

**SAMPSON COUNTY  
NORTH CAROLINA  
JUNE 30, 2012**



**SAMPSON COUNTY  
NORTH CAROLINA**

**FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

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

**David K. Clack  
Finance Officer**



**Sampson County, North Carolina**

**Principal Officials**

**June 30, 2012**

**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**



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CERTIFIED PUBLIC ACCOUNTANTS

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Gregory S. Adams, CPA  
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Offices:  
Elizabethtown, NC  
Wilmington, NC  
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## Independent Auditors' Report

To the Board of County Commissioners  
Sampson County, North Carolina

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 ended June 30, 2012, which collectively comprise Sampson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sampson County, North Carolina's management. Our responsibility is to express opinions on these basis financial statements based on our audit. We did not audit the financial statements of the Sampson Regional Medical Center, Inc. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Sampson Regional Medical Center, Inc., is based 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 of material misstatement. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Authority were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinions.

In our opinion, based upon 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, 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 June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Schools Capital Project Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2013 on our consideration of Sampson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Accounting principles and generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 71 through 72 and 73 and 74, 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 operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sampson County's basic financial statements. The combining and individual nonmajor fund statements, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied by us and the other auditors 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 taken as a whole.

As discussed in Note VIII to the financial statements, Sampson County has received a disclaimer of opinion on the 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.

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

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*Thompson, Price, Scott, Adams & Co., PA*  
July 31, 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, 2012. 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.

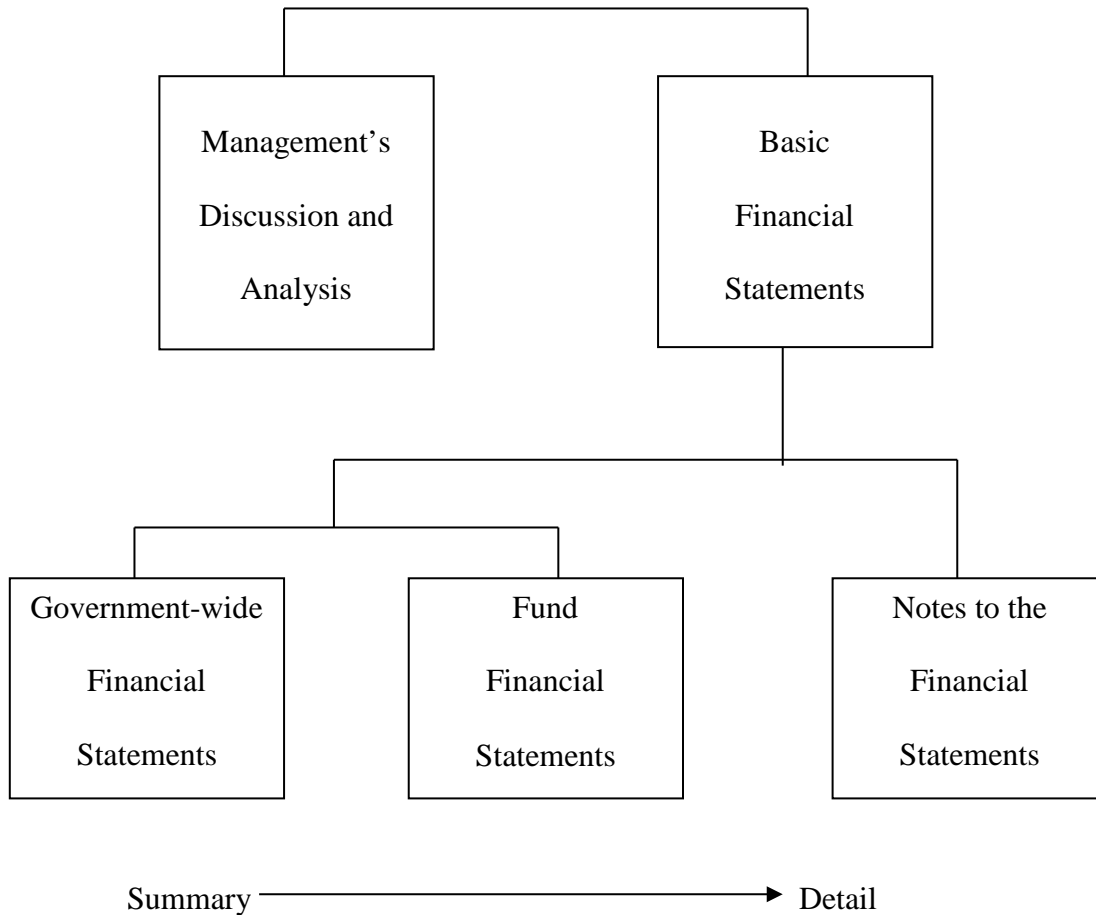
### Financial Highlights

- The assets of Sampson County exceeded its liabilities at the close of the most recent fiscal year by \$48,025,301 (net assets).
- The government's total net assets decreased by \$1,949,316, primarily due to decreases in net assets 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 \$31,605,223, a decrease of \$927,587 in comparison with the prior year. Airport apron construction increased the fund balance by \$55,035 and School Capital Projects fund activity decreased the fund balance by \$722,066. General fund activity increased fund balance by \$232,580. Approximately thirty-one percent (31%) of the fund balance amount, \$10,070,359, 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 \$10,073,359, or twenty seven percent (27%) of total general fund expenditures for the fiscal year.
- Sampson County's total debt increased by \$4,528,315. Several factors led the increase in total debt as follows:
  - The County issued \$7,483,605 in debt to complete the construction of Roseboro Elementary School.
  - 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.

### 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage 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 Assets 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 Assets and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 31 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 72 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 assets may serve over time as one useful indicator of a government's financial condition. The assets of Sampson County exceeded liabilities by \$48,025,301 as of June 30, 2012. The County's net assets decreased by \$1,949,316 for the fiscal year ended June 30, 2012. The largest portion ninety-two percent (92%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Sampson County uses these capital assets to



provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net assets thirty-seven percent (37%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$14,123,820.

### Sampson County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 40,773,181	\$ 43,079,726	\$ 2,295,432	\$ 2,375,400	\$ 43,068,613	\$ 45,455,126
Capital assets	<u>146,575,041</u>	<u>141,547,477</u>	<u>25,551,875</u>	<u>25,965,320</u>	<u>172,126,916</u>	<u>167,512,797</u>
Total assets	<u>\$187,348,222</u>	<u>\$184,627,203</u>	<u>\$ 27,847,307</u>	<u>\$ 28,340,720</u>	<u>\$215,195,529</u>	<u>\$212,967,923</u>
Long-term liabilities outstanding	\$143,571,700	\$143,674,930	\$ 13,669,729	\$ 14,410,594	\$157,241,429	\$158,085,524
Other liabilities	<u>9,385,359</u>	<u>4,764,885</u>	<u>543,440</u>	<u>142,897</u>	<u>9,928,799</u>	<u>4,907,782</u>
Total liabilities	\$152,957,059	\$148,439,815	\$ 14,213,169	\$ 14,553,491	\$167,170,228	\$162,993,306
Net assets:						
Invested in capital assets net of related debt	\$ 32,660,173	\$ 22,214,777	\$ 11,592,381	\$ 11,634,871	\$ 44,252,554	\$ 33,849,648
Restricted	17,896,567	19,955,163	-	-	17,896,567	19,955,163
Unrestricted	<u>(16,165,577)</u>	<u>(5,982,552)</u>	<u>2,041,757</u>	<u>2,152,358</u>	<u>(14,123,820)</u>	<u>(3,830,194)</u>
Total net assets	<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>

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

- 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 assets.

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

## Sampson County Changes in Net Assets

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,503,017	\$ 9,244,475	\$ 2,636,544	\$ 2,602,600	\$ 12,139,561	\$ 11,847,075
Operating grants and contributions	16,139,477	16,732,608	-	-	16,139,477	16,732,608
Capital grants and contributions	1,611,726	1,766,632	-	-	1,611,726	1,766,632
General revenues:						
Property taxes	33,722,918	31,354,999	-	-	33,722,918	31,354,999
Other taxes	8,889,709	8,631,676	-	-	8,889,709	8,631,676
Investment earnings, unrestricted	30,780	376,257	1,719	3,404	32,499	379,661
Other	209,474	175,999	-	-	209,474	175,999
<b>Total revenues</b>	<b>70,107,101</b>	<b>68,282,646</b>	<b>2,638,263</b>	<b>2,606,004</b>	<b>72,745,364</b>	<b>70,888,650</b>
<b>Expenses:</b>						
General government	9,087,659	9,539,388	-	-	9,087,659	9,539,388
Public safety	17,319,010	16,927,712	-	-	17,319,010	16,927,712
Environmental protection	1,036,732	1,065,743	-	-	1,036,732	1,065,743
Economic and physical development	2,150,335	994,607	-	-	2,150,335	994,607
Human services	23,503,412	22,640,670	-	-	23,503,412	22,640,670
Cultural and recreation	2,042,842	2,026,767	-	-	2,042,842	2,026,767
Education	10,890,451	11,425,940	-	-	10,890,451	11,425,940
Interest on long-term debt	5,846,285	5,780,459	-	-	5,846,285	5,780,459
Water and sewer Dist. I	-	-	495,532	487,112	495,532	487,112
Water and sewer Dist. II	-	-	2,322,422	2,139,858	2,322,422	2,139,858
<b>Total expenses</b>	<b>71,876,726</b>	<b>70,401,286</b>	<b>2,817,954</b>	<b>2,626,970</b>	<b>74,694,680</b>	<b>73,028,256</b>
Change in net assets before transfers & special items	(1,769,625)	(2,118,640)	(179,691)	(20,966)	(1,949,316)	(2,139,606)
Transfers	(26,600)	(26,600)	26,600	26,600	-	-
<b>Change in net assets</b>	<b>(1,796,225)</b>	<b>(2,145,240)</b>	<b>(153,091)</b>	<b>5,634</b>	<b>(1,949,316)</b>	<b>(2,139,606)</b>
Net assets, beginning	36,187,388	38,332,628	13,787,229	13,781,595	49,974,617	52,114,223
<b>Net assets, ending</b>	<b>\$ 34,391,163</b>	<b>\$ 36,187,388</b>	<b>\$ 13,634,138</b>	<b>\$ 13,787,229</b>	<b>\$ 48,025,301</b>	<b>\$ 49,974,617</b>

**Governmental activities:** Governmental activities decreased the County's net assets by \$1,796,225, thereby accounting for one-hundred percent 92% of the total reduction in the net assets of Sampson County. Key elements of this decrease are as follows:

- Increase in debt service payments.
- Reduction in fees collected for health, and other services.

**Business-type activities:** Business-type activities decreased Sampson County's net assets by \$153,091, accounting for the remaining reduction in the government's total net assets. Key elements of this decrease are as follows:

- Increase in expenditures.

### **Financial Analysis of the County's Funds**

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

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

The general fund is the chief operating fund of Sampson County. At the end of the current fiscal year, unassigned fund balance of the General fund was \$10,070,359, while total fund balance was \$23,325,328. 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 sixteen percent (27%) of total General Fund expenditures, while total fund balance represents thirty-seven percent (37%) percent of that same amount.

At June 30, 2012, the governmental funds of Sampson County reported a combined fund balance of \$31,605,223, a three percent (3%) percent decrease over last year. The primary reason for this increase is the increase in the fund balance in the Airport Apron construction fund. During the year Sampson County completed construction of three high schools, started construction on a new elementary school and completed construction on the airport apron. The County received grant funds to fund ninety percent (90%) of the airport apron construction and obtained loans to fund the construction of the elementary school.

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 \$3,909,893, while total fund balance was \$4,412,371. Restricted for Education fund balance represents 143 percent of total fund expenditures and other financing uses, while total fund balance represents 162 percent of that same amount.

The Schools Capital Reserve Special Revenue Fund fund balance decreased \$722,066. 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 \$740,562. 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 \$2,556,325. The sources of funds for the construction are loan funds from the U.S. Department of Agriculture-Rural Development Community Facilities Loan and Grant Program and funds from the issuance of Certificates of Participation (bonds). The loans will be repaid from property taxes, School Capital Reserve Funds, and NC Education Lottery funds.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,195,451 or two percent (4%).

**Proprietary Funds.** Sampson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. During the year, net assets decreased by \$153,091. This was due primarily to 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, 2012, totals \$172,126,916 (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 the County and City School Systems.
- Construction in progress for County buildings.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,172,038	\$ 6,172,038	\$ 225,319	\$ 225,319	\$ 6,397,357	\$ 6,397,357
Buildings and systems	116,114,580	119,372,733	24,310,098	-	140,424,678	119,372,733
Machinery and equipment	6,530,095	6,233,969	192,719	25,299,792	6,722,814	31,533,761
Vehicles and motorized equipment	1,669,480	2,329,955	150,903	67,224	1,820,383	2,397,179
Construction in progress	<u>16,088,848</u>	<u>7,438,782</u>	<u>672,836</u>	<u>372,985</u>	<u>16,761,684</u>	<u>7,811,767</u>
Total	<u>\$ 146,575,041</u>	<u>\$ 141,547,477</u>	<u>\$ 25,551,875</u>	<u>\$ 25,965,320</u>	<u>\$ 172,126,916</u>	<u>\$ 167,512,797</u>

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

**Long-term Debt.** As of June 30, 2012, Sampson County had total bonded debt outstanding of \$12,117,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$78,855,276 outstanding in installment/purchase contracts, \$12,105,000 outstanding in installment purchase revenue bonds and \$50,335,000 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**  
**General Obligation, Revenue Bonds, Installment Purchase and Certificates of Participation**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ -	\$ -	\$ 12,117,000	\$ 12,328,500	\$ 12,117,000	\$ 12,328,500
Revenue Bonds	12,105,000	13,180,000	-	-	12,105,000	13,180,000
Installment Purchase	77,012,782	70,728,410	1,842,494	2,001,948	78,855,276	72,730,358
Certificates of Participation	<u>50,335,000</u>	<u>51,910,000</u>	<u>-</u>	<u>-</u>	<u>50,335,000</u>	<u>51,910,000</u>
Total	<u>\$ 139,452,782</u>	<u>\$ 135,818,410</u>	<u>\$ 13,959,494</u>	<u>\$ 14,330,448</u>	<u>\$ 153,412,276</u>	<u>\$ 150,148,858</u>

Sampson County's total debt increased by \$4,528,315 or two percent (4%) during the past fiscal year, primarily due to the issuance of Installment Purchases for the for the construction of the Roseboro Elementary School 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 \$179,700,173.

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, 2011 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 2013 fiscal year.

**Budget Highlights for the Fiscal Year Ending June 30, 2013**

**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, 2012, 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 ASSETS**

**Exhibit 1**

**June 30, 2012**

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Sampson County	Sampson
	Activities	Activities		Tourism Development Authority	Reg. Medical Center, Inc.
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,815,384	\$ 1,936,227	\$ 24,751,611	\$ 97,650	\$ 4,991,120
Receivables (net)	10,558,294	236,235	10,794,529	7,031	7,054,740
Inventories	6,928	122,970	129,898	-	1,441,530
Prepays	-	-	-	-	410,440
Restricted cash and cash equivalents	7,030,010	-	7,030,010	-	15,604,375
Investment in joint venture	-	-	-	-	1,254,219
Deferred Issuance Cost	362,565	-	362,565	-	-
Capital assets:					
Land, improvements, and construction in progress	22,260,886	898,155	23,159,041	-	2,366,986
Other capital assets, net of depreciation	124,314,155	24,653,720	148,967,875	-	23,308,027
Total capital assets	<u>146,575,041</u>	<u>25,551,875</u>	<u>172,126,916</u>	<u>-</u>	<u>25,675,013</u>
Total assets	<u>\$ 187,348,222</u>	<u>\$ 27,847,307</u>	<u>\$ 215,195,529</u>	<u>\$ 104,681</u>	<u>\$ 56,431,437</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,266,200	\$ 152,385	\$ 2,418,585	\$ 4,603	\$ 2,480,401
Miscellaneous liabilities	2,046,891	-	2,046,891	-	2,835,640
Unearned revenue	90,913	-	90,913	-	-
Customer deposits	-	-	-	-	-
Long-term liabilities:					
Due within one year	4,981,355	391,055	5,372,410	-	4,082,983
Due in more than one year	143,571,700	13,669,729	157,241,429	-	10,380,388
Total liabilities	<u>152,957,059</u>	<u>14,213,169</u>	<u>167,170,228</u>	<u>4,603</u>	<u>19,779,412</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of net of related debt	32,660,173	11,592,381	44,252,554	-	13,872,476
Restricted for:					
Stabilization by state statute	8,089,232	-	8,089,232	7,032	-
Revaluation	459,801	-	459,801	-	-
Public safety	825,233	-	825,233	-	-
Debt Service	2,056,083	-	2,056,083	-	-
Education	6,466,218	-	6,466,218	-	-
Capital acquisitions	-	-	-	-	308,466
Unrestricted	<u>(16,165,577)</u>	<u>2,041,757</u>	<u>(14,123,820)</u>	<u>93,046</u>	<u>22,471,083</u>
Total net assets	<u>\$ 34,391,163</u>	<u>\$ 13,634,138</u>	<u>\$ 48,025,301</u>	<u>\$ 100,078</u>	<u>\$ 36,652,025</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, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 9,087,659	\$ 2,549,636	\$ 118,370	\$ -
Public safety	17,319,010	4,973,231	528,438	-
Environmental protection	1,036,732	-	179,584	-
Economic and physical development	2,150,335	27,312	-	1,171,926
Human services	23,503,412	1,698,238	15,286,848	-
Education	10,890,451	-	-	439,800
Culture and recreation	2,042,842	254,600	26,237	-
Interest on long-term debt	5,846,285	-	-	-
Total governmental activities	<u>71,876,726</u>	<u>9,503,017</u>	<u>16,139,477</u>	<u>1,611,726</u>
Business-type activities:				
Water District II	2,322,422	2,044,995	-	-
Water District I	495,532	591,549	-	-
Total business-type activities	<u>2,817,954</u>	<u>2,636,544</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 74,694,680</u>	<u>\$ 12,139,561</u>	<u>\$ 16,139,477</u>	<u>\$ 1,611,726</u>
Component unit:				
Sampson County Tourism Dev Authority	57,343	1,251	-	-
Sampson Regional Medical Ctr. Inc.	61,394,660	61,496,018	-	116,618
Total component unit	<u>\$ 61,452,003</u>	<u>\$ 61,497,269</u>	<u>\$ -</u>	<u>\$ 116,618</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, 2012**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	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	\$ (6,419,653)	\$ -	\$ (6,419,653)		
Public safety	(11,817,341)	-	(11,817,341)		
Environmental protection	(857,148)	-	(857,148)		
Economic and physical development	(951,097)	-	(951,097)		
Human services	(6,518,326)	-	(6,518,326)		
Education	(10,450,651)	-	(10,450,651)		
Culture and recreation	(1,762,005)	-	(1,762,005)		
Interest on long-term debt	(5,846,285)	-	(5,846,285)		
Total governmental activities	<u>(44,622,506)</u>	<u>-</u>	<u>(44,622,506)</u>		
Business-type activities:					
Water District II	-	(277,427)	(277,427)		
Water District I	-	96,017	96,017		
Total business-type activities	<u>-</u>	<u>(181,410)</u>	<u>(181,410)</u>		
Total primary government	<u>\$ (44,622,506)</u>	<u>\$ (181,410)</u>	<u>\$ (44,803,916)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (56,092)	\$ -
Sampson Regional Medical Ctr. Inc.				-	217,976
Total component units				<u>\$ (56,092)</u>	<u>\$ 217,976</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	33,722,918	-	33,722,918	-	-
Other taxes and fees	8,889,709	-	8,889,709	67,985	-
Investment earnings, unrestricted	30,780	1,719	32,499	-	196,800
Miscellaneous, unrestricted	209,474	-	209,474	-	(179,638)
Total general revenues excluding transfers	<u>42,852,881</u>	<u>1,719</u>	<u>42,854,600</u>	<u>67,985</u>	<u>17,162</u>
Transfers	<u>(26,600)</u>	<u>26,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>42,826,281</u>	<u>28,319</u>	<u>42,854,600</u>	<u>67,985</u>	<u>17,162</u>
Change in net assets	(1,796,225)	(153,091)	(1,949,316)	11,893	235,138
Net assets - beginning	<u>36,187,388</u>	<u>13,787,229</u>	<u>49,974,617</u>	<u>88,185</u>	<u>36,281,089</u>
Net assets - ending	<u>\$ 34,391,163</u>	<u>\$ 13,634,138</u>	<u>\$ 48,025,301</u>	<u>\$ 100,078</u>	<u>\$ 36,516,227</u>

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2012**

**Exhibit 3**  
**Page 1 of 2**

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Apron 19.6.1
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,347,539	\$ -	\$ -	\$ -
Restricted cash	459,801	3,909,893	2,660,316	-
Taxes receivable (net)	2,780,649	-	-	-
Accounts receivable	5,177,153	502,478	-	967,939
Due from other funds	1,071,433	-	-	-
Inventories	6,928	-	-	-
Total Assets	<u>\$ 27,843,503</u>	<u>\$ 4,412,371</u>	<u>\$ 2,660,316</u>	<u>\$ 967,939</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,646,613	\$ -	\$ 103,991	252,484
Due to general fund	-	-	-	711,922
Deferred revenues	2,871,562	-	-	-
Total Liabilities	<u>4,518,175</u>	<u>-</u>	<u>103,991</u>	<u>964,406</u>
Fund balances:				
Nonspendable				
Inventories	6,928	-	-	-
Restricted				
Stabilization by state statute	6,248,586	502,478	-	967,939
Public safety	293,330	-	-	-
Debt service	2,056,083	-	-	-
Education	-	3,909,893	2,556,325	-
Revaluation	459,801	-	-	-
Committed				
Nonmajor funds	-	-	-	-
Capital projects	663,386	-	-	(964,406)
Assigned				
Subsequent year's expenditures	3,526,855	-	-	-
Unassigned				
	10,070,359	-	-	-
Total fund balances	<u>23,325,328</u>	<u>4,412,371</u>	<u>2,556,325</u>	<u>3,533</u>
Total liabilities and fund balances	<u>\$ 27,843,503</u>	<u>\$ 4,412,371</u>	<u>\$ 2,660,316</u>	<u>\$ 967,939</u>

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2012**

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

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,403,911	\$ 19,751,450
Restricted cash	-	7,030,010
Taxes receivable (net)	162,642	2,943,291
Accounts receivable	370,229	7,017,799
Due from other funds	-	1,071,433
Inventories	-	6,928
Total Assets	<u>\$ 1,936,782</u>	<u>\$ 37,820,911</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 106,963	\$ 2,110,051
Due to general fund	359,511	1,071,433
Deferred revenues	162,642	3,034,204
Total Liabilities	<u>629,116</u>	<u>6,215,688</u>
Fund balances:		
Nonspendable		
Inventories	-	6,928
Restricted		
Stabilization by state statute	370,229	8,089,232
Public safety	531,903	825,233
Debt service	-	2,056,083
Education	-	6,466,218
Revaluation	-	459,801
Committed		
Nonmajor funds	405,534	405,534
Capital projects	-	(301,020)
Assigned		
Subsequent year's expenditures	-	3,526,855
Unassigned	-	10,070,359
Total fund balances	<u>1,307,666</u>	<u>31,605,223</u>
Total liabilities and fund balances	<u>\$ 1,936,782</u>	<u>\$ 37,820,911</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	146,575,041
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	959,135
Liabilities for earned but deferred revenues in fund statements	
Balance for unearned income	2,943,291
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(143,528,897)
Pension and other post-employment benefits liability	(7,071,049)
Internal service fund allocation	2,908,419
	<u>\$ 34,391,163</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, 2012**

**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	\$ 31,514,285	\$ -	\$ -	\$ -
Other taxes and licenses	6,827,371	1,989,963	-	-
Intergovernmental Revenues:				
Restricted	12,242,579	-	439,800	1,011,221
Permits and fees	717,846	-	-	-
Sales and services	6,128,725	-	-	-
Investment earnings	22,016	4,493	49	-
Miscellaneous	2,511,740	-	-	-
Total revenues	<u>59,964,562</u>	<u>1,994,456</u>	<u>439,849</u>	<u>1,011,221</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,219,935	-	-	-
Public safety	14,624,588	-	-	-
Environmental protection	997,756	-	-	-
Economic and physical development	982,550	-	-	-
Human services	17,624,194	-	-	-
Culture and recreation	1,954,194	-	-	-
Education	11,743,238	-	-	-
Debt service				
Principal	3,849,233	-	-	-
Interest and fees	5,668,970	-	-	-
Administration	74,942	-	-	-
Capital expansion	-	-	7,797,279	1,013,799
Total expenditures	<u>62,739,600</u>	<u>-</u>	<u>7,797,279</u>	<u>1,013,799</u>
Excess (deficiency) of revenues over expenditures	<u>(2,775,038)</u>	<u>1,994,456</u>	<u>(7,357,430)</u>	<u>(2,578)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,185,407	-	-	57,613
Transfers out	(177,519)	(2,716,522)	-	-
Installment purchase debt issued	-	-	7,483,605	-
Total other financing sources (uses)	<u>3,007,888</u>	<u>(2,716,522)</u>	<u>7,483,605</u>	<u>57,613</u>
Net change in fund balance	232,850	(722,066)	126,175	55,035
Fund balances-beginning	23,092,478	5,134,437	2,430,150	(51,502)
Fund balances-ending	<u>\$ 23,325,328</u>	<u>\$ 4,412,371</u>	<u>\$ 2,556,325</u>	<u>\$ 3,533</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, 2012**

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

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>		
Ad Valorem taxes	\$ 2,251,849	\$ 33,766,134
Other taxes and licenses	-	8,817,334
Intergovernmental Revenues:		
Restricted	4,206,955	17,900,555
Permits and fees	266,659	984,505
Sales and services	-	6,128,725
Investment earnings	1,276	27,834
Miscellaneous	10,544	2,522,284
Total revenues	<u>6,737,283</u>	<u>70,147,371</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	5,219,935
Public safety	2,652,714	17,277,302
Environmental protection	1,747	999,503
Economic and physical development	-	982,550
Human services	4,218,758	21,842,952
Culture and recreation	-	1,954,194
Education	-	11,743,238
Debt service		
Principal	-	3,849,233
Interest and fees	-	5,668,970
Administration	-	74,942
Capital expansion	108,066	8,919,144
Total expenditures	<u>6,981,285</u>	<u>78,531,963</u>
Excess (deficiency) of revenues over expenditures	<u>(244,002)</u>	<u>(8,384,592)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	93,306	3,336,326
Transfers out	(468,885)	(3,362,926)
Installment purchase debt issued	-	7,483,605
Total other financing sources (uses)	<u>(375,579)</u>	<u>7,457,005</u>
Net change in fund balance	(619,581)	(927,587)
Fund balances-beginning	1,927,247	32,532,810
Fund balances-ending	<u>\$ 1,307,666</u>	<u>\$ 31,605,223</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, 2012**

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

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

Net changes in fund balances - total governmental funds	\$ (927,587)
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.	5,613,497
Cost of capital asset disposed of during the year, not recongized on modified accrual basis	(585,933)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(43,216)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current funancial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and realted items.	(3,634,372)
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	(772,830)
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>(1,445,784)</u>
Total changes in net assets of governmental funds	<u>\$ (1,796,225)</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, 2012**

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

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
<b>Revenues</b>				
Ad Valorem taxes	\$ 30,420,610	\$30,420,610	\$31,514,285	\$ 1,093,675
Other taxes and licenses	6,582,611	6,582,611	6,827,371	244,760
Intergovernmental Revenues:				
Restricted	12,221,257	13,611,985	12,242,579	(1,369,406)
Permits and fees	665,000	665,000	717,846	52,846
Sales and services	5,179,078	5,872,440	6,128,725	256,285
Investment earnings	60,000	60,000	20,978	(39,022)
Miscellaneous	<u>2,261,401</u>	<u>2,372,762</u>	<u>2,511,740</u>	<u>138,978</u>
Total revenues	<u>57,389,957</u>	<u>59,585,408</u>	<u>59,963,524</u>	<u>378,116</u>
<b>Expenditures</b>				
Current:				
General government	5,732,196	6,017,064	5,219,935	797,129
Public safety	14,761,956	15,192,415	14,624,588	567,827
Environmental protection	1,107,333	1,136,569	997,756	138,813
Economic and physical dev	1,162,284	1,213,274	982,550	230,724
Human services	15,944,659	18,481,990	17,624,194	857,796
Education	12,176,242	12,436,566	11,743,238	693,328
Culture and recreation	1,999,238	2,016,556	1,954,194	62,362
Debt service				
Principal	3,837,000	3,837,000	3,849,233	(12,233)
Interest and fees	6,417,985	6,417,985	5,668,970	749,015
Administration	78,249	78,249	74,942	3,307
Contingency	<u>350,000</u>	<u>272,742</u>	<u>-</u>	<u>272,742</u>
Total expenditures	<u>63,567,142</u>	<u>67,100,410</u>	<u>62,739,600</u>	<u>4,360,810</u>
Revenues over (under) expenditures	<u>(6,177,185)</u>	<u>(7,515,002)</u>	<u>(2,776,076)</u>	<u>4,738,926</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,008,435	4,155,065	3,187,300	(967,765)
Transfers out	(296,480)	(316,738)	(316,738)	-
Loan proceeds	<u>276,129</u>	<u>276,129</u>	<u>-</u>	<u>(276,129)</u>
Total other financing sources (uses)	<u>2,988,084</u>	<u>4,114,456</u>	<u>2,870,562</u>	<u>(1,243,894)</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, 2012**

**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	(3,189,101)	(3,400,546)	94,486	3,495,032
Appropriated Fund Balance	<u>3,189,101</u>	<u>3,400,546</u>	<u>-</u>	<u>(3,400,546)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	94,486	<u>\$ 94,486</u>
Fund balance -beginning			<u>22,105,655</u>	
Fund balance - ending			<u>\$22,200,141</u>	

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

Interest income	1,038
Transfers to General Fund	(1,893)
Transfer from General Fund	198,702
Transfer to Other Funds	<u>(59,483)</u>
Fund Balance Beginning	<u>986,823</u>
Fund Balance Ending(Exhibit 4)	<u>\$23,325,328</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, 2012**

**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	\$ 1,947,221	\$ 1,947,221	\$ 1,989,963	\$ 42,742
Investment earnings	-	-	4,493	4,493
Total revenues	<u>1,947,221</u>	<u>1,947,221</u>	<u>1,994,456</u>	<u>47,235</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)				
To General Fund for:				
County schools capital outlay	(609,938)	(1,261,530)	(831,528)	430,002
City schools capital outlay	(238,969)	(523,706)	(260,381)	263,325
Debt service	<u>(1,624,613)</u>	<u>(1,624,613)</u>	<u>(1,624,613)</u>	-
Total other financing uses	<u>(2,473,520)</u>	<u>(3,409,849)</u>	<u>(2,716,522)</u>	<u>693,327</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(526,299)</u>	<u>(1,462,628)</u>	<u>(722,066)</u>	<u>740,562</u>
Appropriated Fund Balance	<u>526,299</u>	<u>1,462,628</u>	-	<u>(1,462,628)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(722,066)	<u>\$ (722,066)</u>
Fund balance - beginning			<u>5,134,437</u>	
Fund balance - ending			<u>\$ 4,412,371</u>	

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

**SAMPSON COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2012**

**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	\$ 534,292	\$ 1,401,935	\$ 1,936,227	\$ 3,063,934
Accounts receivable (net)	-	-	-	634
Water fees receivable (net)	200,908	35,327	236,235	-
Inventory	102,554	20,416	122,970	-
Total current assets	<u>837,754</u>	<u>1,457,678</u>	<u>2,295,432</u>	<u>3,064,568</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	881,348	16,807	898,155	-
Other capital assets net of depreciation	22,351,479	2,302,241	24,653,720	-
Total capital assets	<u>23,232,827</u>	<u>2,319,048</u>	<u>25,551,875</u>	<u>-</u>
Total assets	<u>24,070,581</u>	<u>3,776,726</u>	<u>27,847,307</u>	<u>3,064,568</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	126,961	25,424	152,385	156,149
Compensated absences	6,413	3,687	10,100	-
Notes payable	139,005	20,450	159,455	-
General obligation bonds payable	199,000	22,500	221,500	-
Total Current Liabilities	<u>471,379</u>	<u>72,061</u>	<u>543,440</u>	<u>156,149</u>
Noncurrent liabilities:				
Compensated absences	9,392	4,858	14,250	-
Other post-employment benefits	49,658	27,282	76,940	-
Notes payable	1,621,689	61,350	1,683,039	-
General obligation bonds payable	11,058,000	837,500	11,895,500	-
Total noncurrent liabilities	<u>12,738,739</u>	<u>930,990</u>	<u>13,669,729</u>	<u>-</u>
Total liabilities	<u>13,210,118</u>	<u>1,003,051</u>	<u>14,213,169</u>	<u>156,149</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	10,215,133	1,377,248	11,592,381	-
Unrestricted	645,330	1,396,427	2,041,757	2,908,419
Total net assets	<u>\$ 10,860,463</u>	<u>\$ 2,773,675</u>	<u>\$ 13,634,138</u>	<u>\$ 2,908,419</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 ASSETS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2012**

**Exhibit 7**

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,914,711	\$ 573,386	\$ 2,488,097	\$ 5,251,716
Water tap fees	46,178	3,100	49,278	-
Miscellaneous	84,106	15,063	99,169	-
Total operating revenues	<u>2,044,995</u>	<u>591,549</u>	<u>2,636,544</u>	<u>5,251,716</u>
<b>OPERATING EXPENSES</b>				
Administration	289,722	83,818	373,540	-
Water Distribution	521,076	202,980	724,056	-
Operations and maintenance	208,863	57,608	266,471	-
Depreciation	702,949	101,206	804,155	-
Claims paid	-	-	-	6,027,492
Total operating expenses	<u>1,722,610</u>	<u>445,612</u>	<u>2,168,222</u>	<u>6,027,492</u>
Operating income (loss)	<u>322,385</u>	<u>145,937</u>	<u>468,322</u>	<u>(775,776)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	688	1,031	1,719	2,946
Interest expense	(599,812)	(49,920)	(649,732)	-
Total nonoperating revenues (expenses)	<u>(599,124)</u>	<u>(48,889)</u>	<u>(648,013)</u>	<u>2,946</u>
Income (loss) before contributions and transfers	(276,739)	97,048	(179,691)	(772,830)
Transfer from general fund	26,600	-	26,600	-
Change in net assets	(250,139)	97,048	(153,091)	(772,830)
Total net assets - beginning	<u>11,110,602</u>	<u>2,676,627</u>	<u>13,787,229</u>	<u>3,681,249</u>
Total net assets - ending	<u>\$ 10,860,463</u>	<u>\$ 2,773,675</u>	<u>\$ 13,634,138</u>	<u>\$ 2,908,419</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, 2012**

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

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,959,832	\$ 601,080	\$ 2,560,912	\$ 4,909,184
Cash paid for goods and services	(734,092)	(252,475)	(986,567)	(5,876,895)
Cash paid to employees for services	(289,766)	(82,789)	(372,555)	
Other operating revenues	51,882	15,063	66,945	341,787
Net cash provided (used) by operating activities	<u>987,856</u>	<u>280,879</u>	<u>1,268,735</u>	<u>(625,924)</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	(345,280)	(45,430)	(390,710)	-
Principal paid on bond maturities and equipment contracts	(329,005)	(41,950)	(370,955)	-
Interest paid on bond maturities and equipment contracts	(600,860)	(50,282)	(651,142)	-
Net cash provided (used) by capital and related financing activities	<u>(1,275,145)</u>	<u>(137,662)</u>	<u>(1,412,807)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest	688	1,031	1,719	2,946
Net increase (decrease) in cash and cash equivalents	(260,001)	144,248	(115,753)	(622,978)
Cash and cash equivalents, July 1	794,293	1,257,687	2,051,980	3,686,912
Cash and cash equivalents, June 30	<u>\$ 534,292</u>	<u>\$ 1,401,935</u>	<u>\$ 1,936,227</u>	<u>\$ 3,063,934</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, 2012**

**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)	\$ 322,385	\$ 145,937	\$ 468,322	\$ (775,776)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	702,949	101,206	804,155	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(25,718)	19,426	(6,292)	(475)
Inventory	(34,661)	(1,267)	(35,928)	-
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	10,464	8,779	19,243	150,327
Other post-employment benefits	12,437	6,798	19,235	-
Total adjustments	665,471	134,942	800,413	149,852
Net cash provided (used) by operating activities	<u>\$ 987,856</u>	<u>\$ 280,879</u>	<u>\$ 1,268,735</u>	<u>\$ (625,924)</u>

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

**SAMPSON COUNTY, NORTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2012**

**Exhibit 9**

	Pension Trust Fund	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 295,188	\$ 839,519
Accounts receivable	-	39,783
Total assets	<u>\$ 295,188</u>	<u>\$ 879,302</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 306,585
Miscellaneous liabilities	-	572,717
Total liabilities	<u>-</u>	<u>879,302</u>
Net assets:		
Assets held in trust for pension benefits	<u>\$ 295,188</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 ASSETS  
FIDUCIARY FUNDS  
For the Fiscal Year Ended June 30, 2012**

**Exhibit 10**

	<u>Pension Trust Fund</u>
Additions:	
Employer Contributions	\$ 30,000
Investment income	
Interest	<u>178</u>
Total Additions	30,178
Deductions:	
Benefits	<u>22,478</u>
Total Deductions	<u>22,478</u>
Change in net assets	7,700
Net assets - beginning	<u>287,488</u>
Net assets - ending	<u>\$ 295,188</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, 2012**

**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, 2012**

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

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

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

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 funds 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, 2012**

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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, 2012**

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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

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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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales 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 assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

**C. Budgetary Data**

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

**1. Deposits and Investments**

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

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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, 2011. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Allowances for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The Hospital inventories are valued at the lower of cost, derived primarily by use of the weighted average valuation method, or market. The County's General Fund inventory consists of

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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
Fixed equipment	8 to 20 years

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Movable equipment	3 to 20 years
Vehicles	4 to 6 years

The Authority has no fixed assets.

**8. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. 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. For the County's government-wide and proprietary funds and the Hospital, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County 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 accrual for sick leave has been made by the County or its component units.

**10. Net Assets/Fund Balances**

**Net Assets**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:



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**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** – 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 creditors or imposed by law.

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

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

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

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

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

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

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

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

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

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

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

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$2,785,940 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)	\$ 175,268,279
Less accumulated depreciation	<u>28,693,238</u>
Net capital assets	146,575,041
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	596,570
Prepaid expenses for unamortized debt issuance costs	362,565
Accrued pension expense which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(166,108)
Accrued other post-employment benefit which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(5,361,684)
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	2,908,419
Liabilities for revenue deferred but earned and therefore reported in the funds statements but not the government-wide	2,943,291
Unearned revenue for unamortized premium received on debt issuance	(2,029,224)
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	(139,452,782)
Compensated absences	(1,543,257)
Accrued interest payable	<u>(2,046,891)</u>
Total adjustment	<u>\$ 2,785,940</u>

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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 – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(868,638) as follows: (see next page)

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<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 10,058,063
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.	(4,444,566)
Loss on disposed capital assets not reported on the fund statements	(585,933)
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 assets	(7,483,605)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	3,849,233
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)	(186,924)
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	(772,830)
Difference in retirement expense between fund statements (modified accrual) and government-wide (full accrual) due to payments from law-enforcement officers special separation allowance pension fund, resulting in reduction of intangible asset	(43,891)
Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(1,297,765)
Amortization of debt issuance costs	(15,107)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	13,352
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	4,536
Amortization of debt premium	84,551
Increase in accrued taxes receivable for year ended 6/30/12	(47,752)
Total adjustment	<u>\$ (868,638)</u>

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**II. Stewardship, Compliance and Accountability**

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

The County experienced deficit fund balances in the following funds: Special Revenue Funds: Sampson Area Transportation Fund \$(32,635), Governor's Highway Safety Program \$(6,386), and Recreation Western District Park \$(49,614). Capital Project Funds: Airport Taxiway 12.6.2 \$(2,335), Airport Construction 12.8.1 \$(8,109), Airport Construction 12.9.1 \$(1,870), and County Building Construction and Renovation \$(5,713). 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 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 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 or the Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 and the Hospital rely on the State Treasurer to monitor those financial institutions. The County 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 and the Hospital do not have policies regarding custodial credit risk for deposits.

At June 30, 2012, the County's deposits had a carrying amount of \$11,650,189 and a bank balance of \$9,944,777. Of the bank balance, \$1,000,000 was covered by federal depository insurance, \$7,419,358 in interest bearing deposits were covered by collateral held under the Pooling Method and \$802,454 in interest bearing deposits were covered by collateral held under the dedicated method. At June 30, 2012, Sampson County had \$3,300 cash on hand.

The Hospital's deposits had a carrying amount of \$4,074,571 and a bank balance of \$3,548,237 as of September 30, 2011, of the bank balance \$250,000 was secured by federal depository

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insurance, \$3,298,237 in interest bearing deposits were covered by collateral held under the Pooling Method.

The Authority's deposits had a carrying amount of \$97,650 and a bank balance of \$97,650 as of June 30, 2012, of the bank balance \$97,650 was in interest bearing deposits and were covered by collateral held under the Pooling Method.

**2. Investments**

At June 30, 2012, the County's investments consisted of \$21,262,839 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, 2011, the Hospital's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Cost</u>
Cash	\$3,818,649	\$3,818,649
U.S. Treasury and agency bonds	12,452,087	12,358,981
FDIC-Guaranteed Corporate Bonds	1,512,125	1,540,232
NC Capital Management Trust	<u>2,812,634</u>	<u>2,812,634</u>
Total:	<u>\$20,595,495</u>	<u>\$20,530,496</u>

Investment grade bonds included U.S. Treasury issues with ratings of A or better by Standards & Poor's and corporate bonds guaranteed by the FDIC. All cash and investments above have maturities of less than one year except for certain U.S. Treasury and agency bonds. U.S. Treasury and agency bonds with maturities greater than one year amounted to \$8,941,180 at September 30, 2011 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.

Year Levied	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 2,415,621	\$ 628,061	\$ 3,043,682
2009	2,745,176	466,680	3,211,856
2010	2,793,264	223,461	3,016,725
2011	<u>3,704,126</u>	<u>-</u>	<u>3,704,126</u>
	<u>\$11,658,187</u>	<u>\$ 1,318,202</u>	<u>\$ 12,976,389</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
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**4. Receivables**

Receivables at the government-wide level at June 30, 2012, 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	\$ 895,996	\$ 2,948,649	\$ 4,281,791	\$ -	\$ 8,126,436
Accrued interest	-	596,570	-	-	596,570
Other Governmental	12,526	172,442	1,828,120	-	2,013,088
Total receivables	<u>908,522</u>	<u>3,717,661</u>	<u>6,109,911</u>	<u>-</u>	<u>10,736,094</u>
Allowance for doubtful accounts	<u>-</u>	<u>(177,800)</u>	<u>-</u>	<u>-</u>	<u>(177,800)</u>
Total governmental activities	<u>\$ 908,522</u>	<u>\$ 3,539,861</u>	<u>\$ 6,109,911</u>	<u>\$ -</u>	<u>\$ 10,558,294</u>
<b>Business-type Activities</b>					
Water Districts I and II	\$ 358,465	\$ -	\$ -	\$ -	\$ 358,465
Total receivables	358,465	-	-	-	358,465
Allowance for doubtful accounts	<u>(122,230)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,230)</u>
Total business-type activities	<u>\$ 236,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,235</u>

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

Local option sales tax	\$2,191,661
State & Federal Grants	<u>3,918,250</u>
Total	<u>\$6,109,911</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$8,987,000.

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

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**5. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases Transfers In</u>	<u>Decreases Transfers Out</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,172,038	\$ -	\$ -	\$ 6,172,038
Construction in progress	<u>7,438,782</u>	<u>8,918,850</u>	<u>268,784</u>	<u>16,088,848</u>
Total capital assets not being depreciated	<u>13,610,820</u>	<u>8,918,850</u>	<u>268,784</u>	<u>22,260,886</u>
Capital assets being depreciated:				
Buildings and improvements	135,931,492	22,939	33,485	135,920,946
Equipment	10,835,512	1,143,845	985,003	10,994,354
Vehicles and motor equipment	<u>7,650,304</u>	<u>241,213</u>	<u>1,799,424</u>	<u>6,092,093</u>
Total capital assets being depreciated	<u>154,417,308</u>	<u>1,407,997</u>	<u>2,817,912</u>	<u>153,007,393</u>
Less accumulated depreciation for:				
Buildings and improvements	16,558,759	3,256,881	9,274	19,806,366
Equipment	4,601,543	611,848	749,132	4,464,259
Vehicles and motor equipment	<u>5,320,349</u>	<u>575,837</u>	<u>1,473,573</u>	<u>4,422,613</u>
Total accumulated depreciation	<u>26,480,651</u>	<u>\$ 4,444,566</u>	<u>\$ 2,231,979</u>	<u>28,693,238</u>
Total capital assets being depreciated, net	<u>127,936,657</u>			<u>124,314,155</u>
Governmental activity capital assets, net	<u>\$ 141,547,477</u>			<u>\$ 146,575,041</u>

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

General government	\$ 3,549,352
Public safety	661,262
Economic & physical development	25,097
Human services	160,574
Environmental protection	12,528
Cultural and recreational	<u>35,753</u>
Total depreciation expense	<u>\$ 4,444,566</u>



**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2012**

	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	48,667	45,431	-	94,098
Total capital assets being depreciated	<u>27,647,134</u>	<u>45,431</u>	<u>-</u>	<u>27,692,565</u>
Accumulated depreciation distribution	4,546,832	682,779	-	5,229,611
Accumulated depreciation equipment	79,847	15,655	-	95,502
Accumulated depreciation vehicles	11,458	4,515	-	15,973
Total accumulated depreciation	<u>4,638,137</u>	<u>\$ 702,949</u>	<u>\$ -</u>	<u>5,341,086</u>
Water District 2 capital assets, net	<u>23,008,997</u>			<u>22,351,479</u>
Capital assets not being depreciated:				
Land	208,512	\$ -	\$ -	208,512
Construction in progress	372,985	299,851	-	672,836
Water capital assets not depreciated	581,497	\$ 299,851	\$ -	881,348
Water District 2 net capital assets	<u>\$ 23,590,494</u>			<u>\$ 23,232,827</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	21,076	-	-	21,076
Vehicles	45,635	45,431	-	91,066
Total capital assets being depreciated	<u>3,997,792</u>	<u>45,431</u>	<u>-</u>	<u>4,043,223</u>
Accumulated depreciation distribution	1,604,198	\$ 98,277	\$ -	1,702,475
Accumulated depreciation equipment	19,956	263	-	20,219
Accumulated depreciation vehicles	15,622	2,666	-	18,288
Total accumulated depreciation	<u>1,639,776</u>	<u>\$ 101,206</u>	<u>\$ -</u>	<u>1,740,982</u>
Water District 1 capital assets, net	<u>2,358,016</u>			<u>2,302,241</u>
Capital assets not being depreciated:				
Land	16,807	-	-	16,807
Water District 1 net capital assets	<u>\$ 2,374,823</u>			<u>\$ 2,319,048</u>
Business-type activities capital assets, net	<u>\$ 25,965,317</u>			<u>\$ 25,551,875</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2012**

**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, 2011, was as follows:

	September 30, 2010	Additions	Retirements	September 30, 2011
Capital assets not being depreciated:				
Land	\$ 1,770,971	\$ -	\$ -	\$ 1,770,971
Construction in progress	80,788	548,404	33,177	596,015
Total capital assets not being depreciated	<u>1,851,759</u>	<u>548,404</u>	<u>33,177</u>	<u>2,366,986</u>
Capital assets being depreciated:				
Land improvements	1,971,174	28,699	4,735	1,995,138
Buildings and improvements	33,251,663	89,344	191,315	33,149,692
Furniture and equipment	46,076,549	1,802,298	134,597	47,744,250
Total capital assets being depreciated	<u>81,299,386</u>	<u>1,920,341</u>	<u>330,647</u>	<u>82,889,080</u>
Less accumulated depreciation for:				
Land improvements	1,433,825	77,939	4,734	1,507,030
Buildings and improvements	18,302,497	1,014,035	124,660	19,191,872
Furniture and equipment	35,972,062	3,027,234	117,145	38,882,151
Total accumulated depreciation	<u>55,708,384</u>	<u>4,119,208</u>	<u>246,539</u>	<u>59,581,053</u>
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 27,442,761</u>			<u>\$ 25,675,013</u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2012, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental activities:				
General	\$ 1,680,539	\$ 122,223	\$ 2,046,891	\$ 3,849,653
Other governmental	433,724	29,714	-	463,438
Total governmental activities	<u>\$ 2,114,263</u>	<u>\$ 151,937</u>	<u>\$ 2,046,891</u>	<u>\$ 4,313,091</u>
Business-type activities:				
Water District II	\$ 78,122	\$ 721	\$ 48,118	\$ 126,961
Water District I	21,426	115	3,883	25,424
Total business-type activities	<u>\$ 99,548</u>	<u>\$ 836</u>	<u>\$ 52,001</u>	<u>\$ 152,385</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2012**

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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 6.97% and 7.04%, 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, 2012, 2011 and 2010 were \$1,242,417, \$937,856, and \$895,594, 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, 2011, 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, 2012**

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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, 2012 was determined as part of the December 31, 2011 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, 2011 was 20 years.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ended 6/30/2012

(a) Employer annual required contribution	\$ 75,071
(b) Interest on net pension obligation	6,111
(c) Adjustment to annual required contribution	(7,291)
(d) Annual pension cost	<u>73,891</u>
(e) Employer contributions made for fiscal year 6/30/2012	<u>30,000</u>
(f) Increase in net pension obligation	43,891
(g) Net pension obligation beginning of fiscal year	<u>122,217</u>
(h) Net pension obligation end of fiscal year	<u>\$ 166,108</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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	
2010	\$ 55,199	54.35%	\$ 92,050
2011	54,160	55.39%	122,217
2012	73,891	40.60%	166,108

**4. Funding Status and Funding Progress**

As of December 31 2011, the most recent actuarial valuation date, the plan was 42.98 percent funded. The actuarial accrued liability for benefits was \$712,895, and the actuarial value of assets was \$306,403, resulting in an unfunded actuarial accrued liability (UAAL) of \$406,492. The covered payroll (annual payroll of active employees covered by the plan) was \$3,177,658, and the ratio of the UAAL to the covered payroll was 12.79 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, 2012 were \$229,657 which consisted of \$158,158 from the County and \$71,499 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 \$538,379 which consisted of \$371,548 from the County and \$166,831 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, 2012**

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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, 2012, the County's required and actual contributions were \$4,035.

**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**  
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Membership of the HCB Plan consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	44	5
Terminated plan members entitled to but not yet receiving benefits	0	0
Active Plan Members	<u>418</u>	<u>90</u>
Total	<u><u>462</u></u>	<u><u>95</u></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 10.2% of annual covered payroll. For the current year, the County contributed \$607,000 or 3.2% 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 \$73,000. 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	\$ 1,927,000
Interest on net OPEB obligation	165,000
Adjustment to annual required contribution	<u>168,000</u>
Annual OPEB cost (expense)	1,924,000
Contributions made	<u>(607,000)</u>
Increase in net OPEB obligation	1,317,000
Net OPEB obligation, beginning of year	<u>4,121,624</u>
Net OPEB obligation, end of year	<u><u>\$ 5,438,624</u></u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 2012 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 1,677,000	14.4%	\$ 2,869,624
2011	1,825,000	31.4	4,121,624
2012	1,924,000	31.5	5,438,624

**Funded Status and Funding Progress.** As of June 30, 2012, 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 \$16,502,000. The covered payroll (annual payroll of active employees covered by the plan) was \$18,983,789, and the ratio of the UAAL to the covered payroll was 86.9 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, 2012 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, 2012, 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  
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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 \$1,073,119.

**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/Unearned Revenues**

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

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 63,256
Prepaid revenues not yet earned (General)	-	27,657
Taxes receivable, net (General)	2,780,649	-
Taxes receivable, net (Special Revenue)	<u>162,642</u>	<u>-</u>
Total	<u>\$ 2,943,291</u>	<u>\$ 90,913</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Disclosure of Significant Commitments**

The County has active construction projects as of June 30, 2012. 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, 2012, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Taxiway and Apron Rehabilitation	881,293	267,042

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

	June 30, 2012
Claims payable, beginning	<u>                    </u>
Of year	\$ 5,822
Add: Claims received	8,488,302
Less: Claims paid	<u>8,337,975</u>
Claims payable, end of year	<u>\$156,149</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, 2012, 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, 2012 are comprised of the following individual issues:

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%. Principal and interest repayment will begin in fiscal year 2012-2013. At June 30, 2012, there were 38 payments remaining. \$ 3,750,000

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, 2012, there were 22 installments remaining. 1,707,627

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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, 2012, there were 34 payments remaining.	10,439,593
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, 2012 there were 35 payments remaining.	2,159,597
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, 2012 there were 35 payments remaining.	28,802,942
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, 2012 there were 10 payments remaining.	1,482,138
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, 2012 there were 36 payments remaining.	9,235,103
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, 2012 there were 26 payments remaining.	809,838
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%. Principal and interest repayment will begin in fiscal year 2012-2013. At June 30, 2012, there were 38 payments remaining.	3,750,000
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, 2012 there were 12 payments remaining.	1,580,000
Installment purchase agreement with USDA for the renovation of a County owned building to various departments. This agreement is secured by the buildings and land. The loan amount is \$904,846 and will be repaid over a 30	

**SAMPSON COUNTY, NORTH CAROLINA**  
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year period. The payments will be made annually in the amount of \$59,096 including interest at 4.75%. At June 30, 2012 there were 27 payments remaining. 895,944

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, 2012, there were 40 payments remaining. 12,400,000  
\$ 77,012,782

For Sampson County, the future minimum payments as of June 30, 2012, including \$67,322,865 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2013	\$ 1,161,804	\$ 3,080,550
2014	1,350,562	3,042,808
2015	1,394,163	2,997,807
2016	1,439,585	2,950,984
2017	1,486,908	2,902,261
2018-2022	8,051,941	13,708,229
2023-2027	8,391,122	12,162,118
2028-2032	10,074,400	10,297,040
2033-2037	11,791,512	8,060,704
2038-2042	13,844,501	5,436,475
2043-2047	14,697,238	2,381,553
2048-2051	3,329,046	302,336
Total principal payments	<u>\$ 77,012,782</u>	
Total interest payments		<u>\$ 67,322,865</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 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 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**  
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The Water District's general obligation bonds payable at June 30, 2012 are comprised of the following individual issues which are serviced by the Water 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.	\$ 4,263,000
\$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.	357,000
\$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.	860,000
\$2,486,000 Water Series A bonds issued on January 26, 2004, due in annual installments of \$37,545 to \$112,725 Through June 1, 2043 with the first installment due June 1, 2004; 4.375 percent interest rate.	2,271,000
\$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.	866,000
\$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.	2,125,000
\$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.	1,375,000
	<u>\$ 12,117,000</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
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Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$9,933,999 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2013	\$ 221,500	\$ 566,588
2014	232,500	556,096
2015	243,000	545,079
2016	255,500	533,565
2017	266,500	521,453
2018-2022	1,530,500	2,405,455
2023-2027	1,925,500	2,006,302
2028-2032	2,357,000	1,507,025
2033-2037	2,586,000	919,416
2038-2042	2,007,000	344,565
2043-2044	492,000	28,455
Total principal payments	<u>\$ 12,117,000</u>	
Total interest payments		<u>\$ 9,933,999</u>

Sampson County had a legal debt margin of \$181,729,397 at June 30, 2012.

**c. Revenue Bonds**

On April 7, 2010 the Sampson Area Development Corporation issued \$15,560,000 in Revenue Bonds to refinance a previous bond issue that financed the construction of schools in Sampson County. This is a revenue bond 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 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 revenue 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, 2012 is \$12,105,000.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2012**

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Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$3,610,188 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,060,000	\$ 520,025
2014	1,045,000	488,225
2015	1,030,000	456,875
2016	1,020,000	415,675
2017	1,020,000	364,675
2018-2022	4,960,000	1,209,575
2023-2024	<u>1,970,000</u>	<u>155,138</u>
Total principal payments	<u>\$ 12,105,000</u>	
Total interest payments		<u>\$ 3,610,188</u>

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**  
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Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$1,017,211, are as follows:

Year Ending September 30	Principal	Interest
2012	\$ 941,667	\$ 191,735
2013	941,667	169,385
2014	941,667	147,035
2015	941,667	124,685
2016	941,667	102,335
2017-2021	3,374,998	214,501
2022-2026	1,375,001	60,533
2027-2031	<u>641,666</u>	<u>7,002</u>
Total principal payments	<u>\$ 10,100,000</u>	
Total interest payments		<u>\$ 1,017,211</u>

**d. 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.

\$81,800

Debt service requirements to maturity, including interest of \$8,302 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2013	\$ 20,450	\$ 3,857
2014	20,450	2,671
2015	20,450	1,493
2016	<u>20,450</u>	<u>281</u>
Total principal payments	<u>\$ 81,800</u>	
Total interest payments		<u>\$ 8,302</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.

\$ 556,484

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.

1,204,210  
\$1,760,694

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Debt service requirements to maturity, including interest of \$431,592 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 139,005	\$ 60,523
2014	139,005	56,654
2015	139,005	52,778
2016	139,005	48,935
2017	139,005	44,161
2018-2022	695,026	142,483
2023-2025	<u>370,643</u>	<u>26,058</u>
Total principal payments	<u>\$ 1,760,694</u>	
Total interest payments		<u>\$ 431,592</u>

**e. 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**  
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Annual debt service requirements to maturity for the County's certificates of participation, including interest of \$33,770,280 and unamortized bond premium of \$2,029,224 are as follows: The balance of the obligation is 50,335,000 plus the unamortized premium above will equal the below amount.

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,659,551	\$ 2,410,935
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
2018-2022	8,297,755	9,473,175
2023-2027	11,432,755	7,372,300
2028-2032	13,522,755	4,361,050
2033-2037	10,813,204	1,202,080
Total principal payments	<u>\$ 52,364,224</u>	
Total interest payments		<u>\$ 33,770,280</u>

**f. 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, 2012, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$40,985,000.

**g. Debt Related to Capital Activities**

Of the total Governmental Activities debt listed only \$113,914,868 relates to assets the County holds title.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**h. 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, 2012:

	Balance July 1,	Increases	Decreases	Balance June 30,	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchases	\$ 70,728,410	\$ 7,483,605	\$ 1,199,233	\$ 77,012,782	\$ 1,161,804
Revenue bonds	13,180,000	-	1,075,000	12,105,000	1,060,000
Certificates of Participation	51,910,000	-	1,575,000	50,335,000	1,575,000
Unamortized premium on COPs	2,113,775	-	84,551	2,029,224	84,551
Unfunded pension liability	122,217	73,891	30,000	166,108	-
Other post-employment benefits	4,063,919	1,904,765	607,000	5,361,684	-
Compensated absences	1,556,609	1,098,661	1,112,013	1,543,257	1,100,000
Total governmental activities	<u>\$ 143,674,930</u>	<u>\$ 10,560,922</u>	<u>\$ 5,682,797</u>	<u>\$ 148,553,055</u>	<u>\$ 4,981,355</u>
<b>Business-type activities:</b>					
General obligation debt	\$ 12,328,500	\$ -	\$ 211,500	\$ 12,117,000	\$ 221,500
State Clean Water bonds	2,001,949	-	159,455	1,842,494	159,455
Other post-employment benefits	57,705	19,235	-	76,940	-
Compensated absences	22,440	16,125	14,215	24,350	10,100
Total business-type activities	<u>\$ 14,410,594</u>	<u>\$ 35,360</u>	<u>\$ 385,170</u>	<u>\$ 14,060,784</u>	<u>\$ 391,055</u>
<b>Discretely presented component units:</b>					
Revenue bonds	\$ 11,041,667	\$ -	\$ 941,667	\$ 10,100,000	\$ 941,667
Capital Leases	1,754,340	334,566	386,369	1,702,537	480,482
Compensated absences	2,419,722	2,660,834	2,419,722	2,660,834	2,660,834
Total discretely presented component units:	<u>\$ 15,215,729</u>	<u>\$ 2,995,400</u>	<u>\$ 3,747,758</u>	<u>\$ 14,463,371</u>	<u>\$ 4,082,983</u>

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.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2012**

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**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2012, consists of the following:

From the General fund to the County Capital Reserve fund to provide for the purchase of CAMA software for Tax Office	\$ 198,702
From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	91,436
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>316,738</u>
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	2,716,522
From the Emergency Telephone System fund to the General Fund to pay for public safety capital outlay	468,885
From the County Capital Reserve fund to the Airport Capital Project fund for portion of the local funding match	59,483
From the County Capital Reserve fund to the General Fund to pay maintenance and repair costs on the Livestock Arena	<u>1,893</u>
Total Transfers in to the General Fund	<u>3,246,783</u>
Total	<u><u>\$ 3,563,521</u></u>

Interfund balances at June 30, 2012, consists of the following:

Due to the General fund from:

Airport Apron 19.6.1 Capital Project Fund	\$ 711,922
Nonmajor Governmental Funds:	
Sampson Area Transportation Special Revenue Fund	52,107
Head Start Special Revenue Fund	229,391
Community Development SFR-11 Special Revenue Fund	1,370
Community Development CDBG 10-C-2128 Special Revenue Fund	2,616
Governor's Highway Safety Program Special Revenue Fund	6,386
Recreation Western District Park Special Revenue Fund	49,614
Airport Construction 12.9.1 Capital Project Fund	1,870
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>359,511</u>
Total all funds	<u><u>\$ 1,071,433</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.

**SAMPSON COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2012**

**D. Fund Balance**

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

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	\$23,325,328
Less:	
Inventories	6,928
Stabilization by State Statute	6,248,586
Public Safety	293,330
Debt Service	2,056,083
Revaluation	459,801
Capital Projects	663,386
Appropriated Fund Balance in 2013 Budget	3,526,855
Remaining Fund Balance	10,070,359

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
	\$ 32,897	\$ -

**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.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2012. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$274,678 to the center to supplement its activities. Complete financial statements for the center may be obtained from the center's offices in Beulaville, North Carolina.

The County, in conjunction with the State of North Carolina and the Sampson County Board of Education participates in a joint venture to operate the Sampson Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the Community College's student government association serves as a non-voting, ex officio member of the board of trustees. The Community College is 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 \$1,152,810 and \$0 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2012. 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, 2012. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

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. It has been approved and presented as a subsequent event in the Hospital's September 31, 2011 audit the purchase of the remaining 50% interest of SRCC. However, a formal agreement had not been entered into by December 27, 2011.

**SAMPSON COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**VI. Benefit Payments Issued by the State**

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

	<u>Federal</u>	<u>State</u>
State/County Spec Assist	\$ -	\$ 634,084
Temporary Assistance to Needy Families	393,888	-
Medicaid	56,722,808	33,839,611
Energy Assistance	152,597	-
Program for Women, Infants & Children	1,735,919	-
Title IV-E Foster Care	<u>219,827</u>	<u>58,795</u>
Totals	<u>\$ 59,225,039</u>	<u>\$ 34,532,490</u>

**VII. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

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

**VIII. 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.



**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)
12/31/1992	\$ 57,977	\$ 58,347	\$ 370	99.37 %	\$ 650,927	0.06 %
12/31/1993	67,161	74,121	6,960	90.61	769,726	0.90
12/31/1994	74,843	86,563	11,720	86.46	780,160	1.50
12/31/1995	83,439	107,379	23,940	77.71	822,729	2.91
12/30/1996	104,744	124,261	19,517	84.29	874,601	2.23
12/30/1997	135,701	131,271	(4,430)	103.37	1,022,206	(0.43)
12/31/1998	166,239	141,291	(24,948)	117.66	1,199,117	(2.08)
12/31/1999	198,072	122,716	(75,356)	161.41	1,017,985	(7.40)
12/30/2000	202,067	176,376	(25,691)	114.57	1,156,176	(2.22)
12/30/2001	201,233	216,160	14,927	93.09	1,202,408	1.24
12/31/2002	204,552	224,862	20,310	90.97	1,209,468	1.68
12/31/2003	180,497	277,576	97,079	65.03	1,414,782	6.86
12/31/2004	189,532	329,012	139,480	57.61	1,600,276	8.72
12/31/2005	223,924	341,022	117,098	65.66	2,042,795	5.73
12/31/2006	222,808	381,130	158,322	58.46	2,405,621	6.58
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

**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	
1993	\$ 6,826	100.00	%
1994	5,410	100.00	
1995	7,401	100.00	
1996	11,025	100.00	
1997	11,508	100.00	
1998	10,309	100.00	
1999	9,284	100.00	
2000	2,696	100.00	
2001	18,510	100.00	
2002	19,599	100.00	
2003	19,824	100.00	
2004	20,454	100.00	
2005	29,547	100.00	
2006	37,007	54.20	
2007	38,003	52.45	
2008	46,510	43.00	
2009	48,341	62.06	
2010	55,199	54.35	
2011	60,167	48.96	
2012	73,891	40.60	

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, 2011
Actuarial cost method	Project unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 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

**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 Required Contribution	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

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, 2011
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	10.00%
Includes inflation at	2.50%
Cost-of-living adjustments	None

**SAMPSON COUNTY, NORTH CAROLINA  
GENERAL FUND  
BALANCE SHEET  
June 30, 2012**

**Exhibit B-1**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 18,347,539
Restricted cash	459,801
Receivables (net)	
Taxes	2,780,649
Accounts	5,177,153
Due from other funds	1,071,433
Inventories	6,928
TOTAL ASSETS	<u>\$ 27,843,503</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 1,646,613
Deferred revenues	2,871,562
Total Liabilities	<u>4,518,175</u>
Fund Balances:	
Nonspendable	
Inventories	6,928
Restricted	
Stabilization by state statute	6,248,586
Public safety	293,330
Debt service	2,056,083
Education	-
Revaluation	459,801
Committed	
Economic development	-
Capital projects	663,386
Assigned	
Subsequent year's expenditures	3,526,855
Unassigned	10,070,359
Total Fund Balances	<u>23,325,328</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,843,503</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes:			
Ad valorem	\$	\$ 31,144,084	\$
Penalties and interest		370,201	
Total	<u>30,420,610</u>	<u>31,514,285</u>	<u>1,093,675</u>
Sales Tax:			
One cent		3,138,963	
One half cent article 40		2,030,342	
One half cent article 42		746,544	
One quarter cent article 46		911,522	
Total	<u>6,582,611</u>	<u>6,827,371</u>	<u>244,760</u>
Restricted:			
State grants		11,321,743	
Federal grants		633,476	
Court facility fees		149,352	
Local grants		138,008	
Total	<u>13,611,985</u>	<u>12,242,579</u>	<u>(1,369,406)</u>
Permits and Fees:			
Register of deeds		316,495	
Inspection		301,665	
Local subdivision fees		27,312	
Franchise		72,374	
Total	<u>665,000</u>	<u>717,846</u>	<u>52,846</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, 2012**

**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		450	
Town of Salemburg		193	
Town of Roseboro		753	
Town of Newton Grove		292	
Town of Garland		380	
Town of Autryville		107	
Town of Harrells		479	
City of Clinton		55,351	
Tax collection		116,927	
Jail fees		1,228,751	
Sheriff fees		854,128	
Health fees		1,048,966	
Ambulance fees		2,240,291	
Aging services fees		581,657	
Total	<u>5,872,440</u>	<u>6,128,725</u>	<u>256,285</u>
Investment Earnings	<u>60,000</u>	<u>20,978</u>	<u>(39,022)</u>
<b>Miscellaneous:</b>			
Board of elections		180	
Short-term vehicle lease		11,940	
Recreation		50,645	
Agri-Exposition center		203,955	
Rent		1,883,277	
Other		361,743	
Total	<u>2,372,762</u>	<u>2,511,740</u>	<u>138,978</u>
Total revenues	<u>59,585,408</u>	<u>59,963,524</u>	<u>378,116</u>
<b>Expenditures</b>			
<b>General Government</b>			
<b>Governing Body</b>			
Salaries and employee benefits		90,880	
Operations and maintenance		49,539	
Total	<u>142,989</u>	<u>140,419</u>	<u>2,570</u>
<b>Administration</b>			
Salaries and employee benefits		276,918	
Operations and maintenance		26,998	
Total	<u>349,877</u>	<u>303,916</u>	<u>45,961</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Airport			
Operations and maintenance		50,644	
Total	63,520	50,644	12,876
Finance			
Salaries and employee benefits		660,002	
Operations and maintenance		249,547	
Total	1,197,177	909,549	287,628
Data Processing			
Salaries and employee benefits		285,486	
Operations and maintenance		215,083	
Capital outlay		8,127	
Total	538,073	508,696	29,377
Communications Tower			
Operations and maintenance		34,701	
Capital outlay		79,503	
Total	119,833	114,204	5,629
Tax Administration			
Salaries and employee benefits		780,660	
Operations and maintenance		311,746	
Total	1,118,427	1,092,406	26,021
Legal			
Professional services		39,038	
Total	52,000	39,038	12,962
Courts			
Operations and maintenance		11,501	
Total	15,911	11,501	4,410
Criminal Justice Partnership Program			
Operations and maintenance	83,164	81,380	1,784



**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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Salaries and employee benefits		90,408	
Operations and maintenance		124,064	
Total	<u>253,853</u>	<u>214,472</u>	<u>39,381</u>
Register of Deeds			
Salaries and employee benefits		323,704	
Operations and maintenance		80,745	
Total	<u>470,885</u>	<u>404,449</u>	<u>66,436</u>
Public Buildings			
Salaries and employee benefits		432,581	
Operations and maintenance		916,680	
Total	<u>1,611,355</u>	<u>1,349,261</u>	<u>262,094</u>
Total General Government	<u>6,017,064</u>	<u>5,219,935</u>	<u>797,129</u>
Public Safety			
Sheriff			
Salaries and employee benefits		4,234,134	
Operations and maintenance		1,090,461	
Capital outlay		632,127	
Total	<u>6,132,208</u>	<u>5,956,722</u>	<u>175,486</u>
Jail			
Salaries and employee benefits		1,902,022	
Operations and maintenance		1,171,865	
Capital outlay		3,879	
Total	<u>3,285,047</u>	<u>3,077,766</u>	<u>207,281</u>
Communications			
Salaries and employee benefits		832,073	
Operations and maintenance		75,630	
Capital outlay		152,715	
Total	<u>1,075,879</u>	<u>1,060,418</u>	<u>15,461</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Emergency Management			
Salaries and employee benefits		311,646	
Operations and maintenance		129,512	
Capital outlay		22,348	
Total	<u>492,366</u>	<u>463,506</u>	<u>28,860</u>
Volunteer Fire Departments			
Assistance to County fire departments	<u>254,121</u>	<u>247,677</u>	<u>6,444</u>
Inspections			
Salaries and employee benefits		315,271	
Operations and maintenance		52,841	
Total	<u>377,631</u>	<u>368,112</u>	<u>9,519</u>
Coroner			
Professional services	<u>43,600</u>	<u>35,700</u>	<u>7,900</u>
Rescue			
Salaries and employee benefits		2,166,431	
Assistance to County rescue units		211,716	
Operations and maintenance		635,246	
Capital outlay		207,247	
Total	<u>3,313,576</u>	<u>3,220,640</u>	<u>92,936</u>
Dive Team			
Contracted services	<u>17,310</u>	<u>17,310</u>	<u>-</u>
Animal Control			
Salaries and employee benefits		129,806	
Operations and maintenance		46,931	
Total	<u>200,677</u>	<u>176,737</u>	<u>23,940</u>
Total Public Safety	<u>15,192,415</u>	<u>14,624,588</u>	<u>567,827</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Solid Waste			
Contracted services		788,790	
Operations and maintenance		12,310	
Total	<u>899,549</u>	<u>801,100</u>	<u>98,449</u>
Forestry			
State forestry program	<u>131,068</u>	<u>102,183</u>	<u>28,885</u>
Pesticide recycling program	<u>7,202</u>	<u>6,442</u>	<u>760</u>
Horticulture Project	<u>4,573</u>	<u>1,840</u>	<u>2,733</u>
Master Gardener Program	<u>11,125</u>	<u>8,672</u>	<u>2,453</u>
Lagoon Management	<u>5,363</u>	<u>2,760</u>	<u>2,603</u>
Senior Health Information Program	<u>4,843</u>	<u>4,829</u>	<u>14</u>
Cooperative Extension Seminars	<u>7,891</u>	<u>5,513</u>	<u>2,378</u>
4-H Allstars Program			
Operations and maintenance		3,421	
Capital Outlay		12,512	
Total	<u>16,290</u>	<u>15,933</u>	<u>357</u>
4-H Prevention Program			
Salaries and employee benefits		31,546	
Operations and maintenance		16,938	
Total	<u>48,665</u>	<u>48,484</u>	<u>181</u>
Total Environmental Protection	<u>1,136,569</u>	<u>997,756</u>	<u>138,813</u>
Economic and Physical Development			
Planning and Zoning			
Contracted services		161,013	
Total	<u>166,802</u>	<u>161,013</u>	<u>5,789</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Industrial Development			
Salaries and employee benefits		136,932	
Operations and maintenance		77,489	
Total	367,176	214,421	152,755
Industrial Utility			
Operations and maintenance		17,911	
Total	68,692	17,911	50,781
N.C. Cooperative Extension Service			
Salaries and employee benefits		318,741	
Operations and maintenance		57,732	
Total	390,189	376,473	13,716
Soil Conservation			
Salaries and employee benefits		206,722	
Operations and maintenance		6,010	
Total	220,415	212,732	7,683
Total Economic and Physical Development	1,213,274	982,550	230,724
Human Services			
Mental Health Administration			
Eastpointe Mental Health	274,678	274,678	-
Veterans			
Salaries and employee benefits		97,831	
Operations and maintenance		15,998	
Total	122,926	113,829	9,097

**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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Youth Needs Task Force			
Salaries and employee benefits		41,603	
Programs		121,127	
Total	168,812	162,730	6,082
Health			
Administration			
Salaries and employee benefits		26,564	
Operations and maintenance		54,759	
Total	91,646	81,323	10,323
Diabetes Self Management			
Salaries and employee benefits		34,842	
Operations and maintenance		9,218	
Total	50,375	44,060	6,315
School Nurse Initiatiave			
Contracted services	400,000	400,000	-
Tuberculosis - CDC			
Salaries and employee benefits		44,683	
Operations and maintenance		7,285	
Total	54,861	51,968	2,893
Tuberculosis Medical Services			
Professional services	2,271	2,271	-
Communicable Disease			
Salaries and employee benefits		129,284	
Operations and maintenance		35,697	
Total	190,632	164,981	25,651

**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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Adult Services			
Salaries and employee benefits		48,730	
Operations and maintenance		62,911	
Total	<u>134,272</u>	<u>111,641</u>	<u>22,631</u>
Health Promotion			
Salaries and employee benefits		13,802	
Operations and maintenance		1,595	
Total	<u>50,393</u>	<u>15,397</u>	<u>34,996</u>
Breast and Cervical Cancer			
Salaries and employee benefits		4,533	
Operations and maintenance		11,258	
Total	<u>20,532</u>	<u>15,791</u>	<u>4,741</u>
Healthy Carolinians			
Operations and maintenance	<u>25,143</u>	<u>16,679</u>	<u>8,464</u>
Immunization			
Salaries and employee benefits		55,096	
Operations and maintenance		7,735	
Total	<u>78,495</u>	<u>62,831</u>	<u>15,664</u>
Maternal Health & Outreach			
Salaries and employee benefits		554,768	
Operations and maintenance		116,337	
Total	<u>700,775</u>	<u>671,105</u>	<u>29,670</u>
Family Planning			
Salaries and employee benefits		227,917	
Operations and maintenance		94,967	
Total	<u>336,865</u>	<u>322,884</u>	<u>13,981</u>
WIC			
Salaries and employee benefits		327,696	
Operations and maintenance		60,641	
Total	<u>390,888</u>	<u>388,337</u>	<u>2,551</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Child Services Coordination			
Salaries and employee benefits		112,356	
Operations and maintenance		22,257	
Total	153,902	134,613	19,289
Childhood Lead Poisoning Prevention			
Operations and maintenance	1,560	1,560	-
Child Health			
Salaries and employee benefits		71,696	
Operations and maintenance		21,249	
Total	101,675	92,945	8,730
Environmental Health			
Salaries and employee benefits		381,428	
Operations and maintenance		31,211	
Total	415,534	412,639	2,895
Food and Lodging			
Travel	7,302	7,302	-
State Bio-Terrorism			
Salaries and employee benefits		42,596	
Operations and maintenance		1,267	
Total	55,864	43,863	12,001
Total Health	3,262,985	3,042,190	220,795

**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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		6,053,151	
Operations and maintenance		1,041,496	
Capital outlay		20,224	
Total	<u>7,222,034</u>	<u>7,114,871</u>	<u>107,163</u>
Assistance			
Food stamp issuance		24,518	
WFBG programs		12,305	
Medicaid transportation		932,468	
Daycare		2,200,532	
Medicaid		28,411	
AA-AD-AB rest homes		633,702	
Aid to the blind		7,242	
Crisis intervention program		482,270	
In-Home services		12,353	
Foster care		975,747	
Adoption assistance		46,151	
Other programs		17,683	
Total	<u>5,848,324</u>	<u>5,373,382</u>	<u>474,942</u>
Total Social Services	<u>13,070,358</u>	<u>12,488,253</u>	<u>582,105</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		127,562	
Operations and maintenance		56,974	
Total	<u>188,722</u>	<u>184,536</u>	<u>4,186</u>
Transportation			
Salaries and employee benefits		25,618	
Total	<u>26,663</u>	<u>25,618</u>	<u>1,045</u>
Personal Care Block Grant			
Salaries and employee benefits		399,220	
Operations and maintenance		18,234	
Total	<u>427,937</u>	<u>417,454</u>	<u>10,483</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, 2012**

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

	Final Budget	Actual	Variance Positive (Negative)
Home Repairs			
Salaries and employee benefits		68,408	
Operations and maintenance		56,126	
Total	<u>128,920</u>	<u>124,534</u>	<u>4,386</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		80,923	
Operations and maintenance		28,859	
Total	<u>110,831</u>	<u>109,782</u>	<u>1,049</u>
Adult Daycare			
Salaries and employee benefits		149,601	
Operations and maintenance		72,869	
Total	<u>232,616</u>	<u>222,470</u>	<u>10,146</u>
Information/Case Assistance			
Salaries and employee benefits		44,141	
Operations and maintenance		4,550	
Total	<u>49,212</u>	<u>48,691</u>	<u>521</u>
Nutrition Program			
Salaries and employee benefits		102,790	
Operations and maintenance		280,214	
Total	<u>383,849</u>	<u>383,004</u>	<u>845</u>
Family Caregiver Support			
Salaries and employee benefits		17,311	
Operations and maintenance		9,114	
Total	<u>33,481</u>	<u>26,425</u>	<u>7,056</u>
Total Aging and In-Home Services	<u>1,582,231</u>	<u>1,542,514</u>	<u>39,717</u>
Total Human Services	<u>18,481,990</u>	<u>17,624,194</u>	<u>857,796</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, 2012**

**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		6,954,570	
Clinton City Board of Education		2,543,950	
Sampson Community College		1,152,810	
Capital Outlay			
Sampson County Board of Education		831,528	
Clinton City Board of Education		260,380	
Total Education	<u>12,436,566</u>	<u>11,743,238</u>	<u>693,328</u>
Culture and Recreation			
Library			
Salaries and employee benefits		635,153	
Operations and maintenance		141,348	
Capital outlay		101,648	
Total	<u>890,904</u>	<u>878,149</u>	<u>12,755</u>
Special Appropriations			
Special projects	<u>76,233</u>	<u>75,604</u>	<u>629</u>
Recreation			
Salaries and employee benefits		393,332	
Operations and maintenance		82,522	
Programs		109,946	
Capital outlay		15,995	
Total Recreation	<u>628,242</u>	<u>601,795</u>	<u>26,447</u>
Agri-Exposition Center			
Salaries and employee benefits		111,306	
Operations and maintenance		254,257	
Special events		33,083	
Total	<u>421,177</u>	<u>398,646</u>	<u>22,531</u>
Total Culture and Recreation	<u>2,016,556</u>	<u>1,954,194</u>	<u>62,362</u>
Debt Service			
Principal		3,849,233	
Interest and fees		5,668,970	
Administration		74,942	
Total Debt Service	<u>10,333,234</u>	<u>9,593,145</u>	<u>740,089</u>
Contingency	<u>272,742</u>	<u>-</u>	<u>272,742</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, 2012**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total expenditures	<u>67,100,410</u>	<u>62,739,600</u>	<u>4,360,810</u>
Excess (deficiency) of revenues over expenditures	<u>(7,515,002)</u>	<u>(2,776,076)</u>	<u>4,738,926</u>
<b>Other financing sources (uses)</b>			
Transfers in	4,155,065	3,187,300	(967,765)
Transfers out	(316,738)	(316,738)	-
Loan proceeds	<u>276,129</u>	<u>-</u>	<u>(276,129)</u>
Total Other Financing Sources (Uses)	<u>4,114,456</u>	<u>2,870,562</u>	<u>(1,243,894)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(3,400,546)	94,486	3,495,032
Appropriated Fund Balance	<u>3,400,546</u>	<u>-</u>	<u>(3,400,546)</u>
Net change in fund balance	<u>\$ -</u>	94,486	<u>\$ 94,486</u>
Fund balance - beginning		<u>22,105,655</u>	
Fund balance - ending		<u>\$ 22,200,141</u>	

**SAMPSON COUNTY, NORTH CAROLINA  
COUNTY CAPITAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2012**

**Exhibit B-3**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings:			
Library reserve	\$ -	\$ 63	\$ 63
Airport reserve	-	302	302
Livestock arena reserve	-	40	40
Schools capital outlay reserve	-	5	5
Water line repairs	-	24	24
Total revenues	<u>-</u>	<u>434</u>	<u>434</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
To Airport Capital Projects	(73,820)	(59,483)	14,337
To General fund	(200,702)	(1,893)	198,809
From General Fund for Tax Software Reserve	<u>198,702</u>	<u>198,702</u>	<u>-</u>
Total other financing sources (uses)	(75,820)	137,326	213,146
Excess (deficiency) of revenues over expenditures	<u>(75,820)</u>	<u>137,760</u>	<u>213,580</u>
Appropriated Fund Balance	<u>75,820</u>	<u>-</u>	<u>(75,820)</u>
Net change in fund balance	<u>\$ -</u>	<u>137,760</u>	<u>\$ 137,760</u>
Fund balance - beginning		<u>527,626</u>	
Fund balance - ending		<u>\$ 665,386</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, 2012**

**Exhibit B-4**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Investment earnings	\$ -	\$ 604	\$ 604
<b>Expenditures</b>			
Real property appraisals	-	-	-
Excess (deficiency) of revenues over expenditures	-	604	604
<b>Other Financing Sources</b>			
Transfer from General Fund	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	-	604	604
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>604</u>	<u>\$ 604</u>
Fund balance - beginning		<u>459,197</u>	
Fund balance - ending		<u>\$ 459,801</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, 2012**

**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:	\$ 519,850	\$ 519,850	\$ 439,800	\$ 959,650	\$ 439,800
Investment earnings	2,442,317	2,528,558	49	2,528,607	86,290
Donations	496,500	-	-	-	(496,500)
Sales tax refund	1,668,949	1,711,354	-	1,711,354	42,405
Total revenues	<u>5,127,616</u>	<u>4,759,762</u>	<u>439,849</u>	<u>5,199,611</u>	<u>71,995</u>
<b>Expenditures</b>					
School Construction:					
Union High School	32,995,947	32,976,944	-	32,976,944	19,003
Roseboro Elementary School	12,856,519	4,933,471	7,528,301	12,461,772	394,747
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	2,004,113	194	2,004,307	19,693
Sampson County Schools other	2,000,000	1,649,002	268,784	1,917,786	82,214
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>115,533,446</u>	<u>105,211,837</u>	<u>7,797,279</u>	<u>113,009,116</u>	<u>2,524,330</u>
Excess (deficiency) of revenues over expenditures	<u>(110,405,830)</u>	<u>(100,452,075)</u>	<u>(7,357,430)</u>	<u>(107,809,505)</u>	<u>2,596,325</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	109,000,000	101,476,395	7,483,605	108,960,000	(40,000)
Total other financing uses	<u>110,405,830</u>	<u>102,882,225</u>	<u>7,483,605</u>	<u>110,365,830</u>	<u>(40,000)</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>2,430,150</u>	<u>126,175</u>	<u>2,556,325</u>	<u>2,556,325</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,430,150</u>	<u>126,175</u>	<u>\$ 2,556,325</u>	<u>\$ 2,556,325</u>
Fund balance - beginning			<u>2,430,150</u>		
Fund balance - ending			<u><u>\$ 2,556,325</u></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, 2012**

**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	\$ 2,830,240	\$ 1,566,669	\$ 957,998	\$ 2,524,667	\$ (305,573)
City of Clinton	158,130	87,036	53,223	140,259	(17,871)
Total revenues	<u>2,988,370</u>	<u>1,653,705</u>	<u>1,011,221</u>	<u>2,664,926</u>	<u>(323,444)</u>
<b>Expenditures</b>					
Capital Expansion:					
Administration	6,473	65	93	158	6,315
Engineering	720,665	612,155	52,612	664,767	55,898
Construction costs	2,419,362	1,179,167	961,094	2,140,261	279,101
Total expenditures	<u>3,146,500</u>	<u>1,791,387</u>	<u>1,013,799</u>	<u>2,805,186</u>	<u>341,314</u>
Excess (deficiency) of revenues over expenditures	<u>(158,130)</u>	<u>(137,682)</u>	<u>(2,578)</u>	<u>(140,260)</u>	<u>17,870</u>
<b>Other Financing Sources</b>					
Transfers In:					
From Airport Capital Reserve	158,130	86,180	57,613	143,793	(14,337)
Total other financing sources	158,130	86,180	57,613	143,793	(14,337)
Net change in fund balance	<u>\$ -</u>	<u>\$ (51,502)</u>	55,035	<u>\$ 3,533</u>	<u>\$ 3,533</u>
Fund balance - beginning			(51,502)		
Fund balance - ending			<u>\$ 3,533</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012**

**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	\$ 675,479	\$ -	\$ -	\$ 532,023
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	162,642
Other receivables	16,587	28,653	294,426	-
<b>TOTAL ASSETS</b>	<b>\$ 692,066</b>	<b>\$ 28,653</b>	<b>\$ 294,426</b>	<b>\$ 694,665</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 14,560	\$ 9,181	\$ 55,174	\$ 120
Due to General Fund	-	52,107	229,391	-
Deferred tax revenue	-	-	-	162,642
<b>Total Liabilities</b>	<b>14,560</b>	<b>61,288</b>	<b>284,565</b>	<b>162,762</b>
<b>Fund Balances (Deficits):</b>				
<b>Restricted</b>				
Stabilization by state statute	16,587	28,653	294,426	-
Public safety	-	-	-	531,903
<b>Assigned</b>				
General government	-	-	-	-
Public safety	660,919	-	-	-
Environmental protection	-	-	-	-
Human services	-	(61,288)	(284,565)	-
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>677,506</b>	<b>(32,635)</b>	<b>9,861</b>	<b>531,903</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 692,066</b>	<b>\$ 28,653</b>	<b>\$ 294,426</b>	<b>\$ 694,665</b>



**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012**

**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	\$ 46,609	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	-	2,616	27,947	-
<b>TOTAL ASSETS</b>	<b>\$ 46,609</b>	<b>\$ 2,616</b>	<b>\$ 27,947</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 26,487	\$ -
Due to General Fund	-	2,616	1,370	6,386
Deferred tax revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,616</b>	<b>27,857</b>	<b>6,386</b>
<b>Fund Balances (Deficits):</b>				
<b>Restricted</b>				
Stabilization by state statute	-	2,616	27,947	-
Public Safety	-	-	-	-
<b>Assigned</b>				
General government	-	-	-	-
Public safety	-	-	-	(6,386)
Environmental protection	46,609	-	-	-
Human services	-	(2,616)	(27,857)	-
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>46,609</b>	<b>-</b>	<b>90</b>	<b>(6,386)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 46,609</b>	<b>\$ 2,616</b>	<b>\$ 27,947</b>	<b>\$ -</b>

**SAMPSON COUNTY, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012**

**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	\$ 28,244	\$ -	\$ 24,875	\$ 11,020
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 28,244</b>	<b>\$ -</b>	<b>\$ 24,875</b>	<b>\$ 11,020</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,441	\$ -	\$ -	\$ -
Due to General Fund	-	49,614	-	-
Deferred tax revenue	-	-	-	-
<b>Total Liabilities</b>	<b>1,441</b>	<b>49,614</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
<b>Restricted</b>				
Stabilization by state statute	-	-	-	-
Public Safety	-	-	-	-
<b>Assigned</b>				
General government	-	-	-	11,020
Public safety	-	-	24,875	-
Environmental protection	-	-	-	-
Human services	26,803	-	-	-
Culture and recreation	-	(49,614)	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (Deficits)</b>	<b>26,803</b>	<b>(49,614)</b>	<b>24,875</b>	<b>11,020</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 28,244</b>	<b>\$ -</b>	<b>\$ 24,875</b>	<b>\$ 11,020</b>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012**

**Exhibit C-1  
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	Special Revenue Funds
	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,318,250
Restricted cash	-
Taxes receivable (net)	162,642
Other receivables	<u>370,229</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,851,121</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	\$ 106,963
Due to General Fund	341,484
Deferred tax revenue	<u>162,642</u>
<b>Total Liabilities</b>	<b><u>611,089</u></b>
<b>Fund Balances (Deficits):</b>	
Restricted	-
Stabilization by state statute	370,229
Public Safety	531,903
Assigned	
General government	11,020
Public safety	679,408
Environmental protection	46,609
Human services	(349,523)
Culture and recreation	(49,614)
Capital expansion	-
Subsequent year's expenditures	-
Unassigned	<u>-</u>
<b>Total Fund Balances (Deficits)</b>	<b><u>1,240,032</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,851,121</u></b>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012**

**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	1,870
Deferred tax revenue	-	-	-
<b>Total Liabilities</b>	<b>2,335</b>	<b>8,109</b>	<b>1,870</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)	(1,870)
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>(1,870)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012**

**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	\$ 85,661	\$ -	\$ 85,661
Restricted cash	-	-	-
Taxes receivable (net)	-	-	-
Other receivables	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 85,661</b>	<b>\$ -</b>	<b>\$ 85,661</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to General Fund	-	5,713	18,027
Deferred tax revenue	-	-	-
Total Liabilities	-	5,713	18,027
Fund Balances (Deficits):			
Restricted			-
Stabilization by state statute	-	-	-
Public Safety	-	-	-
Assigned			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital expansion	85,661	(5,713)	67,634
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	85,661	(5,713)	67,634
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 85,661</b>	<b>\$ -</b>	<b>\$ 85,661</b>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012**

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

	Total Nonmajor Governmental Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,403,911
Restricted cash	-
Taxes receivable (net)	162,642
Other receivables	<u>370,229</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,936,782</u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 106,963
Due to General Fund	359,511
Deferred tax revenue	<u>162,642</u>
Total Liabilities	<u>629,116</u>
Fund Balances (Deficits):	
Restricted	-
Stabilization by state statute	370,229
Public Safety	531,903
Assigned	
General government	11,020
Public safety	679,408
Environmental protection	46,609
Human services	(349,523)
Culture and recreation	(49,614)
Capital expansion	67,634
Subsequent year's expenditures	-
Unassigned	<u>-</u>
Total Fund Balances (Deficits)	<u>1,307,666</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,936,782</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, 2012**

**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	\$ -	\$ -	\$ -	\$ 2,251,849
Sales taxes	-	-	-	-
State, federal and local grants	-	325,637	3,513,433	-
Fees	199,044	67,615	-	-
Investment earnings	772	33	-	447
Miscellaneous	-	2,386	6,871	-
Total revenues	<u>199,816</u>	<u>395,671</u>	<u>3,520,304</u>	<u>2,252,296</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	440,081	-	-	2,212,633
Environmental protection	-	-	-	-
Human services	-	513,274	3,534,764	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>440,081</u>	<u>513,274</u>	<u>3,534,764</u>	<u>2,212,633</u>
Excess (deficiency) of revenues over expenditures	<u>(240,265)</u>	<u>(117,603)</u>	<u>(14,460)</u>	<u>39,663</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	91,436	-	-
Transfers out	(468,885)	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>(468,885)</u>	<u>91,436</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(709,150)	(26,167)	(14,460)	39,663
Fund balances - beginning	<u>1,386,656</u>	<u>(6,468)</u>	<u>24,321</u>	<u>492,240</u>
Fund balances - ending	<u>\$ 677,506</u>	<u>\$ (32,635)</u>	<u>\$ 9,861</u>	<u>\$ 531,903</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012**

**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	7,600	10,548	149,318	-
Fees	-	-	-	-
Investment earnings	24	-	-	-
Miscellaneous	935	-	-	-
Total revenues	<u>8,559</u>	<u>10,548</u>	<u>149,318</u>	<u>-</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	1,747	-	-	-
Human services	-	10,548	149,228	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>1,747</u>	<u>10,548</u>	<u>149,228</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures:	<u>6,812</u>	<u>-</u>	<u>90</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	6,812	-	90	-
Fund balances - beginning	<u>39,797</u>	<u>-</u>	<u>-</u>	<u>(6,386)</u>
Fund balances - ending	<u>\$ 46,609</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ (6,386)</u>



**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012**

**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	-	-	-	-
Total revenues	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Human services	10,868	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>10,868</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>26,632</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	26,632	-	-	-
Fund balances - beginning	171	(49,614)	24,875	11,020
Fund balances - ending	<u>\$ 26,803</u>	<u>\$ (49,614)</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, 2012**

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

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	CDBG Infrastructure Hookup	CDBG Scattered Sites 07-C-1673	CDBG Single Family Rehab SFR-08	
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,251,849
Sales taxes	-	-	-	-
State, federal and local grants	-	-	2,214	4,046,250
Fees	-	-	-	266,659
Investment earnings	-	-	-	1,276
Miscellaneous	352	-	-	10,544
Total revenues	<u>352</u>	<u>-</u>	<u>2,214</u>	<u>6,576,578</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	-	-	-	2,652,714
Environmental protection	-	-	-	1,747
Human services	-	76	-	4,218,758
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>-</u>	<u>76</u>	<u>-</u>	<u>6,873,219</u>
Excess (deficiency) of revenues over expenditures:	<u>352</u>	<u>(76)</u>	<u>2,214</u>	<u>(296,641)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	91,436
Transfers out	-	-	-	(468,885)
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(377,449)</u>
Net change in fund balances	352	(76)	2,214	(674,090)
Fund balances - beginning	<u>(352)</u>	<u>76</u>	<u>(2,214)</u>	<u>1,914,122</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,240,032</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012**

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

	Capital Project Funds		
	Airport Taxiway 12.6.2	Airport Construction 12.8.1	Airport Construction 12.9.1
<b>Revenues</b>			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
State, federal and local grants	-	-	160,705
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>160,705</u>
<b>Expenditures</b>			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital Expansion	-	-	108,066
Total Expenditures	<u>-</u>	<u>-</u>	<u>108,066</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>52,639</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	1,870
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,870</u>
Net change in fund balances	-	-	54,509
Fund balances - beginning	<u>(2,335)</u>	<u>(8,109)</u>	<u>(56,379)</u>
Fund balances - ending	<u>\$ (2,335)</u>	<u>\$ (8,109)</u>	<u>\$ (1,870)</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012**

**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	-	-	160,705
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>160,705</u>
<b>Expenditures</b>			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital Expansion	-	-	108,066
Total Expenditures	<u>-</u>	<u>-</u>	<u>108,066</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>52,639</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	1,870
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,870</u>
Net change in fund balances	-	-	54,509
Fund balances - beginning	<u>85,661</u>	<u>(5,713)</u>	<u>13,125</u>
Fund balances - ending	<u>\$ 85,661</u>	<u>\$ (5,713)</u>	<u>\$ 67,634</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2012**

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

	Total Nonmajor Governmental Funds
<b>Revenues</b>	
Ad valorem taxes	\$ 2,251,849
Sales taxes	-
State, federal and local grants	4,206,955
Fees	266,659
Investment earnings	1,276
Miscellaneous	10,544
Total revenues	<u>6,737,283</u>
<b>Expenditures</b>	
General government	-
Public safety	2,652,714
Environmental protection	1,747
Human services	4,218,758
Culture and recreation	-
Capital Expansion	108,066
Total Expenditures	<u>6,981,285</u>
Excess (deficiency) of revenues over expenditures	<u>(244,002)</u>
<b>Other Financing Sources (Uses)</b>	
Transfers in	93,306
Transfers out	(468,885)
Installment purchase debt issued	-
Total other financing sources (uses)	<u>(375,579)</u>
Net change in fund balances	(619,581)
Fund balances - beginning	<u>1,927,247</u>
Fund balances - ending	<u>\$ 1,307,666</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, 2012**

**Exhibit C-3**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
NC 911 PSAP fees	\$ 334,977	\$ 199,044	\$ (135,933)
Investment earnings	-	772	772
Total revenues	<u>334,977</u>	<u>199,816</u>	<u>(135,161)</u>
<b>Expenditures</b>			
Operations and maintenance	77,900	38,304	39,596
Telephone and postage	113,016	102,824	10,192
Contracted services	144,061	64,367	79,694
Capital outlay	<u>239,963</u>	<u>234,586</u>	<u>5,377</u>
Total expenditures	<u>574,940</u>	<u>440,081</u>	<u>134,859</u>
Excess (deficiency) of revenues over expenditures	<u>(239,963)</u>	<u>(240,265)</u>	<u>(302)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(660,300)</u>	<u>(468,885)</u>	<u>191,415</u>
Total Other Financing Sources (Uses)	<u>(660,300)</u>	<u>(468,885)</u>	<u>191,415</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(900,263)	(709,150)	191,113
Appropriated Fund Balance	<u>900,263</u>	-	<u>(900,263)</u>
Net change in fund balance	<u>\$ -</u>	<u>(709,150)</u>	<u>\$ (709,150)</u>
Fund balance - beginning		<u>1,386,656</u>	
Fund balance - ending		<u>\$ 677,506</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, 2012**

**Exhibit C-4**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
State Grants:			
Transportation-capital improvements	\$ 5,054	\$ 5,053	\$ (1)
Transportation-riders	205,177	162,717	(42,460)
Development funds	133,880	129,179	(4,701)
Workfirst	32,918	28,688	(4,230)
Mileage fees	70,504	67,615	(2,889)
Miscellaneous	-	2,386	2,386
Investment earnings	-	33	33
Total revenues	<u>447,533</u>	<u>395,671</u>	<u>(51,862)</u>
<b>Expenditures</b>			
Salaries and employee benefits	386,253	368,208	18,045
Gas, oil, and tires	71,875	71,061	814
Maintenance and repairs	10,994	9,479	1,515
Operations	54,883	49,662	5,221
Insurance and bonds	8,398	8,397	1
Capital outlay	6,566	6,467	99
Total expenditures	<u>538,969</u>	<u>513,274</u>	<u>25,695</u>
Excess (deficiency) of revenues over expenditures	<u>(91,436)</u>	<u>(117,603)</u>	<u>(26,167)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers:			
From General fund	91,436	91,436	-
Total other financing sources (uses)	91,436	91,436	-
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	-	(26,167)	(26,167)
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>(26,167)</u>	<u>\$ (26,167)</u>
Fund balance - beginning		<u>(6,468)</u>	
Fund balance - ending		<u>\$ (32,635)</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, 2012**

**Exhibit C-5**

	Final Budget	Reported in Prior Year	Current Year	Total Actual	Variance Positive (Negative)
<b>Revenues</b>					
State & Federal Grants:					
USDA food 9/30/11	\$ 260,000	\$ 59,383	\$ 147,302	\$ 206,685	\$ (53,315)
USDA food 9/30/12	266,428	-	294,913	294,913	28,485
DHHS Head Start	3,528,684	-	3,071,218	3,071,218	(457,466)
Miscellaneous	-	-	6,871	6,871	6,871
Total revenues	<u>4,055,112</u>	<u>59,383</u>	<u>3,520,304</u>	<u>3,572,816</u>	<u>(475,425)</u>
<b>Expenditures</b>					
Food Program Ended 9/30/11:					
Salaries and employee benefits	95,207	17,592	9,420	27,012	68,195
Food and provisions	164,014	38,103	67,166	105,269	58,745
Operations and maintenance	779	-	-	-	779
Total food program	<u>260,000</u>	<u>55,695</u>	<u>76,586</u>	<u>132,281</u>	<u>127,719</u>
Food Program Ending 9/30/12:					
Salaries and employee benefits	73,950	-	64,230	64,230	9,720
Food and provisions	192,078	-	192,078	192,078	-
Operations and maintenance	400	-	375	375	25
Total food program	<u>266,428</u>	<u>-</u>	<u>256,683</u>	<u>256,683</u>	<u>9,745</u>
Head Start Programs:					
Salaries and employee benefits	1,936,078	-	1,832,405	1,832,405	103,673
Operations and maintenance	421,423	-	407,944	407,944	13,479
PA-20 Employee training	38,565	-	21,702	21,702	16,863
Total Head Start program	<u>2,396,066</u>	<u>-</u>	<u>2,262,051</u>	<u>2,262,051</u>	<u>134,015</u>
Early Head Start Programs:					
Salaries and employee benefits	703,219	-	563,093	563,093	140,126
Operations and maintenance	400,905	-	329,306	329,306	71,599
PA-30 Employee training	46,219	-	21,647	21,647	24,572
Capital Outlay	8,000	-	-	-	8,000
Total Early Head Start program	<u>1,158,343</u>	<u>-</u>	<u>914,046</u>	<u>914,046</u>	<u>244,297</u>
More At Four Programs:					
Operations and maintenance	26,750	-	25,398	25,398	1,352
Total More at Four program	<u>26,750</u>	<u>-</u>	<u>25,398</u>	<u>25,398</u>	<u>1,352</u>
Total expenditures	<u>4,107,587</u>	<u>55,695</u>	<u>3,534,764</u>	<u>3,590,459</u>	<u>517,128</u>
Excess (deficiency) of revenues over expenditures	<u>(52,475)</u>	<u>3,688</u>	<u>(14,460)</u>	<u>(17,643)</u>	<u>41,703</u>
Appropriated Fund Balance	<u>52,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,475)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,688</u>	<u>(14,460)</u>	<u>\$ (17,643)</u>	<u>\$ (10,772)</u>
Fund balance - beginning			<u>24,321</u>		
Fund balance - ending			<u>\$ 9,861</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, 2012**

**Exhibit C-6**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad Valorem Taxes:			
Current year	\$ 2,080,557	\$ 2,161,416	\$ 80,859
Prior year	56,719	90,433	33,714
Investment earnings	-	447	447
Total revenues	<u>2,137,276</u>	<u>2,252,296</u>	<u>115,020</u>
<b>Expenditures</b>			
Fire protection	<u>2,212,633</u>	<u>2,212,633</u>	-
Total expenditures	<u>2,212,633</u>	<u>2,212,633</u>	-
Excess (deficiency) of revenues over expenditures	<u>(75,357)</u>	<u>39,663</u>	<u>115,020</u>
Appropriated Fund Balance	<u>75,357</u>	-	<u>(75,357)</u>
Net change in fund balance	<u>\$ -</u>	<u>39,663</u>	<u>\$ 39,663</u>
Fund balance - beginning		<u>492,240</u>	
Fund balance - ending		<u>\$ 531,903</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, 2012**

**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, 2011</u>	<u>Fund Balance June 30, 2012</u>
Coharie	\$ 140,991	\$ 138,400	\$ 2,591	\$ 48,848	\$ 51,439
Franklin	128,942	118,253	10,689	22,315	33,004
Godwin-Falcon	23,619	23,538	81	5,632	5,713
Halls	124,791	122,352	2,439	7,794	10,233
Herring	124,686	120,059	4,627	21,744	26,371
Honeycutt-Salemburg	150,441	144,040	6,401	23,397	29,798
Newton Grove	65,540	74,490	(8,950)	27,619	18,669
Piney Grove	76,818	74,520	2,298	5,705	8,003
Plain View	217,001	192,267	24,734	39,299	64,033
Spivey's Corner	134,201	127,800	6,401	10,761	17,162
Turkey	109,066	102,464	6,602	38,112	44,714
Vanns Crossroads	69,846	74,880	(5,034)	14,608	9,574
Clinton	371,283	350,000	21,283	93,976	115,259
Clement	175,243	180,686	(5,443)	38,674	33,231
Autryville	109,245	110,179	(934)	19,112	18,178
Garland	97,216	96,240	976	17,146	18,122
Taylor's Bridge	133,367	162,465	(29,098)	57,498	28,400
	<u>\$ 2,252,296</u>	<u>\$ 2,212,633</u>	<u>\$ 39,663</u>	<u>\$ 492,240</u>	<u>\$ 531,903</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, 2012**

**Exhibit C-7**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
State Grant	\$ 3,600	\$ 7,600	\$ 4,000
Miscellaneous	1,500	935	(565)
Investment earnings	<u>-</u>	<u>24</u>	<u>24</u>
Total revenues	5,100	8,559	3,459
<b>Expenditures</b>			
Travel	1,100	575	525
Departmental supplies	<u>4,000</u>	<u>1,172</u>	<u>2,828</u>
Total expenditures	5,100	1,747	3,353
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>6,812</u>	<u>106</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	-	6,812	6,812
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>6,812</u>	<u>\$ 6,812</u>
Fund balance - beginning		<u>39,797</u>	
Fund balance - ending		<u>\$ 46,609</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, 2012**

**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	\$ 10,548	\$ (389,452)
Miscellaneous	-	-	-	-	-
Total revenue	<u>400,000</u>	<u>-</u>	<u>10,548</u>	<u>10,548</u>	<u>(389,452)</u>
<b>Expenditures</b>					
Administration	35,000	-	7,698	7,698	27,302
Clearance activity	25,000	-	2,100	2,100	22,900
Relocation assistance	68,000	-	750	750	67,250
Housing rehabilitation	272,000	-	-	-	272,000
Total expenditures	<u>400,000</u>	<u>-</u>	<u>10,548</u>	<u>10,548</u>	<u>389,452</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-11  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2012**

**Exhibit C-9**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State and local grants	\$ 160,000	\$ -	\$ 149,318	\$ 149,318	\$ (10,682)
Total revenue	<u>160,000</u>	<u>-</u>	<u>149,318</u>	<u>149,318</u>	<u>(10,682)</u>
<b>Expenditures</b>					
Administration	15,541	-	9,941	9,941	5,600
Soft cost	14,459	-	12,265	12,265	2,194
Housing rehabilitation	130,000	-	127,022	127,022	2,978
Total expenditures	<u>160,000</u>	<u>-</u>	<u>149,228</u>	<u>149,228</u>	<u>10,772</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	90	<u>\$ 90</u>	<u>\$ 90</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ 90</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, 2012**

**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	\$ (1,975)
Total revenue	<u>330,906</u>	<u>328,931</u>	<u>-</u>	<u>328,931</u>	<u>(1,975)</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>-</u>	<u>(412,295)</u>	<u>27,662</u>
<b>Other Financing Sources:</b>					
Transfers:					
From General fund	439,957	405,909	-	405,909	(34,048)
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>-</u>	<u>\$ (6,386)</u>	<u>\$ (6,386)</u>
Net change in fund balance			-		
Fund balance - beginning			<u>(6,386)</u>		
Fund balance - ending			<u>\$ (6,386)</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, 2012**

**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	\$ 125,000	\$ 37,500	\$ 162,500	\$ (37,500)
Interest earned	390	826	-	826	436
Total revenue	<u>200,390</u>	<u>125,826</u>	<u>37,500</u>	<u>163,326</u>	<u>(37,064)</u>
<b>Expenditures</b>					
Salaries and employee benefits	5,609	5,607	-	5,607	2
Building materials	-	-	-	-	-
Department supplies	5,859	3,362	1,901	5,263	596
Contracted services	<u>188,922</u>	<u>116,686</u>	<u>8,967</u>	<u>125,653</u>	<u>63,269</u>
Total expenditures	<u>200,390</u>	<u>125,655</u>	<u>10,868</u>	<u>136,523</u>	<u>63,867</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 171</u>	26,632	<u>\$ 26,803</u>	<u>\$ 26,803</u>
Fund balance - beginning			<u>171</u>		
Fund balance - ending			<u>\$ 26,803</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, 2012**

**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)
Donations	181,299	134,633	-	134,633	(46,666)
Total revenue	<u>898,331</u>	<u>801,661</u>	<u>-</u>	<u>801,661</u>	<u>(96,670)</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>-</u>	<u>(243,142)</u>	<u>(94,114)</u>
<b>Other Financing Sources:</b>					
Transfers:					
From Capital reserve fund	26,492	26,492	-	26,492	-
From General fund	<u>122,536</u>	<u>167,036</u>	<u>-</u>	<u>167,036</u>	<u>44,500</u>
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>-</u>	<u>\$ (49,614)</u>	<u>\$ (49,614)</u>
Net change in fund balance			-		
Fund balance - beginning			<u>(49,614)</u>		
Fund balance - ending			<u>\$ (49,614)</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, 2012**

**Exhibit C-13**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Federal grants	\$ -	\$ -	\$ -	\$ -	
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  
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, 2012**

**Exhibit C-14**

	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	15,531	76	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>358,167</u>	<u>76</u>	<u>358,243</u>	<u>41,757</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 76</u>	(76)	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>76</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, 2012**

**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	\$ 392,793	\$ 2,214	\$ 395,007	\$ (4,993)
Total revenue	<u>400,000</u>	<u>392,793</u>	<u>2,214</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>\$ (2,214)</u>	2,214	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			(2,214)		
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, 2012**

**Exhibit C-16**

	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>7,755</u>	<u>352</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>\$ (352)</u>	352	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>(352)</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, 2012**

**Exhibit C-17**

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, 2012**

**Exhibit C-18**

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, 2012**

**Exhibit C-19**

Project Number: 36237.12.9.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 161,000	\$ -	\$ 160,705	\$ 160,705	\$ (295)
City of Clinton	8,050	-	-	-	(8,050)
Total revenues	<u>169,050</u>	<u>-</u>	<u>160,705</u>	<u>160,705</u>	<u>(8,345)</u>
<b>Expenditures</b>					
Capital Expansion:					
Professional services	114,541	-	108,066	108,066	6,475
Land	62,559	62,559	-	62,559	-
Total expenditures	<u>177,100</u>	<u>62,559</u>	<u>108,066</u>	<u>170,625</u>	<u>6,475</u>
Excess (deficiency) of revenues over expenditures	<u>(8,050)</u>	<u>(62,559)</u>	<u>52,639</u>	<u>(9,920)</u>	<u>(1,870)</u>
<b>Other Financing Sources</b>					
Transfers In:					
From Airport Capital Reserve	8,050	6,180	1,870	8,050	-
Total other financing sources	<u>8,050</u>	<u>6,180</u>	<u>1,870</u>	<u>8,050</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (56,379)</u>	54,509	<u>\$ (1,870)</u>	<u>\$ (1,870)</u>
Fund balance - beginning			<u>(56,379)</u>		
Fund balance - ending			<u>\$ (1,870)</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, 2012**

**Exhibit C-20**

	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	-	3,283	-	3,283	3,283
Total revenues	100,000	103,283	-	103,283	3,283
<b>Expenditures</b>					
Capital Expansion:					
Engineering	142,104	60,051	-	60,051	82,053
Construction costs	1,849,147	1,849,147	-	1,849,147	-
Legal and administration	5,514	5,190	-	5,190	324
Capitalized interest	75,000	75,000	-	75,000	-
Contingency	-	-	-	-	-
Total expenditures	2,071,765	1,989,388	-	1,989,388	82,377
Excess (deficiency) of revenues over expenditures	(1,971,765)	(1,886,105)	-	(1,886,105)	85,660
<b>Other Financing Sources (Uses)</b>					
Transfer to general fund	(78,235)	(78,234)	-	(78,234)	1
Installment purchase debt issued	2,050,000	2,050,000	-	2,050,000	-
Total other financing sources (uses)	1,971,765	1,971,766	-	1,971,766	1
Net change in fund balance	\$ -	\$ 85,661	-	\$ 85,661	\$ 85,661
Fund balance - beginning			85,661		
Fund balance - ending			\$ 85,661		



**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, 2012**

**Exhibit C-21**

	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	-	54,160	14,160
Total revenues	<u>255,000</u>	<u>209,160</u>	<u>-</u>	<u>209,160</u>	<u>(45,840)</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>-</u>	<u>(13,686,713)</u>	<u>4,994,287</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>-</u>	<u>\$ (5,713)</u>	<u>\$ (5,713)</u>
Fund balance - beginning			<u>(5,713)</u>		
Fund balance - ending			<u>\$ (5,713)</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, 2012**

**Exhibit D-1**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,999,069	\$
Penalties		32,224	
Tap fees		46,178	
Miscellaneous		51,882	
Total Operating Revenues	<u>2,032,625</u>	<u>2,129,353</u>	<u>96,728</u>
Nonoperating Revenues:			
Interest earnings		688	
Total Nonoperating Revenues	<u>-</u>	<u>688</u>	<u>688</u>
Total Revenues	<u>2,032,625</u>	<u>2,130,041</u>	<u>97,416</u>
Expenditures:			
Salaries and employee benefits		276,041	
Bulk water purchases		521,076	
Travel		349	
Contracted services		63,924	
Operations and maintenance		144,590	
Capital outlay		45,430	
Debt service principal		329,005	
Debt service interest		600,860	
Total Expenditures	<u>2,059,225</u>	<u>1,981,275</u>	<u>77,950</u>
Revenues Over (Under) Expenditures	<u>(26,600)</u>	<u>148,766</u>	<u>175,366</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>175,366</u>	<u>175,366</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 175,366</u>	<u>\$ 175,366</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 175,366</u>	
Reconciling Items:			
Debt principal		329,005	
Other post-employment benefits		(12,437)	
Compensated absences		(1,245)	
Accrued interest		1,049	
Bad debt expense		(84,359)	
Depreciation		(702,949)	
Capital outlay		45,431	
Total reconciling items		<u>(425,505)</u>	
Change in net assets		<u>\$ (250,139)</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, 2012**

**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	\$ 835,000	\$ -	\$ -	\$ -	\$ (835,000)
Sales Tax Refund	-	116,460	-	116,460	116,460
Investment earnings	-	-	-	-	-
Total Revenues	<u>835,000</u>	<u>116,460</u>	<u>-</u>	<u>116,460</u>	<u>(718,540)</u>
<b>Expenditures:</b>					
Engineering	226,100	119,995	48,377	168,372	57,728
Other professional services	65,450	2,700	-	2,700	62,750
Land	60,000	76,908	-	76,908	(16,908)
Construction	1,930,000	246,539	251,474	498,013	1,431,987
Contingency	96,500	-	-	-	96,500
Capitalized interest	238,800	-	-	-	238,800
Legal	10,000	3,752	-	3,752	6,248
Total Expenditures	<u>2,626,850</u>	<u>449,894</u>	<u>299,851</u>	<u>749,745</u>	<u>1,877,105</u>
Revenues Over (Under) Expenditures	(1,791,850)	(333,434)	(299,851)	(633,285)	1,158,565
<b>Other Financing Sources:</b>					
Installment purchase debt proceeds	<u>1,791,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,791,850)</u>
	<u>1,791,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,791,850)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (333,434)</u>	<u>\$ (299,851)</u>	<u>\$ (633,285)</u>	<u>\$ (633,285)</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, 2012**

**Exhibit D-3**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 580,375	\$
Penalties		9,356	
Tap fees		3,100	
Miscellaneous		<u>15,063</u>	
Total Operating Revenues	<u>510,184</u>	<u>607,894</u>	<u>97,710</u>
Nonoperating Revenues:			
Interest earnings		<u>1,031</u>	
Total Nonoperating Revenues	<u>-</u>	<u>1,031</u>	<u>1,031</u>
Total Revenues	<u>510,184</u>	<u>608,925</u>	<u>98,741</u>
Expenditures:			
Salaries and employee benefits		76,353	
Bulk water purchases		202,980	
Travel		101	
Contracted services		18,559	
Operations and maintenance		38,949	
Capital outlay		45,430	
Debt service principal		41,950	
Debt service interest		<u>50,282</u>	
Total Expenditures	<u>510,184</u>	<u>474,604</u>	<u>35,580</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>134,321</u>	<u>134,321</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	134,321	134,321
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 134,321</u>	<u>\$ 134,321</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 134,321</u>	
Reconciling Items:			
Debt principal		41,950	
Other post-employment benefits		(6,798)	
Bad debt expense		(16,345)	
Depreciation		(101,206)	
Compensated absences		(667)	
Capital outlay		45,431	
Accrued interest		<u>362</u>	
Total reconciling items		<u>(37,273)</u>	
Change in net assets		<u>\$ 97,048</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, 2012**

**Exhibit D-4**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 4,909,929	\$
Miscellaneous		341,787	
Total Operating Revenues	<u>6,027,494</u>	<u>5,251,716</u>	<u>(775,778)</u>
Nonoperating Revenues:			
Interest earnings		2,946	
Total Nonoperating Revenues	<u>-</u>	<u>2,946</u>	<u>2,946</u>
Total Revenues	<u>6,027,494</u>	<u>5,254,662</u>	<u>(772,832)</u>
Expenditures:			
Insurance claims paid		6,027,492	
Total Expenditures	<u>6,027,494</u>	<u>6,027,492</u>	<u>2</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (772,830)</u>	<u>\$ (772,830)</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ (772,830)</u>	
Change in net assets		<u>\$ (772,830)</u>	

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2012**

**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	\$ 93,942	\$ 13,576	\$ 563,833	\$ 11,386	\$ 26,853
Accounts receivable	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 93,942</u>	<u>\$ 13,576</u>	<u>\$ 563,833</u>	<u>\$ 11,386</u>	<u>\$ 26,853</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 125	\$ -	\$ 147,466	\$ 11,386	\$ 26,853
Miscellaneous liabilities	93,817	13,576	416,367	-	-
<b>TOTAL LIABILITIES</b>	<u>\$ 93,942</u>	<u>\$ 13,576</u>	<u>\$ 563,833</u>	<u>\$ 11,386</u>	<u>\$ 26,853</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2012**

**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, 2012</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 80,972	\$ 48,957	\$ -	\$ 839,519
Accounts receivable	<u>39,783</u>	<u>-</u>	<u>-</u>	<u>39,783</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 120,755</u></b>	<b><u>\$ 48,957</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 879,302</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 120,755	\$ -	\$ -	\$ 306,585
Miscellaneous liabilities	<u>-</u>	<u>48,957</u>	<u>-</u>	<u>572,717</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 120,755</u></b>	<b><u>\$ 48,957</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 879,302</u></b>

**SAMPSON COUNTY, NORTH CAROLINA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS**  
**AND LIABILITIES - AGENCY FUNDS**  
**For the Fiscal Year Ended June 30, 2012**

**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	\$ 76,795	\$ 351,854	\$ 334,707	\$ 93,942
	<u>76,795</u>	<u>351,879</u>	<u>334,732</u>	<u>93,942</u>
Liabilities:				
Accounts payable	-	125	-	125
Miscellaneous liabilities	76,795	684,303	667,281	93,817
	<u>\$ 76,795</u>	<u>\$ 684,428</u>	<u>\$ 667,281</u>	<u>\$ 93,942</u>
<b>4-H Funds</b>				
Assets:				
Cash and cash equivalents	\$ 15,737	\$ 28,633	\$ 30,794	\$ 13,576
	<u>15,737</u>	<u>28,633</u>	<u>30,794</u>	<u>13,576</u>
Liabilities:				
Accounts payable	2,443	-	2,443	-
Miscellaneous liabilities	13,294	28,633	28,351	13,576
	<u>\$ 15,737</u>	<u>\$ 28,633</u>	<u>\$ 30,794</u>	<u>\$ 13,576</u>
<b>Miscellaneous Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 508,860	\$ 4,807,115	\$ 4,752,142	\$ 563,833
Accounts receivable	285	-	285	-
	<u>509,145</u>	<u>4,807,115</u>	<u>4,752,427</u>	<u>563,833</u>
Liabilities:				
Accounts payable	338,482	147,466	338,482	147,466
Miscellaneous liabilities	170,663	4,730,884	4,485,180	416,367
	<u>\$ 509,145</u>	<u>\$ 4,878,350</u>	<u>\$ 4,823,662</u>	<u>\$ 563,833</u>
<b>Tax Collection Funds</b>				
Assets:				
Cash and cash equivalents	\$ 7,714	\$ 2,159,781	\$ 2,156,109	\$ 11,386
	<u>7,714</u>	<u>2,159,781</u>	<u>2,156,109</u>	<u>11,386</u>
Liabilities:				
Accounts payable	7,714	11,386	7,714	11,386
	<u>\$ 7,714</u>	<u>\$ 11,386</u>	<u>\$ 7,714</u>	<u>\$ 11,386</u>
<b>Motor Vehicle Tax Funds</b>				
Assets:				
Cash and cash equivalents	\$ 25,819	\$ 457,128	\$ 456,094	\$ 26,853
	<u>25,819</u>	<u>457,128</u>	<u>456,094</u>	<u>26,853</u>
Liabilities:				
Accounts payable	\$ 25,819	\$ 26,853	\$ 25,819	\$ 26,853
	<u>\$ 25,819</u>	<u>\$ 26,853</u>	<u>\$ 25,819</u>	<u>\$ 26,853</u>



**SAMPSON COUNTY, NORTH CAROLINA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS  
For the Fiscal Year Ended June 30, 2012**

**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	\$ 46,623	\$ 502,473	\$ 468,124	\$ 80,972
Accounts receivable	37,562	39,783	37,562	39,783
	<u>84,185</u>	<u>542,256</u>	<u>505,686</u>	<u>120,755</u>
Liabilities:				
Accounts payable	84,185	120,755	84,185	120,755
	<u>\$ 84,185</u>	<u>\$ 120,755</u>	<u>\$ 84,185</u>	<u>\$ 120,755</u>
<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 51,112	\$ 12,729	\$ 14,884	\$ 48,957
	<u>51,112</u>	<u>12,729</u>	<u>14,884</u>	<u>48,957</u>
Liabilities:				
Miscellaneous liabilities	51,112	15,216	17,371	48,957
	<u>\$ 51,112</u>	<u>\$ 15,216</u>	<u>\$ 17,371</u>	<u>\$ 48,957</u>
<u>Motor Vehicle 3% Interest</u>				
Assets:				
Cash and cash equivalents	\$ 2,372	\$ 65,928	\$ 68,300	\$ -
	<u>2,372</u>	<u>65,928</u>	<u>68,300</u>	<u>-</u>
Liabilities:				
Accounts payable	2,372	-	2,372	-
	<u>\$ 2,372</u>	<u>\$ -</u>	<u>\$ 2,372</u>	<u>\$ -</u>
	Balance July 1	Additions	Deductions	Balance June 30
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 735,032	\$ 8,385,641	\$ 8,281,154	\$ 839,519
Accounts receivable	37,847	39,808	37,872	39,783
	<u>772,879</u>	<u>8,425,449</u>	<u>8,319,026</u>	<u>879,302</u>
Liabilities:				
Accounts payable	461,015	306,585	461,015	306,585
Miscellaneous liabilities	311,864	5,459,036	5,198,183	572,717
	<u>\$ 772,879</u>	<u>\$ 5,765,621</u>	<u>\$ 5,659,198</u>	<u>\$ 879,302</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2012**

**Exhibit F-1**

	Uncollected Balance July 1, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
County-wide:				
General County	\$ 3,012,855	\$ 31,786,240	\$ 31,850,446	\$ 2,948,649
Fire Districts:				
Plain View	15,877	223,232	222,081	17,028
Spivey's Corner	4,929	137,241	136,867	5,303
Halls	8,875	127,756	127,567	9,064
Franklin	10,378	133,523	132,664	11,237
Turkey	8,569	111,005	111,809	7,765
Vanns	3,490	72,286	71,209	4,567
Godwin-Falcon	699	24,233	23,869	1,063
Coharie	14,622	145,310	144,379	15,553
Herring	7,557	127,763	126,669	8,651
Honeycutt-Salemburg	12,200	154,986	153,604	13,582
Piney Grove	3,845	80,264	79,559	4,550
Newton Grove	5,868	67,259	67,153	5,974
Clinton	24,901	385,754	380,409	30,246
Clement	10,711	178,957	178,280	11,388
Autryville	6,541	122,065	122,329	6,277
Garland	7,223	101,753	99,138	9,838
Taylor's Bridge	8,950	127,203	126,440	9,713
Taylor's Bridge Service	753	9,425	9,535	643
	<u>155,988</u>	<u>2,330,015</u>	<u>2,313,561</u>	<u>172,442</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	<u>-</u>	<u>-</u>	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 2,991,043</u>	<u>\$ 34,116,255</u>	<u>\$ 34,164,007</u>	<u>\$ 2,943,291</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 31,144,084		
Taxes Ad Valorem Revaluation Fund		-		
Penalties and interest		370,201		
Taxes Ad Valorem Fire Districts		2,161,416		
Discounts, adjustments and releases		425,755		
Amounts written off per statute of limitations		<u>62,551</u>		
Total Collections and Credits		<u>\$ 34,164,007</u>		

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
For the Fiscal Year Ended June 30, 2012**

**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	\$ 3,691,702,038	.785	\$ 28,979,861	\$ 26,830,956	\$ 2,148,905
Property taxed at prior year rate	179,432,781	.845	1,516,207	-	1,516,207
Discoveries:	165,827,898	.785	1,301,749	1,301,749	-
Abatements:					
Real, personal, & business property	(16,145,605)	.785	(126,743)	(126,743)	-
Motor vehicles at current year rate	(1,594,904)	.785	(12,520)	-	(12,520)
Motor vehicles at prior year rate	(4,444,970)	.845	(37,560)	-	(37,560)
Total Property Valuation	<u>4,014,777,238</u>		<u>(176,823)</u>	<u>(126,743)</u>	<u>(50,080)</u>
Net Levy			31,620,994	28,005,962	3,615,032
Uncollected taxes at June 30, 2012			<u>1,605,002</u>	<u>957,331</u>	<u>647,671</u>
Current year taxes collected			<u>30,015,992</u>	<u>27,048,631</u>	<u>2,967,361</u>
Current levy collection percentage			<u>94.92%</u>	<u>96.58%</u>	<u>82.08%</u>

**SAMPSON COUNTY, NORTH CAROLINA  
 ANALYSIS OF CURRENT TAX LEVY  
 COUNTY-WIDE LEVY  
 For the Fiscal Year Ended June 30, 2012**

**Secondary Market Disclosures:**

Assessed Valuation:

Assesment ratio (1)		100 %
Real property	\$	3,146,211,329
Personal property		733,568,462
Public service companies (2)		<u>134,997,447</u>
Total assessed valuation	\$	4,014,777,238
Tax rate per \$100		<u>0.785</u>
Levy (includes discoveries, releases and abatements) (3)	\$	<u>31,620,994</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>2,301,712</u>
---------------------------	----	------------------

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

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

**Exhibit F-3**

**For the Fiscal Year Ended June 30, 2012**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods, Inc.	Meat Packing	\$ 65,332,948	1.63 %
Prestage Farms, Inc.	Swine/Poultry Grower	61,224,815	1.52
Carroll's Foods, Inc./Carroll's Realty	Swine/Poultry Grower	45,815,231	1.14
Progress Energy Carolina	Utility	43,128,911	1.07
South River Electric Membership Corp.	Utility	29,960,748	0.75
Murphy Farms, Inc.	Swine/Poultry Grower	26,215,784	0.65
Cohaire Farms Company	Swine Grower/Feed Mills	19,657,891	0.49
Schindler Elevator Corp.	Escalator Manufacturer	17,747,743	0.44
Carolina Telephone	Utility	15,891,562	0.40
Allen Canning Co.	Food Packing	14,161,892	0.35
		<u>\$ 339,137,525</u>	<u>8.45 %</u>

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE AND SPECIAL DISTRICTS  
For the Fiscal Year Ended June 30, 2012**

**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	\$ 3,031,798,817	.845	\$ 26,830,956	\$ 1,301,749	\$ 126,743
Registered Motor Vehicles	442,765,444	0.845/0.785	3,665,112	-	50,080
	<u>3,474,564,261</u>		<u>30,496,068</u>	<u>1,301,749</u>	<u>176,823</u>
Fire Districts:					
Plain View	243,225,556	.090	218,903	3,986	1,078
Spivey's Corner	144,243,333	.090	129,819	7,230	574
Halls	174,194,286	.070	121,936	5,529	1,013
Franklin	160,870,000	.080	128,696	4,468	1,396
Turkey	179,516,667	.060	107,710	3,206	676
Vanns	76,417,778	.090	68,776	3,364	407
Godwin-Falcon	23,431,000	.100	23,431	788	20
Coharie	164,981,176	.085	140,234	4,825	520
Herring	146,043,529	.085	124,137	3,507	429
Honeycutt-Salemburg	149,220,000	.100	149,220	5,604	505
Piney Grove	101,441,333	.075	76,081	4,078	1,519
Newton Grove	100,203,077	.065	65,132	1,916	521
Clinton	402,287,568	.0925	372,116	13,419	2,829
Clement	217,275,000	.080	173,820	4,697	659
Autryville	113,187,368	.095	107,528	4,315	1,493
Garland	123,291,250	.080	98,633	2,925	435
Taylor's Bridge	175,485,714	.070	122,840	4,156	634
Taylor's Bridge Service	25,117,143	.035	8,791	615	12
			<u>2,237,803</u>	<u>78,628</u>	<u>14,720</u>
Grand Total			<u>\$ 32,733,871</u>	<u>\$ 1,380,377</u>	<u>\$ 191,543</u>

**SAMPSON COUNTY, NORTH CAROLINA  
ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE AND SPECIAL DISTRICTS  
For the Fiscal Year Ended June 30, 2012**

**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	\$ 28,005,962	\$ 957,331	\$ 27,048,631	96.58	%
Registered Motor Vehicles	<u>3,615,032</u>	<u>647,671</u>	<u>2,967,361</u>	<u>82.08</u>	
	<u>31,620,994</u>	<u>1,605,002</u>	<u>30,015,992</u>	<u>94.92</u>	
Fire Districts:					
Plain View	221,811	13,006	208,805	94.14	
Spivey's Corner	136,475	3,905	132,570	97.14	
Halls	126,452	6,637	119,815	94.75	
Franklin	131,768	8,139	123,629	93.82	
Turkey	110,240	5,272	104,968	95.22	
Vanns	71,733	3,362	68,371	95.31	
Godwin-Falcon	24,199	800	23,399	96.69	
Coharie	144,539	10,495	134,044	92.74	
Herring	127,215	6,293	120,922	95.05	
Honeycutt-Salemburg	154,319	10,092	144,227	93.46	
Piney Grove	78,640	3,537	75,103	95.50	
Newton Grove	66,527	4,513	62,014	93.22	
Clinton	382,706	22,263	360,443	94.18	
Clement	177,858	8,751	169,107	95.08	
Autryville	110,350	4,568	105,782	95.86	
Garland	101,123	7,268	93,855	92.81	
Taylor's Bridge	126,362	5,628	120,734	95.55	
Taylor's Bridge Service	<u>9,394</u>	<u>460</u>	<u>8,934</u>	<u>95.10</u>	
	<u>2,301,711</u>	<u>124,989</u>	<u>2,176,722</u>	<u>94.57</u>	
Grand Total	<u>\$ 33,922,705</u>	<u>\$ 1,729,991</u>	<u>\$ 32,192,714</u>	<u>94.90</u>	%

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF INTERFUND TRANSFERS  
For the Fiscal Year Ended June 30, 2012**

**Exhibit F-5**

	Transfers	
	From	To
Transfers From/To Other Funds		
General Fund		
County Capital Reserve Fund	\$ 1,893	\$ 198,702
School Capital Reserve Fund	2,716,521	-
Sampson Area Transportation Fund	-	91,436
Emergency Telephone System Fund	468,885	-
Sampson County Water & Sewer District II	-	26,600
Special Revenue Funds:		
Revaluation Fund		
General Fund	-	-
Soil Conservation Fund		
Emergency Telephone System Fund		
General Fund	-	468,885
Sampson Area Transportation Fund		
General Fund	91,436	-
County Capital Reserve Fund		
General Fund	198,702	1,893
Airport Expansion Capital Projects	-	59,483
School Capital Reserve Fund		
General Fund	-	2,716,521
Capital Project Funds:		
Airport Expansion Capital Projects		
County Capital Reserve Fund	59,483	-
School Construction Capital Project Fund		
Enterprise Funds:		
Water & Sewer District Fund		
General Fund	26,600	-
Total Operating Transfers From/To Other Funds	<u>\$ 3,563,520</u>	<u>\$ 3,563,520</u>



**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS - BY SOURCE**  
**June 30, 2012**

**Exhibit G-1**

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General Capital Assets:

Land and improvements	\$ 6,172,038
Buildings	135,920,946
Equipment	17,086,447
Construction in progress	<u>16,088,848</u>
	<u>\$175,268,279</u>

Investment in General Capital Assets by Source

General Fund	\$175,268,279
Head Start Program	-
	<u>\$175,268,279</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**June 30, 2012**

**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	-	-	-	115,551	115,551
Data Processing	-	-	-	153,299	153,299
Tax Administration	-	-	-	158,007	158,007
Register of Deeds	-	-	-	183,134	183,134
Revaluation	-	-	-	10,000	10,000
Sampson Area Transportation	-	-	-	622,229	622,229
Public Buildings	-	-	37,322,791	583,539	37,906,330
Construction in progress	16,088,848	-	-	-	16,088,848
Land	-	5,995,335	-	-	5,995,335
<b>Total General Government</b>	<b>16,088,848</b>	<b>5,995,335</b>	<b>37,322,791</b>	<b>5,398,643</b>	<b>64,805,617</b>
<b>Public Safety:</b>					
Jail	-	-	-	779,182	779,182
Sheriff	-	-	-	3,167,138	3,167,138
Communications	-	-	-	1,626,526	1,626,526
Emergency Management	-	-	-	334,794	334,794
Animal Control	-	-	-	122,558	122,558
Inspections	-	-	-	8,100	8,100
Rescue	-	-	-	2,175,835	2,175,835
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>9,132,405</b>	<b>9,132,405</b>
<b>Economic and Physical Development:</b>					
Soil Conservation	-	-	-	4,500	4,500
Industrial Development	-	-	-	79,864	79,864
Cooperative Extension	-	-	-	183,491	183,491
<b>Total Economic and Physical Dev</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267,855</b>	<b>267,855</b>
<b>Human Services:</b>					
Health	-	-	-	230,399	230,399
Social Services	-	-	-	1,080,835	1,080,835
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>-</b>	<b>-</b>	<b>-</b>	<b>1,431,458</b>	<b>1,431,458</b>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY**  
**June 30, 2012**

**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	-	-	94,953,493	-	94,953,493
Total Education	-	-	94,953,493	-	94,953,493
Culture and Recreation:					
Library	-	-	-	256,259	256,259
Agri-Exposition	-	176,703	3,644,662	281,299	4,102,664
Recreation	-	-	-	318,528	318,528
Total Culture and Recreation	-	176,703	3,644,662	856,086	4,677,451
Total General Capital Assets	<u>\$ 16,088,848</u>	<u>\$ 6,172,038</u>	<u>\$ 135,920,946</u>	<u>\$ 17,086,447</u>	<u>\$ 175,268,279</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Year Ended June 30, 2012**

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

	<u>July 1</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>June 30</u>
<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	645,430	-	529,879	115,551
Data Processing	145,172	8,127	-	153,299
Tax Administration	158,007	-	-	158,007
Register of Deeds	183,134	-	-	183,134
Revaluation	10,000	-	-	10,000
Sampson Area Transportation	766,764	-	144,535	622,229
Public Buildings	37,889,768	16,562	-	37,906,330
Land	5,995,335	-	-	5,995,335
<b>Total General Government</b>	<u>49,366,494</u>	<u>24,689</u>	<u>674,414</u>	<u>48,716,769</u>
<b>Public Safety:</b>				
Jail	775,303	3,879	-	779,182
Sheriff	3,079,349	633,123	545,334	3,167,138
Communications	1,394,308	232,218	-	1,626,526
Emergency Management	312,446	22,348	-	334,794
Animal Control	144,093	3,200	24,735	122,558
Inspections	8,100	-	-	8,100
Rescue	2,134,501	206,587	165,253	2,175,835
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	469,910	229,424	-	699,334
<b>Total Public Safety</b>	<u>8,536,948</u>	<u>1,330,779</u>	<u>735,322</u>	<u>9,132,405</u>
<b>Economic and Physical Development:</b>				
Soil Conservation	4,500	-	-	4,500
Cooperative extension	203,490	5,920	25,919	183,491
Industrial Development	79,864	-	-	79,864
<b>Total Economic and Physical Dev.</b>	<u>287,854</u>	<u>5,920</u>	<u>25,919</u>	<u>267,855</u>
<b>Human Services:</b>				
Health	252,412	-	22,013	230,399
Social Services	1,060,611	20,224	-	1,080,835
Head Start Program	1,298,504	-	1,298,504	-
Aging	65,670	2,967	-	68,637
Juvenile Justice Programs	45,051	4,013	-	49,064
Lagoon	2,523	-	-	2,523
<b>Total Human Services</b>	<u>2,724,771</u>	<u>27,204</u>	<u>1,320,517</u>	<u>1,431,458</u>

**SAMPSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**For the Year Ended June 30, 2012**

**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	7,438,782	8,918,850	268,784	16,088,848
School Buildings	<u>94,953,493</u>	-	-	<u>94,953,493</u>
Total Education	<u>102,392,275</u>	<u>8,918,850</u>	<u>268,784</u>	<u>111,042,341</u>
Culture and Recreation:				
Library	252,849	3,410	-	256,259
Agri-Exposition	3,925,961	-	-	3,925,961
Land	176,703	-	-	176,703
Recreation	<u>364,273</u>	<u>15,995</u>	<u>61,740</u>	<u>318,528</u>
Total Culture and Recreation	<u>4,719,786</u>	<u>19,405</u>	<u>61,740</u>	<u>4,677,451</u>
Total General Capital Assets	<u>\$ 168,028,128</u>	<u>\$ 10,326,847</u>	<u>\$ 3,086,696</u>	<u>\$ 175,268,279</u>



CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:  
Elizabethtown, NC  
Wilmington, NC  
Whiteville, NC

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 the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises Sampson County's basic financial statements and have issued our report thereon dated July 31, 2013. Our report includes a reference to 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. Other auditors audited the financial statements of 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 the Sampson County Tourism Development Authority and the Sampson Regional Medical Center, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Our consideration of the internal control over financial reporting was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses, item 2012-3.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies, items 2012-1 and 2012-2.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sampson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as item 2012-3.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and question costs. We did not audit the County's response and accordingly, we express no opinion on it.

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

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

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*Thompson, Price, Scott, Adams & Co., PA*  
July 31, 2013



CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:  
Elizabethtown, NC  
Wilmington, NC  
Whiteville, NC

Report on Compliance with Requirements Applicable to each Major Federal  
Program and Internal Control over Compliance in Accordance with OMB  
Circular A-133 and the State Single Audit Implementation Act.

**Independent Auditors' Report**

To the Board of County Commissioners  
Sampson County, North Carolina

Compliance

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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Sampson County's management. Our responsibility is to express an opinion on Sampson County's compliance based on our audit.

Except as discussed in the following paragraph, 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 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. Our audit does not provide a legal determination on Sampson County's compliance with those requirements.

Disclaimer

As described in item 2012-3 in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient documentation supporting the compliance of the County with the Head Start Program Cluster regarding eligibility. Therefore, we were unable to express, and we do not express, an opinion on the compliance of the County with the requirements applicable to its Head Start Program Cluster.

In our opinion, except for the Head Start Program Cluster which we disclaimed an opinion as discussed in the third paragraph, for the year ended June 30, 2012. Sampson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and question costs as item: 2012-3 to be material weaknesses.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and question costs. We did not audit the County's response and accordingly, we express no opinion on it.

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

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

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*Thompson, Price, Scott, Adams & Co., PA*  
July 31, 2013



CERTIFIED PUBLIC ACCOUNTANTS

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Gregory S. Adams, CPA  
Alan W. Thompson, CPA

Offices:  
Elizabethtown, NC  
Wilmington, NC  
Whiteville, NC

Report on Compliance with Requirements Applicable to each Major State  
Program and 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

Compliance

We have audited Sampson County, North Carolina's 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Sampson County's management. Our responsibility is to express an opinion on Sampson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have 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. Our audit does not provide a legal determination on Sampson County's compliance with those requirements.

In our opinion, Sampson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

*Members*

*American Institute of CPA's ♦ NC Association of CPAs ♦ AICPA Division of Firms*

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A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

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*Thompson, Price, Scott, Adams & Co., PA*  
July 31, 2013

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2012**

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

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over federal programs:

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

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

Disclaimer:  
Head Start Cluster Program (including ARRA)

Unqualified:  
Title XIX Medicaid  
ARRA-Communities Facilities Loans & Grants

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	<u>  X  </u>	Yes	<u>      </u>	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
93.600, 93.709, 93.708	Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B Programs	<u>                  \$ 2,372,976                  </u>
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Auditee qualified as low-risk auditee?	<u>      </u>	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, 2012**

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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: Unqualified.

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

Identification of major State programs:

Program 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).

NC Department of Transportation – DOT8

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2012**

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**Section II – Financial Statement Findings**

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**Material Weakness**

Finding: 2012-3 Safe Keeping of Records

Criteria: Applications and other grant documents should be maintained adequately and follow safe storage procedures for those documents as required by grantor agencies.

Condition: Applications for the Head Start program are missing.

Effect: The program cannot be audited as a major program according to the program's compliance requirements.

Cause: The County ended its role as program administrator of the program at June 30, 2012. The entity that assumed the program administrator's role as appointed by the Federal Head Start Program was allowed to use the County's files to aid in the application process for the upcoming year being completed at the County's sites. Upon completion of the application process, the files were taken out of the County's possession and moved to the new program administrator's location. This was allowed by the County's Head Start director and not County administrators.

Recommendation: All County personnel responsible for grants should be informed that all requirements of the grants must be followed. All records related to each grant must be kept according to the record retention policy of the County and grantor.

Views of responsible officials and planned corrective actions: The County agrees with this finding and will remind and enforce this. The Head Start program is no longer being administered by the County, and was administered by the County during 2011-2012 to allow the program time to contract with a new administrator.

**Significant Deficiencies**

Finding: 2012-1 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, 2012**

Finding: 2012-2 Untimely issue of Annual Financial Statements

Criteria: Financial statements are due October 31 of every year to the North Carolina Local Government Commission (LGC) for their review and approval.

Condition: Financial statements were not submitted to the LGC by their due date.

Effect: The LGC analyzes the financial statements and provides vital information that assists the County.

Cause: There have been vacancies within the finance department that have not been filled. This has caused duties to be assigned to a smaller number of employees.

Recommendation: Seek personnel to fill these vacancies.

Views of responsible officials and planned corrective actions: The County agrees with this finding and has already started advertising for a position.

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2012**

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

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A. Compliance Findings

US Department of Health and Human Services  
Program Name: Head Start Program Cluster  
CFDA # 93.600, 93.709, 93.708

Finding: 2012-3

MATERIAL WEAKNESS  
MATERIAL NONCOMPLIANCE  
Eligibility

Finding: 2012-3 Safe Keeping of Records

Criteria: Applications and other grant documents should be maintained adequately and follow safe storage procedures for those documents as required by grantor agencies.

Condition: Applications for the Head Start program are missing.

Question Costs: \$3,176,097. This amount is the entire Federal expenditure amount as reported on the Schedule of Federal and State Awards.

Context: A large majority of the participant files were destroyed.

Effect: The program cannot be audited as a major program according to the program's compliance requirements.

Cause: The County ended its role as program administrator of the program at June 30, 2012. The entity that assumed the program administrator's role as appointed by the Federal Head Start Program was allowed to use the County's files to aid in the application process for the upcoming year being completed at the County's sites. Upon completion of the application process, the files were taken out of the County's possession and moved to the new program administrator's location. This was allowed by the County's Head Start director and not County administrators.

Recommendation: All county personnel responsible for grants should be informed that all requirements of the grants must be followed. All records related to each grant must be kept according to the record retention policy of the County and grantor.

Views of responsible officials and planned corrective actions: The County agrees with this finding and will remind and enforce this. The Head Start program is no longer being administered by the County, and was administered by the County during 2011-2012 to allow the program time to contract with a new administrator.



**SAMPSON COUNTY, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
For the Fiscal Year Ended June 30, 2012**

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Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

2012-1 Segregation of Duties

Name of contact person: Jefferson Strickland, 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.

2012-2 Untimely issue of Annual Financial Statements

Name of contact person: Jefferson Strickland, Chairperson

Corrective Action: The assistant finance officer position has been filled and other changes in personnel have been made in the finance department. County Manager is getting regular updates on the status of preparations for the June 30, 2013 audit.

Proposed Completion Date: This is currently being corrected. Management will continue to monitor the progress of this issue.

MATERIAL WEAKNESS

2012-3 Safe Keeping of Records

Name of contact person: Jefferson Strickland, Chairperson

Corrective Action: New policies are being created to inform all personnel that all County records relating to grants are not to be allowed to leave County facilities.

Proposed Completion Date: As this finding relates to Head Start Programs, that program is no longer being administered by the County.

**SAMPSON COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Fiscal Year Ended June 30, 2012**

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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 2011-2

Status: Still occurring

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 1 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
<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					
FNS Services Recovery	10.561		\$ -	\$ 319	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		<u>612,597</u>	<u>-</u>	<u>596,361</u>
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		377,978	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,735,919	-	-
Agri-SFP Food Program Meal	10.559		347	-	-
Child Care & Adult Care Food Program	10.558		<u>302,743</u>	<u>-</u>	<u>-</u>
<u>Rural Housing Service</u>					
Community Facilities Loans & Grants:					
ARRA- CE Perry Elem (NC-97-36)	10.780		7,088,301	-	-
ARRA-CE Perry Elem (NC-00-37)	10.780		<u>440,000</u>	<u>-</u>	<u>-</u>
Total Community Facilities Loans & Grants			<u>7,528,301</u>	<u>-</u>	<u>-</u>
<u>Rural Utilities Service</u>					
Water & Waste Disposal System Direct Program					
Well Project	10.760		<u>299,851</u>	<u>-</u>	<u>-</u>
Total US Department of Agriculture			<u>10,857,736</u>	<u>319</u>	<u>596,361</u>
<b>US Department of Housing &amp; Urban Development</b>					
Passed through the NC Housing Finance Agency					
Home Investment Partnership Program	14.239	SFR11	149,228	-	-
Passed through the NC Department of Commerce					
Community Development Block Grant	14.228	10-C-2128	<u>10,548</u>	<u>-</u>	<u>-</u>
Total US Department of Housing & Urban Dev.			<u>159,776</u>	<u>-</u>	<u>-</u>

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 2 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<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		\$ 12,213	\$ -	\$ -
Total US Department of Justice			<u>12,213</u>	<u>-</u>	<u>-</u>
<b>US Department of Transportation</b>					
<u>Federal Aviation Administration</u>					
Passed through the NC Dept. of Transportation					
State Aid to Airports:					
Airport Construction	20.106	36237.12.9.1	160,705	-	17,856
Airport Construction	20.106	36244.12.10.1	43,281	-	4,809
Total Federal Aviation Administration			<u>203,986</u>	<u>-</u>	<u>22,665</u>
<u>Federal Transit Administration</u>					
Passed through the NC Dept. of Transportation					
Public Transportation Division					
Community Transportation:					
Administration Funds (12-CT-015)	20.509	36233.94.13.1	94,736	5,921	17,763
Administration Funds (11-CT-015)	20.509	36233.94.12.1	31,391	1,961	5,886
Capital Program (12-CT-015)	20.509	36233.94.13.3	4,491	562	562
Total Federal Transit Administration			<u>130,618</u>	<u>8,444</u>	<u>24,211</u>
<u>National Highway Traffic Administration</u>					
Traffic Safety Equipment	20.600	PT-2011-03-20	3,375	-	1,125
Total US Department of Transportation			<u>337,979</u>	<u>8,444</u>	<u>48,001</u>
<b>US Department of Homeland Security</b>					
Assistance to Firefighters	97.044		168,000	-	42,000
Passed through NC Dept. of Public Safety					
Emergency Service Performance Grant	97.042		30,383	-	30,383
Total US Department of Homeland Security			<u>198,383</u>	<u>-</u>	<u>72,383</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		201,365	-	22,375
Access Services	93.044		72,454	-	8,050
In-Home & Support Services	93.044		290,039	-	32,231
Total Aging Cluster			<u>563,858</u>	<u>-</u>	<u>62,656</u>

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 3 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<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		\$ 140,706	\$ 32,994	\$ 107,712
Title IV-E Foster Care/Off Trn	93.658		205,574	-	205,574
Title IV-E Admin Co Paid to CCI	93.659		140,969	70,485	70,485
Title IV-E Adoption Subsidy & Vendor	93.659		137,464	36,826	36,826
Title IV-E Family Foster Care Max	93.658		1,573	-	842
Foster Care-Direct Benefit Payments	93.658		219,827	58,795	58,795
IV-E Foster Care In Excess	93.658		35,556	9,490	9,490
Adoption/Foster Care			23,919	(5,046)	-
Total Foster Care and Adoption			<u>905,588</u>	<u>203,544</u>	<u>489,724</u>
Temporary Assistance for Needy Families Cluster					
Temporary Assistance for Needy Families (TANF)-					
TANF-Family Preservation	93.556		9,181	-	-
TANF-Domestic Violence	93.558		4,430	-	-
TANF-Direct Benefit Payments	93.558		393,888	(106)	565
TANF-TEA Foster Care Max	93.558		3,585	-	-
TANF-TEA Foster Care	93.558		3,568	-	-
Work First Service	93.558		270,021	-	467,888
Work First Administration	93.558		40,223	-	58,594
TANF	93.558		9,314	-	-
Total TANF Cluster			<u>734,210</u>	<u>(106)</u>	<u>527,047</u>
IV-D Administration	93.563		693,864	(286)	357,445
IV-D Offset Fees-Federal	93.563		2,869	97	1,381
IV-D Offset Fees-ESC	93.563		182	-	94
Low Income Home Energy Assistance Block Grant					
Administration	93.568		73,429	-	-
Direct Benefit Payments	93.568		152,597	-	-
Crisis Intervention Program	93.568		329,132	-	-
Child Welfare Services-					
Permanency Planning Spec	93.645		18,103	-	6,034
SSBG-Other Service & Training	93.667		292,883	24,718	105,867
Social Services Block Grant	93.667		-	500	-
SSBG-In Home Services Over 60	93.667		10,985	-	1,569
SSBG-Adult Day Care Over 60	93.667		3,242	1,182	632
Independent Living Grant (LINKS)	93.674		4,017	1,004	-

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 4 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<b>US Dept. of Health &amp; Human Services continued</b>					
Head Start Cluster					
Head Start	93.600	01CH0319/37	2,684,273	-	671,068
ARRA-Early Head Start	93.709	04SA0319	491,824	-	122,956
Total Head Start Cluster			3,176,097	-	794,024
Division of Child Development					
Subsidized Child Care (Note 2)					
Child Care Development Fund Cluster					
Division of Social Services					
Administration	93.596		\$ 84,868	\$ -	\$ -
Division of Child Development					
Child Care & Development Discretionary	93.575		1,007,282	-	-
Child Care & Development Mandatory	93.596		380,792	-	-
Child Care & Development Match	93.596		133,613	(42)	-
Total Child Care Fund Cluster			1,606,555	(42)	-
Temporary Assistance for Needy Families	93.558		455,066	-	-
ARRA - Emergency Contingency Fund for TANF					
State Programs	93.558		29,753	-	-
Foster Care Title IVE	93.658		14,035	-	-
State Appropriations			-	105,797	-
TANF-Maintenance of Effort			-	74,235	-
Total Subsidized Child Care			2,105,409	179,990	-
<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		56,722,808	33,839,611	25,105
Division of Social Services					
Medical Assistance Administration	93.778		1,263,060	-	1,252,229
Medical Assistance Assistance Prog	93.778		82,004	31,638	-
MA Expansion	93.778		16,629	16,629	-
Adult Care Home Case Management	93.778		69,564	29,741	39,822
N.C. Health Choice	93.767		48,718	3,594	12,092
Total Division of Medical Assistance			1,479,975	81,602	1,304,143
<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		39,133	-	-
ARRA-Prevention Infections	93.717		2,220	-	-
Public Health Emergency Preparedness	93.069		44,893	-	-
Comprehensive Breast & Cervical					
Cancer Early Detection Programs	93.919		12,577	5,100	-
Immunization Program/Aid to County	93.268		23,126	-	-

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 5 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Prevention Investigations & Tech Asst. Maternal and Child Health Services Block Grant	93.283  93.994		19,888  73,107	-  227,718	-  -
Total Division of Public Health			214,944	232,818	-
<u>Office of Population Affairs</u>					
Passed through the NC Dept of Health & Human Svcs.					
Office of Population Affairs					
Family Planning Services	93.217		48,929	-	-
Total Office of Population Affairs			48,929	-	-
Total US Dept. of Health & Human Services			67,533,121	34,564,674	3,675,721
Total Federal Awards			79,099,208	34,573,437	4,392,466
 State Awards:					
<b>N.C. Department of Health and Human Services</b>					
<b>Division of Aging and Adult Services</b>					
<u>Division of Social Services</u>					
State/County Special Assistance for Adults-Direct Benefit Pymts					
			\$ -	\$ 634,084	\$ 675,052
Energy Assistance Private Grants					
			-	3,570	-
TANF Incentive Program Integrity					
			-	3,205	-
AFDC Incentive Program Integrity					
			-	568	-
State Foster Home					
			-	65,086	65,086
SFHF Maximization					
			-	72,991	72,990
CWS Adoption Subsidy					
			-	105,650	7,466
Total Division of Social Services			-	885,154	820,594
<u>Division of Public Health</u>					
General					
			-	133,577	-
Community of Care Grant					
			-	113,642	-
Maternal Health (HMHC)					
			-	97,329	-
Communicable Disease					
			-	3,659	-
Mosquito-Public Health Pesticide					
			-	5,884	-
Risk Reduction/Health Promotion					
			-	8,325	-
Food and Lodging					
			-	6,553	-
Lead Prevention Aid to County Funds					
			-	1,560	-
School Nurse Funding Initiative					
			-	227,119	-
WHSF					
			-	11,084	-
Environmental Health					
			-	4,000	408,639
Tuberculosis					
			-	60,163	-
Tuberculosis Medical Services					
			-	2,271	-
Total Division of Public Health			-	675,166	408,639

**SAMPSON COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit K  
Page 6 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
<u>Division of Aging &amp; Adult Services</u>					
Family Caregiver Support Program			-	30,866	3,430
Total Division of Aging & Adult Services			-	30,866	3,430
<b>NC Department of Transportation</b>					
ROAP-Elderly and Disabled Trans.		DOT-16CL	\$ -	\$ 74,236	\$ -
ROAP- Work First Transportation		DOT-16CL	-	28,388	-
ROAP-Rural General Programs		DOT-16CL	-	71,335	-
DOT - 8		36244.19.6.1	-	914,419	101,380
Total NC Department of Transportation			-	1,088,378	-
<b>NC Department of Administration</b>					
Veterans Grant			-	2,000	-
<b>NC Housing Finance Agency</b>					
Urgent Repair Program			-	10,868	-
<b>NC Department of Agriculture and Consumer Services</b>					
Structural Pest Control and Pesticides Division					
Pesticide Container Recycling Prog			-	7,202	-
<b>NC Department of Public Safety</b>					
<u>Division of Corrections</u>					
Criminal Justice Partnership Program		82-0710-I-A	-	67,505	-
<u>Division of Juvenile Justice &amp; Delinquency Prevention</u>					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	4,574	-
Teen Court & Restitution			-	71,809	-
Passed to Subrecipients:					
Juvenile Innovations Program			-	10,500	-
First Baptist Church: Structured Daycare Program			-	48,459	-
Mount Pleasant Church: Guided Growth Program			-	22,166	-
Total NC Department of Public Safety			-	225,013	-
<b>NC Department of Cultural Resources</b>					
<u>Division of State Library</u>					
State Aid to Public Libraries			-	118,370	759,779
Total NC Dept of Cultural Resources			-	118,370	759,779
Total State Awards			-	3,043,017	1,992,442
Total Federal and State Awards			<u>\$ 79,099,208</u>	<u>\$37,616,454</u>	<u>\$ 6,384,908</u>



**SAMPSON COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012**

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

1) Basis of Presentation

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

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

3) Loans Outstanding

Sampson County had the following loan balances outstanding at June 30, 2012. 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	\$ 28,802,942
Midway High School Project	10.766	3,750,000
Union High School Project	10.766	3,750,000
Detention Center Project	10.766	10,439,593
Human Services/Admin Building	10.766	9,235,103
Cooperative Extension/Animal Shel.	10.766	2,159,597
Courthouse Extension	10.766	1,707,628
Renovation of Various Offices	10.766	895,945
CE Perry Elementary School Proj	10.780	12,400,000
Public Works Building	10.766	809,838
Total		<u>\$ 73,950,646</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.