT PROJECT  
INFRASTRUCTURE HOOK-UP  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-17**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 23,000	\$ 7,755	\$ -	\$ 7,755	\$ (15,245)
Miscellaneous	-	352	-	352	352
Total revenue	<u>23,000</u>	<u>8,107</u>	<u>-</u>	<u>8,107</u>	<u>(14,893)</u>
<b>Expenditures</b>					
Water taps & hookup	<u>23,000</u>	<u>8,107</u>	<u>-</u>	<u>8,107</u>	<u>14,893</u>
Total expenditures	<u>23,000</u>	<u>8,107</u>	<u>-</u>	<u>8,107</u>	<u>14,893</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ -</u>		



**SAMPSON COUNTY, NORTH CAROLINA  
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY REHABILITATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-18**

Project Number: 36237.12.6.2

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

**SAMPSON COUNTY, NORTH CAROLINA  
AIRPORT EXPANSION CAPITAL PROJECT FUND - LAND ACQUISITION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-19**

Project Number: 36237.12.8.1

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

**SAMPSON COUNTY, NORTH CAROLINA  
AIRPORT EXPANSION CAPITAL PROJECT FUND - AIRPORT CONSTRUCTION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-20**

Project Numbers: 36237.12.9.1 & 36237.12.10.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 302,702	\$ 160,705	\$ 96,312	\$ 257,017	\$ (45,685)
City of Clinton	16,817	-	-	-	(16,817)
Total revenues	<u>319,519</u>	<u>160,705</u>	<u>96,312</u>	<u>257,017</u>	<u>(62,502)</u>
<b>Expenditures</b>					
Capital Expansion:					
Professional services	108,066	108,066	-	108,066	-
Capital outlay	104,670	-	104,666	104,666	4
Land	123,600	62,559	-	62,559	61,041
Total expenditures	<u>336,336</u>	<u>170,625</u>	<u>104,666</u>	<u>275,291</u>	<u>61,045</u>
Excess (deficiency) of revenues over expenditures	<u>(16,817)</u>	<u>(9,920)</u>	<u>(8,354)</u>	<u>(18,274)</u>	<u>(1,457)</u>
<b>Other Financing Sources</b>					
Transfers In:					
From Airport Capital Reserve	<u>16,817</u>	<u>8,050</u>	<u>-</u>	<u>8,050</u>	<u>(8,767)</u>
Total other financing sources	<u>16,817</u>	<u>8,050</u>	<u>-</u>	<u>8,050</u>	<u>(8,767)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,870)</u>	<u>(8,354)</u>	<u>\$ (10,224)</u>	<u>\$ (10,224)</u>
Fund balance - beginning			<u>(1,870)</u>		
Fund balance - ending			<u>\$ (10,224)</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COURTHOUSE ANNEX I RENOVATIONS CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2013**

**Exhibit C-21**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
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	<u>100,000</u>	<u>103,283</u>	<u>-</u>	<u>103,283</u>	<u>49</u>
<b>Expenditures</b>					
Capital Expansion:					
Engineering	79,139	60,051	-	60,051	19,088
Construction costs	1,912,113	1,849,147	56,557	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	<u>2,071,766</u>	<u>1,989,388</u>	<u>56,557</u>	<u>2,045,945</u>	<u>25,821</u>
Excess (deficiency) of revenues over expenditures	<u>(1,971,766)</u>	<u>(1,886,105)</u>	<u>(56,557)</u>	<u>(1,942,662)</u>	<u>25,870</u>
<b>Other Financing Sources (Uses)</b>					
Transfer to general fund	(78,234)	(78,234)	-	(78,234)	-
Installment purchase debt issued	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>	<u>2,050,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,971,766</u>	<u>1,971,766</u>	<u>-</u>	<u>1,971,766</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 85,661</u>	<u>(56,557)</u>	<u>\$ 29,104</u>	<u>\$ 29,104</u>
Fund balance - beginning			<u>85,661</u>		
Fund balance - ending			<u>\$ 29,104</u>		

**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, 2013**

**Exhibit C-22**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State grant	\$ 140,000	\$ 140,000	\$ -	\$ 140,000	\$ -
Donations	75,000	15,000	-	15,000	(60,000)
Sales Tax Refund	40,000	54,160	13,713	67,873	27,873
Total revenues	<u>255,000</u>	<u>209,160</u>	<u>13,713</u>	<u>222,873</u>	<u>(32,127)</u>
<b>Expenditures</b>					
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>(13,686,713)</u>	<u>13,713</u>	<u>(13,673,000)</u>	<u>5,008,000</u>
<b>Other Financing Sources (Uses)</b>					
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>\$ (5,713)</u>	<u>13,713</u>	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Fund balance - beginning			<u>(5,713)</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, 2013**

**Exhibit D-1**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,878,915	\$
Penalties		29,332	
Tap fees		38,876	
Miscellaneous		49,164	
Total Operating Revenues	<u>2,107,516</u>	<u>1,996,287</u>	<u>(111,229)</u>
Nonoperating Revenues:			
Interest earnings		<u>572</u>	
Total Nonoperating Revenues	<u>-</u>	<u>572</u>	<u>572</u>
Total Revenues	<u>2,107,516</u>	<u>1,996,859</u>	<u>(110,657)</u>
Expenditures:			
Salaries and employee benefits		270,289	
Bulk water purchases		550,612	
Travel		-	
Contracted services		68,821	
Operations and maintenance		186,791	
Capital outlay		24,416	
Debt service principal		338,005	
Debt service interest		586,893	
Total Expenditures	<u>2,134,116</u>	<u>2,025,827</u>	<u>108,289</u>
Revenues Over (Under) Expenditures	<u>(26,600)</u>	<u>(28,968)</u>	<u>(2,368)</u>
Other Financing Sources:			
Transfer from general fund	<u>26,600</u>	<u>26,600</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>(2,368)</u>	<u>(2,368)</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (2,368)</u>	<u>\$ (2,368)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ (2,368)</u>	
Reconciling Items:			
Debt principal		338,005	
Other post-employment benefits		(13,442)	
Compensated absences		1,627	
Accrued interest		(7,141)	
Bad debt expense		-	
Depreciation		(706,706)	
Capital outlay		24,416	
Total reconciling items		<u>(363,241)</u>	
Change in net position		<u>\$ (365,609)</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, 2013**

**Exhibit D-2**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
State Federal and Local Grants:					
USDA Rural Development	\$ 834,850	\$ -	\$ -	\$ -	\$ (834,850)
Sales Tax Refund	-	116,460	-	116,460	116,460
Investment earnings	-	-	-	-	-
Total Revenues	<u>834,850</u>	<u>116,460</u>	<u>-</u>	<u>116,460</u>	<u>(718,390)</u>
<b>Expenditures:</b>					
Engineering	226,100	168,372	45,543	213,915	12,185
Other professional services	65,450	2,700	5,412	8,112	57,338
Land	60,000	76,908	-	76,908	(16,908)
Construction	1,930,000	498,013	143,446	641,459	1,288,541
Contingency	96,500	-	-	-	96,500
Capitalized interest	238,800	-	-	-	238,800
Legal	10,000	3,752	2,358	6,110	3,890
Total Expenditures	<u>2,626,850</u>	<u>749,745</u>	<u>196,759</u>	<u>946,504</u>	<u>1,680,346</u>
Revenues Over (Under) Expenditures	(1,792,000)	(633,285)	(196,759)	(830,044)	961,956
<b>Other Financing Sources:</b>					
Installment purchase debt proceeds	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>
	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (633,285)</u>	<u>\$ 1,595,241</u>	<u>\$ 961,956</u>	<u>\$ 961,956</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, 2013**

**Exhibit D-3**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 545,492	\$
Penalties		8,515	
Tap fees		10,890	
Miscellaneous		14,273	
Total Operating Revenues	<u>533,249</u>	<u>579,170</u>	<u>45,921</u>
Nonoperating Revenues:			
Interest earnings		857	
Total Nonoperating Revenues	<u>-</u>	<u>857</u>	<u>857</u>
Total Revenues	<u>533,249</u>	<u>580,027</u>	<u>46,778</u>
Expenditures:			
Salaries and employee benefits		78,375	
Bulk water purchases		219,475	
Travel		-	
Contracted services		19,980	
Operations and maintenance		56,939	
Capital outlay		24,416	
Debt service principal		42,950	
Debt service interest		47,932	
Total Expenditures	<u>533,249</u>	<u>490,067</u>	<u>43,182</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>89,960</u>	<u>89,960</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	89,960	89,960
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 89,960</u>	<u>\$ 89,960</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 89,960</u>	
Reconciling Items:			
Debt principal		42,950	
Other post-employment benefits		(7,338)	
Bad debt expense		-	
Depreciation		(105,749)	
Compensated absences		218	
Capital outlay		24,416	
Accrued interest		187	
Total reconciling items		<u>(45,316)</u>	
Change in net position		<u>\$ 44,644</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, 2013**

**Exhibit D-4**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 4,167,702	\$
Miscellaneous		342,230	
Total Operating Revenues	<u>6,242,000</u>	<u>4,509,932</u>	<u>(1,732,068)</u>
Nonoperating Revenues:			
Interest earnings		1,284	
Total Nonoperating Revenues	<u>-</u>	<u>1,284</u>	<u>1,284</u>
Total Revenues	<u>6,242,000</u>	<u>4,511,216</u>	<u>(1,730,784)</u>
Expenditures:			
Insurance claims paid		5,529,319	
Total Expenditures	<u>6,242,000</u>	<u>5,529,319</u>	<u>712,681</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$(1,018,103)</u>	<u>\$(1,018,103)</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$(1,018,103)</u>	
Reconciling Items:			
Change in net position		<u>\$(1,018,103)</u>	

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2013**

**Exhibit E-1**  
**Page 1 of 2**

	Social Services Funds	4-H Funds	Miscellaneous	Property Tax Collection Funds	Motor Vehicle Tax Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 110,173	\$ 6,605	\$ 129,424	\$ 40,889	\$ 23,854
Accounts receivable	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 110,173</u></b>	<b><u>\$ 6,605</u></b>	<b><u>\$ 129,424</u></b>	<b><u>\$ 40,889</u></b>	<b><u>\$ 23,854</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 140	\$ -	\$ -	\$ 40,889	\$ 23,854
Miscellaneous liabilities	110,033	6,605	129,424	-	-
<b>TOTAL LIABILITIES</b>	<b><u>\$ 110,173</u></b>	<b><u>\$ 6,605</u></b>	<b><u>\$ 129,424</u></b>	<b><u>\$ 40,889</u></b>	<b><u>\$ 23,854</u></b>

**SAMPSON COUNTY, NORTH CAROLINA  
 AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2013**

**Exhibit E-1  
 Page 2 of 2**

	<u>Fines and Forfeitures</u>	<u>Detention Center Trust</u>	<u>Motor Vehicle 3% Interest</u>	<u>Total June 30, 2013</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 34,279	\$ -	\$ 345,224
Accounts receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 34,279</u>	<u>\$ -</u>	<u>\$ 345,224</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 64,883
Miscellaneous liabilities	-	34,279	-	280,341
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ 34,279</u>	<u>\$ -</u>	<u>\$ 345,224</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS**  
**AND LIABILITIES - AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

**Exhibit E-2**  
**Page 1 of 2**

	Balance July 1	Additions	Deductions	Balance June 30
<b>Social Services Funds</b>				
Assets:				
Cash and cash equivalents	\$ 93,942	\$ 524,272	\$ 508,041	\$ 110,173
	<u>93,942</u>	<u>524,272</u>	<u>508,041</u>	<u>110,173</u>
Liabilities:				
Accounts payable	125	140	125	140
Miscellaneous liabilities	93,817	349,666	333,450	110,033
	<u>\$ 93,942</u>	<u>\$ 349,806</u>	<u>\$ 333,575</u>	<u>\$ 110,173</u>
<b>4-H Funds</b>				
Assets:				
Cash and cash equivalents	\$ 13,576	\$ 40,283	\$ 47,254	\$ 6,605
	<u>13,576</u>	<u>40,283</u>	<u>47,254</u>	<u>6,605</u>
Liabilities:				
Miscellaneous liabilities	13,576	40,283	47,254	6,605
	<u>\$ 13,576</u>	<u>\$ 40,283</u>	<u>\$ 47,254</u>	<u>\$ 6,605</u>
<b>Miscellaneous Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 563,833	\$ 57,146	\$ 491,555	\$ 129,424
	<u>563,833</u>	<u>57,146</u>	<u>491,555</u>	<u>129,424</u>
Liabilities:				
Accounts payable	147,466	-	147,466	-
Miscellaneous liabilities	416,367	57,146	344,089	129,424
	<u>\$ 563,833</u>	<u>\$ 57,146</u>	<u>\$ 491,555</u>	<u>\$ 129,424</u>
<b>Tax Collection Funds</b>				
Assets:				
Cash and cash equivalents	\$ 11,386	\$ 2,860,474	\$ 2,830,971	\$ 40,889
	<u>11,386</u>	<u>2,860,474</u>	<u>2,830,971</u>	<u>40,889</u>
Liabilities:				
Accounts payable	11,386	2,860,474	2,830,971	40,889
	<u>\$ 11,386</u>	<u>\$ 2,860,474</u>	<u>\$ 2,830,971</u>	<u>\$ 40,889</u>
<b>Motor Vehicle Tax Funds</b>				
Assets:				
Cash and cash equivalents	\$ 26,853	\$ 556,836	\$ 559,835	\$ 23,854
	<u>26,853</u>	<u>556,836</u>	<u>559,835</u>	<u>23,854</u>
Liabilities:				
Accounts payable	\$ 26,853	\$ 556,836	\$ 559,835	\$ 23,854
	<u>\$ 26,853</u>	<u>\$ 556,836</u>	<u>\$ 559,835</u>	<u>\$ 23,854</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS**  
**AND LIABILITIES - AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2013**

**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	\$ 80,972	\$ 391,275	\$ 472,247	\$ -
Accounts receivable	39,783	-	39,783	-
	<u>120,755</u>	<u>391,275</u>	<u>512,030</u>	<u>-</u>
Liabilities:				
Accounts payable	120,755	391,275	512,030	-
	<u>\$ 120,755</u>	<u>\$ 391,275</u>	<u>\$ 512,030</u>	<u>\$ -</u>
<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 48,957	\$ 175,117	\$ 189,795	\$ 34,279
	<u>48,957</u>	<u>175,117</u>	<u>189,795</u>	<u>34,279</u>
Liabilities:				
Miscellaneous liabilities	48,957	175,117	189,795	34,279
	<u>\$ 48,957</u>	<u>\$ 175,117</u>	<u>\$ 189,795</u>	<u>\$ 34,279</u>
<u>Motor Vehicle 3% Interest</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 55,260	\$ 55,260	\$ -
	<u>-</u>	<u>55,260</u>	<u>55,260</u>	<u>-</u>
Liabilities:				
Accounts payable	-	55,260	55,260	-
	<u>\$ -</u>	<u>\$ 55,260</u>	<u>\$ 55,260</u>	<u>\$ -</u>
	Balance July 1	Additions	Deductions	Balance June 30
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 839,519	\$ 4,660,663	\$ 5,154,958	\$ 345,224
Accounts receivable	39,783	-	39,783	-
	<u>879,302</u>	<u>4,660,663</u>	<u>5,194,741</u>	<u>345,224</u>
Liabilities:				
Accounts payable	306,585	3,863,985	4,105,687	64,883
Miscellaneous liabilities	572,717	622,212	914,588	280,341
	<u>\$ 879,302</u>	<u>\$ 4,486,197</u>	<u>\$ 5,020,275</u>	<u>\$ 345,224</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2013**

**Exhibit F-1**

	Uncollected Balance July 1, 2012	Additions	Collections and Credits	Uncollected Balance June 30, 2013
County-wide:				
General County	\$ 2,948,649	\$ 32,342,472	\$ 32,389,239	\$ 2,901,882
Fire Districts:				
Plain View	17,028	229,943	229,898	17,073
Spivey's Corner	5,303	141,660	141,016	5,947
Halls	9,064	129,455	129,328	9,191
Franklin	11,237	135,040	134,219	12,058
Turkey	7,765	115,981	115,790	7,956
Vanns	4,567	72,595	72,943	4,219
Godwin-Falcon	1,063	24,187	24,036	1,214
Coharie	15,553	145,782	147,082	14,253
Herring	8,651	130,048	130,327	8,372
Honeycutt-Salemburg	13,582	158,150	155,433	16,299
Piney Grove	4,550	81,350	81,417	4,483
Newton Grove	5,974	73,849	73,227	6,596
Clinton	30,246	429,865	429,103	31,008
Clement	11,388	183,676	181,804	13,260
Autryville	6,277	117,646	115,383	8,540
Garland	9,838	104,229	104,429	9,638
Taylor's Bridge	9,713	133,181	136,589	6,305
Taylor's Bridge Service	643	10,062	10,048	657
	<u>172,442</u>	<u>2,416,699</u>	<u>2,412,072</u>	<u>177,069</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	-	-	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 2,943,291</u>	<u>\$ 34,759,171</u>	<u>\$ 34,801,311</u>	<u>\$ 2,901,151</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 31,683,536		
Taxes Ad Valorem Revaluation Fund		122,000		
Penalties and interest		401,596		
Taxes Ad Valorem Fire Districts		2,356,657		
Discounts, adjustments and releases		171,899		
Amounts written off per statute of limitations		65,623		
Total Collections and Credits		<u>\$ 34,801,311</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
For the Fiscal Year Ended June 30, 2013**

**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	\$ 3,955,936,815	.785	\$ 31,054,104	\$ 27,319,184	\$ 3,734,920
Discoveries:	160,604,204	.785	1,260,743	1,260,743	-
Abatements:					
Real, personal, & business property	(13,481,911)	.785	(105,833)	(105,833)	-
Motor vehicles at current year rate	<u>(8,055,414)</u>	.785	<u>(63,235)</u>	<u>-</u>	<u>(63,235)</u>
Total Property Valuation	<u>4,095,003,694</u>		<u>(169,068)</u>	<u>(105,833)</u>	<u>(63,235)</u>
Net Levy			32,145,779	28,474,094	3,671,685
Uncollected taxes at June 30, 2013			<u>1,622,751</u>	<u>922,728</u>	<u>700,023</u>
Current year taxes collected			<u>30,523,028</u>	<u>27,551,366</u>	<u>2,971,662</u>
Current levy collection percentage			<u>94.95%</u>	<u>96.76%</u>	<u>80.93%</u>

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
For the Fiscal Year Ended June 30, 2013**

**Secondary Market Disclosures:**

Assessed Valuation:

Assesment ratio (1)		100 %
Real property	\$	3,184,993,226
Personal property		773,205,309
Public service companies (2)		<u>136,805,159</u>
Total assessed valuation	\$	4,095,003,694
Tax rate per \$100		<u>0.785</u>
Levy (includes discoveries, releases and abatements) (3)	\$	<u>32,145,779</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>2,398,567</u>
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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, 2013**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods, Inc.	Meat Packing	\$ 65,221,110	1.59 %
Prestage Farms, Inc.	Swine/Poultry Grower	61,124,715	1.49
Carroll's Foods, Inc./Carroll's Realty	Swine/Poultry Grower	44,816,241	1.09
Progress Energy Carolina	Utility	43,226,911	1.06
South River Electric Membership Corp.	Utility	29,861,728	0.73
Murphy Farms, Inc.	Swine/Poultry Grower	26,315,681	0.64
Cohaire Farms Company	Swine Grower/Feed Mills	19,437,590	0.47
Schindler Elevator Corp.	Escalator Manufacturer	17,347,646	0.42
Carolina Telephone	Utility	15,281,559	0.37
Allen Canning Co.	Food Packing	13,862,892	0.34
		<u>\$ 336,496,073</u>	<u>8.22 %</u>

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE AND SPECIAL DISTRICTS  
For the Fiscal Year Ended June 30, 2013**

**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	\$ 3,619,217,707	.785	\$ 27,319,183	\$ 1,260,743	\$ 105,833
Registered Motor Vehicles	<u>475,785,987</u>	.785	<u>3,734,921</u>	-	<u>63,235</u>
	<u>4,095,003,694</u>		<u>31,054,104</u>	<u>1,260,743</u>	<u>169,068</u>
Fire Districts:					
Plain View	249,263,333	.090	224,337	5,153	2,294
Spivey's Corner	132,594,000	.100	132,594	8,901	548
Halls	177,752,857	.070	124,427	4,792	603
Franklin	174,040,000	.075	130,530	4,286	2,450
Turkey	188,136,667	.060	112,882	2,875	1,211
Vanns	69,602,000	.100	69,602	2,872	154
Godwin-Falcon	23,365,000	.100	23,365	816	28
Coharie	165,496,471	.085	140,672	4,845	747
Herring	148,960,000	.085	126,616	3,250	431
Honeycutt-Salemburg	151,572,000	.100	151,572	6,374	499
Piney Grove	104,064,000	.075	78,048	3,210	524
Newton Grove	110,558,462	.065	71,863	1,814	392
Clinton	438,723,158	.095	416,787	12,740	1,037
Clement	199,080,000	.090	179,172	4,086	933
Autryville	118,749,474	.095	112,812	4,595	733
Garland	101,134,000	.100	101,134	2,938	904
Taylor's Bridge	182,401,429	.070	127,681	5,246	836
Taylor's Bridge Service	26,888,571	.035	9,411	619	26
			<u>2,333,505</u>	<u>79,412</u>	<u>14,350</u>
Grand Total			<u>\$ 33,387,609</u>	<u>\$ 1,340,155</u>	<u>\$ 183,418</u>

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE AND SPECIAL DISTRICTS  
For the Fiscal Year Ended June 30, 2013**

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

	<u>Net Tax Levy for Year</u>	<u>Uncollected Taxes</u>	<u>Current Year Collected</u>	<u>Percent Collected</u>	
County-Wide					
Real, Personal, and Business Property	\$ 28,474,093	\$ 922,728	\$ 27,551,365	96.76	%
Registered Motor Vehicles	3,671,686	700,023	2,971,663	80.93	
	<u>32,145,779</u>	<u>1,622,751</u>	<u>30,523,028</u>	<u>94.95</u>	
Fire Districts:					
Plain View	227,196	13,144	214,052	94.21	
Spivey's Corner	140,947	4,312	136,635	96.94	
Halls	128,616	6,995	121,621	94.56	
Franklin	132,366	9,014	123,352	93.19	
Turkey	114,546	5,884	108,662	94.86	
Vanns	72,320	3,303	69,017	95.43	
Godwin-Falcon	24,153	947	23,206	96.08	
Coharie	144,770	10,024	134,746	93.08	
Herring	129,435	5,968	123,467	95.39	
Honeycutt-Salemburg	157,447	11,948	145,499	92.41	
Piney Grove	80,734	3,430	77,304	95.75	
Newton Grove	73,285	5,083	68,202	93.06	
Clinton	428,490	23,925	404,565	94.42	
Clement	182,325	10,160	172,165	94.43	
Autryville	116,674	6,644	110,030	94.31	
Garland	103,168	6,971	96,197	93.24	
Taylor's Bridge	132,091	4,343	127,748	96.71	
Taylor's Bridge Service	10,004	500	9,504	95.00	
	<u>2,398,567</u>	<u>132,595</u>	<u>2,265,972</u>	<u>94.47</u>	
Grand Total	<u>\$ 34,544,346</u>	<u>\$ 1,755,346</u>	<u>\$ 32,789,000</u>	<u>94.92</u>	%

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS - BY SOURCE**  
**June 30, 2013**

**Exhibit G-1**

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General Capital Assets:

Land and improvements	\$ 6,172,038
Buildings	148,928,458
Equipment	18,358,631
Construction in progress	<u>3,988,614</u>
	<u>\$ 177,447,741</u>

Investment in General Capital Assets by Source

General Fund	\$ 177,447,741
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**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**June 30, 2013**

**Exhibit G-2**  
**Page 1 of 2**

	Construction in Progress	Land and Improvements	Buildings and Improvements	Equipment	Total
<b>General Government:</b>					
Governing Body	\$ -	\$ -	\$ -	\$ 25,580	\$ 25,580
Administration	-	-	-	36,988	36,988
Airport	-	-	-	3,462,981	3,462,981
Board of Elections	-	-	-	38,064	38,064
Criminal Justice Program	-	-	-	9,271	9,271
Finance	-	-	-	162,853	162,853
Data Processing	-	-	-	153,299	153,299
Tax Administration	-	-	-	163,557	163,557
Register of Deeds	-	-	-	183,134	183,134
Revaluation	-	-	-	10,000	10,000
Sampson Area Transportation	-	-	-	622,229	622,229
Public Buildings	-	-	37,414,385	661,455	38,075,840
Construction in progress	3,988,614	-	-	-	3,988,614
Land	-	5,995,335	-	-	5,995,335
<b>Total General Government</b>	<b>3,988,614</b>	<b>5,995,335</b>	<b>37,414,385</b>	<b>5,529,411</b>	<b>52,927,745</b>
<b>Public Safety:</b>					
Jail	-	-	-	810,016	810,016
Sheriff	-	-	-	3,876,667	3,876,667
Communications	-	-	-	1,639,141	1,639,141
Emergency Management	-	-	-	345,294	345,294
Animal Control	-	-	-	122,558	122,558
Inspections	-	-	-	58,216	58,216
Rescue	-	-	-	2,407,589	2,407,589
Courts	-	-	-	34,798	34,798
Domestic violence	-	-	-	20,634	20,634
Highway safety	-	-	-	127,029	127,029
Homeland security	-	-	-	36,477	36,477
E-911	-	-	-	699,334	699,334
<b>Total Public Safety</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,177,753</b>	<b>10,177,753</b>
<b>Economic and Physical Development:</b>					
Soil Conservation	-	-	-	4,500	4,500
Industrial Development	-	-	-	79,864	79,864
Cooperative Extension	-	-	-	274,281	274,281
<b>Total Economic and Physical Dev</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>358,645</b>	<b>358,645</b>
<b>Human Services:</b>					
Health	-	-	-	235,407	235,407
Social Services	-	-	-	1,038,333	1,038,333
Aging	-	-	-	68,637	68,637
Juvenile Justice Programs	-	-	-	49,064	49,064
Lagoon	-	-	-	2,523	2,523
<b>Total Human Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,393,964</b>	<b>1,393,964</b>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**June 30, 2013**

**Exhibit G-2**  
**Page 2 of 2**

	<u>Construction in Progress</u>	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Education					
School Buildings	-	-	107,869,411	-	107,869,411
Total Education	-	-	107,869,411	-	107,869,411
Culture and Recreation:					
Library	-	-	-	256,259	256,259
Agri-Exposition	-	176,703	3,644,662	314,977	4,136,342
Recreation	-	-	-	327,622	327,622
Total Culture and Recreation	-	176,703	3,644,662	898,858	4,720,223
Total General Capital Assets	<u>\$ 3,988,614</u>	<u>\$ 6,172,038</u>	<u>\$ 148,928,458</u>	<u>\$ 18,358,631</u>	<u>\$ 177,447,741</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Year Ended June 30, 2013**

**Exhibit G-3**  
**Page 1 of 2**

	July 1	Additions and Transfers In	Retirements and Transfers Out	June 30
<b>General Government:</b>				
Governing Body	\$ 25,580	\$ -	\$ -	\$ 25,580
Administration	36,988	-	-	36,988
Airport	3,462,981	-	-	3,462,981
Board of Elections	38,064	-	-	38,064
Criminal Justice Program	9,271	-	-	9,271
Finance	162,983	-	-	162,983
Data Processing	153,299	-	-	153,299
Tax Administration	158,007	5,550	-	163,557
Register of Deeds	183,134	-	-	183,134
Revaluation	10,000	-	-	10,000
Sampson Area Transportation	622,229	-	-	622,229
Public Buildings	37,901,400	91,594	-	37,992,994
Land	5,995,335	-	-	5,995,335
<b>Total General Government</b>	<b>48,759,271</b>	<b>97,144</b>	<b>-</b>	<b>48,856,415</b>
<b>Public Safety:</b>				
Jail	779,182	30,834	-	810,016
Sheriff	3,167,138	709,529	-	3,876,667
Communications	1,626,526	12,615	-	1,639,141
Emergency Management	334,794	10,500	-	345,294
Animal Control	122,558	-	-	122,558
Inspections	8,100	50,116	-	58,216
Rescue	2,175,835	393,948	79,478	2,490,305
Courts	34,798	-	-	34,798
Domestic violence	20,634	-	-	20,634
Highway safety	127,029	-	-	127,029
Homeland security	36,477	-	-	36,477
E-911	699,334	-	-	699,334
<b>Total Public Safety</b>	<b>9,132,405</b>	<b>1,207,542</b>	<b>79,478</b>	<b>10,260,469</b>
<b>Economic and Physical Development:</b>				
Soil Conservation	4,500	-	-	4,500
Cooperative extension	183,491	90,790	-	274,281
Industrial Development	79,864	-	-	79,864
<b>Total Economic and Physical Dev.</b>	<b>267,855</b>	<b>90,790</b>	<b>-</b>	<b>358,645</b>
<b>Human Services:</b>				
Health	230,399	5,008	-	235,407
Social Services	1,038,333	-	-	1,038,333
Head Start Program	-	-	-	-
Aging	68,637	-	-	68,637
Juvenile Justice Programs	49,064	-	-	49,064
Lagoon	2,523	-	-	2,523
<b>Total Human Services</b>	<b>1,388,956</b>	<b>5,008</b>	<b>-</b>	<b>1,393,964</b>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Year Ended June 30, 2013**

**Exhibit G-3**  
**Page 2 of 2**

	<u>July 1</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>June 30</u>
Education				
Construction in Progress	16,088,848	889,394	12,989,628	3,988,614
School Buildings	<u>94,953,493</u>	<u>12,915,918</u>	<u>-</u>	<u>107,869,411</u>
Total Education	<u>111,042,341</u>	<u>13,805,312</u>	<u>12,989,628</u>	<u>111,858,025</u>
Culture and Recreation:				
Library	256,259	-	-	256,259
Agri-Exposition	3,925,961	33,678	-	3,959,639
Land	176,703	-	-	176,703
Recreation	<u>318,528</u>	<u>9,094</u>	<u>-</u>	<u>327,622</u>
Total Culture and Recreation	<u>4,677,451</u>	<u>42,772</u>	<u>-</u>	<u>4,720,223</u>
Total General Capital Assets	<u>\$ 175,268,279</u>	<u>\$ 15,248,568</u>	<u>\$ 13,069,106</u>	<u>\$ 177,447,741</u>





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

**Independent Auditors' Report**

To the Board of County Commissioners  
Sampson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statement, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report includes a reference to other auditors who audited the financial statements of the Sampson Regional Medical Center, Inc, as described in our report on Sampson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Sampson Regional Medical Center, Inc, and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sampson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sampson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and question costs that we consider to be a significant deficiency, listed as 2013-1.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sampson County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and question costs as item 2013-2.

### 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 question costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

### Purpose of this Report

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

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

*Elizabethtown, North Carolina*

*December 20, 2013*



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Sampson County, North Carolina

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

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

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

**Other Matters.**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-2. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Management of Sampson County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sampson County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-2 that we consider to be significant deficiencies.

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

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

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

Elizabethtown, North Carolina  
December 20, 2013



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Sampson County, North Carolina

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

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

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

**Opinion on Each Major State Program**

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

## Report on Internal Control Over Compliance

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

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

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

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

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

*Elizabethtown, North Carolina  
December 20, 2013*

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over federal programs:

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

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

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

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Title XIX Medicaid
10.780	ARRA-Communities Facilities Loans & Grants
10.766, 10.760	Communities Facilities Loans & Grants
*10.557	Woman, Infants and Children

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

Dollar threshold used to distinguish between Type A and Type B Programs	_____	\$ 2,177,759
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Auditee qualified as low-risk auditee?	_____	Yes	_____	<u>X</u>	No
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**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

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**Section I – Summary of Auditors’ Results**

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State Awards

Internal control over State programs:

Material Weakness(es) identified?	_____	Yes	_____	<b>X</b>	No
Reportable condition(s) identified that are not considered material weaknesses	_____	Yes	_____	<b>X</b>	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

Title XIX Medicaid (The Medical Assistance Program which is a State match on a federal program also meets the criteria for a major State program, but this program has been included in the list of major federal programs above).

State/County Assistance to Adults  
School Nursing Funding Initiative



**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

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**Section II – Financial Statement Findings**

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Finding: 2013-1 Segregation of Duties

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

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

Effect: Transactions could be mishandled.

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2013**

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

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U.S. Department of Agriculture  
Passed Through the N.C. Department of Health and Human Services  
Program Name: Woman, Infants and Children  
CFDA# 10.557

Finding 2013 – 2

Significant Deficiency  
Special Test and Provisions

Criteria: The Local Agency must account for the disposition of all food instruments and cash value-vouchers as either issued or voided, and as either redeemed or unredeemed. Redeemed food instruments and cash- value- vouchers must be identified as validly issued, lost, stolen, expired, duplicate, or not matching valid enrollment and issuance records. In addition a quarterly inventory must be done and documented.

Condition: The inventory of preprinted food instruments/cash-value vouchers was not being documented appropriately. This was only a control issue and no vouchers were missing; therefore, there is no question cost with this finding.

Effect: Food instruments and cash value-vouchers could be distributed improperly causing over issuance cost to be charged back to the County.

Cause: Inadequate training in this area of the program.

Recommendation: Create procedures to ensure that timely reconciliations are being completed and documented. Provide training to all those involved with this process.

Views of responsible officials and planned corrective actions: The County agrees with this finding and has worked with the Regional Nutrition WIC Program Consultant during their monitoring visit that discovered this deficiency and has created a corrective action plan. This plan has been put in place and has been accepted by the Regional Nutrition WIC Program Consultant.

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

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**None Reported**

**SAMPSON COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
For the Fiscal Year Ended June 30, 2013**

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**Section II – Financial Statement Findings**

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SIGNIFICANT DEFICIENCY

Finding 2013-1 Segregation of Duties

Name of contact person: Billy C. Lockamy, Chairperson

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

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

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

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Finding 2013 - 2

Name of contact person: Billy C. Lockamy, Chairperson

Corrective Action: The correction action plan was written in detail by the WIC department and submitted to the Regional Nutrition WIC Program Consultant, which has accepted the plan and monitored its implementation.

Proposed Completion Date: Has been completed.

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**Section III – State Award Findings and Question Costs**

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None reported.

**SAMPSON COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Fiscal Year Ended June 30, 2013**

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Finding 2009-1

Status: Still occurring

Finding 2010-1

Status: Still occurring

Finding 2010-2

Status: Still occurring

Finding 2011-1

Status: Still occurring

Finding 2012-1

Status: Still occurring

Finding 2011-2 & 2012-2

Status: Corrected

Finding 2012-3

Status: Corrected

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 1 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Awards:</b>					
<b>US Department of Agriculture</b>					
<u>Food &amp; Nutrition Service</u>					
Passed through the N.C. Dept. of Health & Human Services Division of Social Services Administration					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 619,503	\$ -	\$ 619,503
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		377,831	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,765,863	-	-
Child Care & Adult Care Food Program	10.558		4,748	-	-
<u>Rural Housing Service</u>					
Community Facilities Loans & Grants:					
ARRA-CE Perry Elem (NC-00-37)	10.780		454,146	-	-
Total Community Facilities Loans & Grants			454,146	-	-
<u>Rural Utilities Service</u>					
Water & Waste Disposal System Direct Program Well Project					
	10.760		196,759	-	-
Total US Department of Agriculture			3,418,850	-	619,503
<b>US Department of Housing &amp; Urban Development</b>					
Passed through the NC Housing Finance Agency					
Home Investment Partnership Program	14.239	SFR11	324,758	-	-
Passed through the NC Department of Commerce CDBG - State - Administered Small Cities Program Cluster					
Community Development Block Grant					
CDBG-NC Tomorrow	14.228		49,824	-	-
Community Development Block Grant	14.228	10-C-2128	170,643	-	-
Total CDBG - State - Administered Small Cities Program Cluster			220,467	-	-
Total US Department of Housing & Urban Dev.			545,225	-	-

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 2 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<b>US Department of Justice</b>					
<u>Bureau of Justice Assistance</u>					
Passed through the NC Dept. of Public Safety					
State Criminal Alien Assistance	16.606		\$ 7,786	\$ -	\$ -
Total US Department of Justice			<u>7,786</u>	<u>-</u>	<u>-</u>
<b>US Department of Transportation</b>					
<u>Federal Aviation Administration</u>					
Passed through the NC Dept. of Transportation					
Airport Construction	20.106	36237.12.9.1	91,499	-	10,167
Airport Construction	20.106	36244.12.10.1	2,700	-	300
Total Federal Aviation Administration			<u>94,199</u>	<u>-</u>	<u>10,467</u>
<u>Federal Transit Administration</u>					
Passed through the NC Dept. of Transportation					
Formula Grants-Other Than Urbanized Areas	20.509	36233.94.14.1	90,444	5,652	5,652
Formula Grants-Other Than Urbanized Areas	20.509	36233.94.13.1	26,844	1,678	1,678
Total Federal Transit Administration			<u>117,288</u>	<u>7,330</u>	<u>7,330</u>
Total US Department of Transportation			<u>211,487</u>	<u>7,330</u>	<u>17,797</u>
<b>US Department of Homeland Security</b>					
Division of Emergency Management Agency					
Assistance to Firefighters	97.044		14,884	-	-
Assistance to Firefighters	97.044		144,000	-	36,000
Passed through NC Dept. of Public Safety					
Emergency Service Performance Grant	97.042		35,502	-	35,502
FY 2010 Homeland Security Grant	97.067		5,000	-	-
Total US Department of Homeland Security			<u>199,386</u>	<u>-</u>	<u>71,502</u>
<b>US Dept. of Health &amp; Human Services</b>					
<u>Administration on Aging</u>					
Division of Aging and Adult Services					
Passed through the Mid-Carolina Council of Govts					
Aging Cluster					
Congregate Nutr. & Home Del Meal	93.045		224,527	-	24,947
Access Services	93.044		63,056	-	7,006
In-Home & Support Services	93.044		283,756	-	31,528
Total Aging Cluster			<u>571,339</u>	<u>-</u>	<u>63,481</u>

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 3 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<b>US Dept. of Health &amp; Human Services continued</b>					
<u>Administration for Children &amp; 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		\$ 69,997	\$ 28,546	\$ 41,452
Title IV-E Foster Care Trn	93.658		1,026	-	342
Title IV-E Foster Care/Off Trn	93.658		197,907	-	197,907
Title IV-E Adoption	93.659		117	-	-
Title IV-E Adoption/Off Trn	93.659		933	-	933
Title IV-E Optional Adopt Trn 5	93.659		288	-	288
Title IV-E Admin Co Paid to CCI	93.659		150,999	75,500	75,499
Title IV-E Adoption Subsidy & Vendor	93.659		164,516	43,381	43,381
Title IV-E Admin Foster Care	93.658		116	-	116
Foster Care-Direct Benefit Payments	93.658		246,125	64,888	64,893
IV-E Foster Care In Excess	93.658		31,596	8,331	8,331
Adoption/Foster Care			40,743	-	588
Total Foster Care and Adoption			<u>904,363</u>	<u>220,646</u>	<u>433,730</u>
Temporary Assistance for Needy Families Cluster					
Temporary Assistance for Needy Families (TANF)-Workfirst					
TANF-Family Preservation	93.556		8,825	-	-
TANF-Direct Benefit Payments	93.558		380,250	(226)	22
Work First Service	93.558		338,526	-	468,372
Work First Administration	93.558		58,648	-	64,445
TANF	93.558		7,684	-	-
Special Children Adoption	93.558		61,200	-	-
Total TANF Cluster			<u>855,133</u>	<u>(226)</u>	<u>532,839</u>

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 4 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
IV-D Administration	93.563		745,692	-	384,144
IV-D Offset Fees-Federal	93.563		2,604	-	1,342
IV-D Offset Fees-ESC	93.563		160	-	83
Low Income Home Energy Assistance Block Grant					
Administration	93.568		66,044	-	-
Direct Benefit Payments	93.568		208,900	-	-
Crisis Intervention Program	93.568		276,670	-	-
Child Welfare Services-					
Permanency Planning Spec	93.645		33,766	2,055	11,940
SSBG-Other Service & Training	93.667		268,680	27,552	98,744
Social Security Block Grant	93.667		8,436	-	-
SSBG-In Home Services	93.667		233	-	33
SSBG-In Home Services Over 60	93.667		9,708	-	1,387
SSBG-Adult Day Care Over 60	93.667		2,502	1,825	618
Independent Living Grant (LINKS)	93.674		4,924	1,231	-
Head Start Cluster					
Head Start	93.600	01CH0319/37	25,894	-	6,474
ARRA-Early Head Start	93.709	04SA0319	-	-	-
Total Head Start Cluster			25,894	-	6,474
<u>Health Resources &amp; Service Administration</u>					
Passed through the NC Dept of Health & Human Svcs. Division of Public Health					
State Health Access Program	93.256		6,601	-	-



**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 5 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
Division of Child Development Subsidized Child Care (Note 2) Child Care Development Fund Cluster Division of Social Services Administration	93.596		\$ 83,785	\$ -	\$ -
Division of Child Development Child Care & Development Discretionary	93.575		820,061	-	-
Child Care & Development Mandatory	93.596		364,019	-	-
Child Care & Development Match	93.596		97,573	-	-
Total Child Care Fund Cluster			<u>1,365,438</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families	93.558		464,008	-	-
Foster Care Title IVE	93.658		20,088	9,690	-
State Appropriations			-	155,175	-
TANF-Maintenance of Effort			<u>-</u>	<u>70,055</u>	<u>-</u>
Total Subsidized Child Care			<u>1,849,534</u>	<u>234,920</u>	<u>-</u>
<u>Center for Medicare and Medicaid Services</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Medical Assistance Medical Assistance Direct Benefit Pymts	93.778		60,638,881	34,357,160	42,362
Division of Social Services Medical Assistance Administration	93.778		1,303,964	-	1,293,444
MA Expansion	93.778		15,075	15,075	-
Adult Care Home Case Management	93.778		43,356	16,650	26,706
N.C. Health Choice	93.767		<u>68,115</u>	<u>3,787</u>	<u>17,922</u>
Total Division of Medical Assistance			<u>1,430,510</u>	<u>35,512</u>	<u>1,338,072</u>
<u>Centers for Disease Control</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		36,003	-	-
Public Health Emergency Preparedness	93.069		54,519	-	-
Comprehensive Breast & Cervical Cancer Early Detection Programs	93.919		12,577	5,100	-
Statewide Health Promotion	93.991		9,640	-	-
Immunization Program/Aid to County	93.268		19,162	-	-

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 6 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<b>US Dept. of Health &amp; Human Services continued</b>					
<u>Health Resources and Services Administration</u>					
Passed through the NC Dept of Health & Human Svcs. Division of Public Health					
Family Planning Services Title X	93.217		\$ 43,260	\$ -	\$ -
Maternal and Child Health Services Block Grant	93.994		123,964	126,846	-
Prevention Investigations & Tech Asst.	93.283		2,993	-	-
HIV Prevention Activities	93.940		3,130	-	-
Total Division of Public Health			<u>305,248</u>	<u>131,946</u>	<u>-</u>
Total US Dept. of Health & Human Services			<u>68,209,221</u>	<u>35,012,621</u>	<u>2,915,249</u>
Total Federal Awards			<u>72,591,955</u>	<u>35,019,951</u>	<u>3,624,051</u>

State Awards:

**N.C. Department of Health and Human Services  
Division of Aging and Adult Services**

Division of Social Services

State/County Special Assistance for Adults-Direct Benefit Pymts			\$ -	\$ 621,433	\$ 621,433
Energy Assistance Private Grants			-	3,348	-
TANF Incentive Program Integrity			-	-	-
AFDC Incentive Program Integrity			-	2,041	-
State Foster Home			-	50,587	50,586
SFHF Maximization			-	77,326	77,326
CWS Adoption Subsidy			-	104,686	7,794
Total Division of Social Services			<u>-</u>	<u>859,421</u>	<u>757,139</u>

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 7 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
<u>Division of Public Health</u>					
General			-	130,230	-
Community of Care Grant			-		-
Maternal Health (HMHC)			-		-
Public Health Nursing			-	1,800	-
Gen. Communicable Disease Control			-	3,659	-
Mosquito-Public Health Pesticide			-	8,630	-
Risk Reduction/Health Promotion			-	6,206	-
Food and Lodging			-	7,077	-
Lead Prevention Aid to County Funds			-		-
School Nurse Funding Initiative			-	366,137	-
Women's Health Service Fund			-	11,636	-
Breast & Cervical Cancer Control			-		-
Healthy Communities			-	2,840	-
Environmental Health			-	4,000	391,953
Tuberculosis			-	60,163	-
Tuberculosis Medical Services			-	2,271	-
Total Division of Public Health			-	604,649	391,953
<u>Division of Aging &amp; Adult Services</u>					
Passed through Mid Carolina COG					
Senior Center General Purpose			-	15,669	1,741
Category III D/Health 90%			-	3,253	361
Family Caregiver Support Program			-	30,877	3,431
Total Division of Aging & Adult Services			-	49,799	5,533
<b>NC Department of Transportation</b>					
ROAP-Elderly and Disabled Trans.		DOT-16CL	\$ -	\$ 66,003	\$ -
ROAP- Work First Transportation		DOT-16CL	-	22,721	-
ROAP-Rural General Programs		DOT-16CL	-	79,096	-
DOT - 8		36244.19.6.1	-	231,184	25,687
Total NC Department of Transportation			-	399,004	25,687
<b>NC Department of Administration</b>					
Veterans Grant			-	-	-
<b>NC Housing Finance Agency</b>					
Urgent Repair Program			-	63,867	-
<b>NC Department of Agriculture and Consumer Services</b>					
Division of Soil & Water Conservation					
Cost Share Technical Assistance			-	57,855	143,504
District Matching Grant			-	3,600	-
Pesticide Container Recycling Prog			-	61,455	143,504

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit K  
Page 8 of 9**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
<b>NC Department of Public Safety</b>					
<u>Division of Juvenile Justice &amp; Delinquency Prevention</u>					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	5,344	-
Teen Court & Restitution			-	70,470	-
Passed to Subrecipients:					
Juvenile Innovations Program			-	15,500	-
First Baptist Church: Structured Daycare Program			-	70,881	-
Mount Pleasant Church: Guided Growth Program			-	-	-
Total NC Department of Public Safety			-	162,195	-
<b>NC Department of Cultural Resources</b>					
<u>Division of State Library</u>					
State Aid to Public Libraries			-	117,465	750,190
Total NC Dept of Cultural Resources			-	117,465	750,190
Total State Awards			-	2,317,855	2,074,006
Total Federal and State Awards			\$ 72,591,955	\$37,337,806	\$ 5,698,057

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

1) Basis of Presentation

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

**SAMPSON COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

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

3) Loans Outstanding

Sampson County had the following loan balances outstanding at June 30, 2013. These loan balances are not included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Facilities Loans & Grants:		
Clinton High School Project	10.766	\$ 28,422,185
Midway High School Project	10.766	3,706,350
Union High School Project	10.766	3,706,350
Detention Center Project	10.766	10,288,876
Human Services/Admin Building	10.766	9,111,824
Cooperative Extension/Animal Shel.	10.766	2,130,859
Courthouse Extension	10.766	1,657,385
Renovation of Various Offices	10.766	878,935
CE Perry Elementary School Proj	10.780	12,400,000
Well Project	10.760	1,792,000
Public Works Building	10.766	790,707
Total		<u>\$ 74,885,471</u>

4) Potential Repayment of Head Start Funds

As reported in the compliance section of the audit, the County was not in compliance with requirements of the Head Start Program. This occurred due to the destruction of a large portion of applicant files containing vital information. Therefore, compliance testing was not possible and resulted in a disclaimer of opinion for that major program only. The resulting questioned cost of \$3,176,097 has not been accrued in the financial statements. The County is currently requesting confirmation from the grantor that no further action will be taken against the County to collect any of the funds due to the circumstances surrounding the destruction of the files. During fiscal year 2011, the County requested to no longer administer the Sampson County Head Start program for the upcoming 2012 year. Head Start agreed to do such and in turn asked the County to remain as administrator for 2012 until a new administrator could be put in place. During the conversion of administrator roles the County's applicant files were destroyed. It is management's strong belief that there will be no future requirement to repay any of the funding used in the 2011-2012 Head Start Program. If there would be such a financial request, management believes that the County would have sufficient financial resources to meet the request and still be financially capable to meet its obligations for a reasonable period of time.