

SAMPSON COUNTY, NORTH CAROLINA

Annual Financial Report

For the Fiscal Year Ended June 30, 2017



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Financial Section



Independent Auditor's Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Sampson County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Sampson Regional Medical Center, Inc., which represents 99 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sampson Regional Medical Center, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County's Contributions and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Sampson County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2017 on our consideration of Sampson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson County's internal control over financial reporting and compliance.

W GREENE PLLC

Whiteville, North Carolina
November 20, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

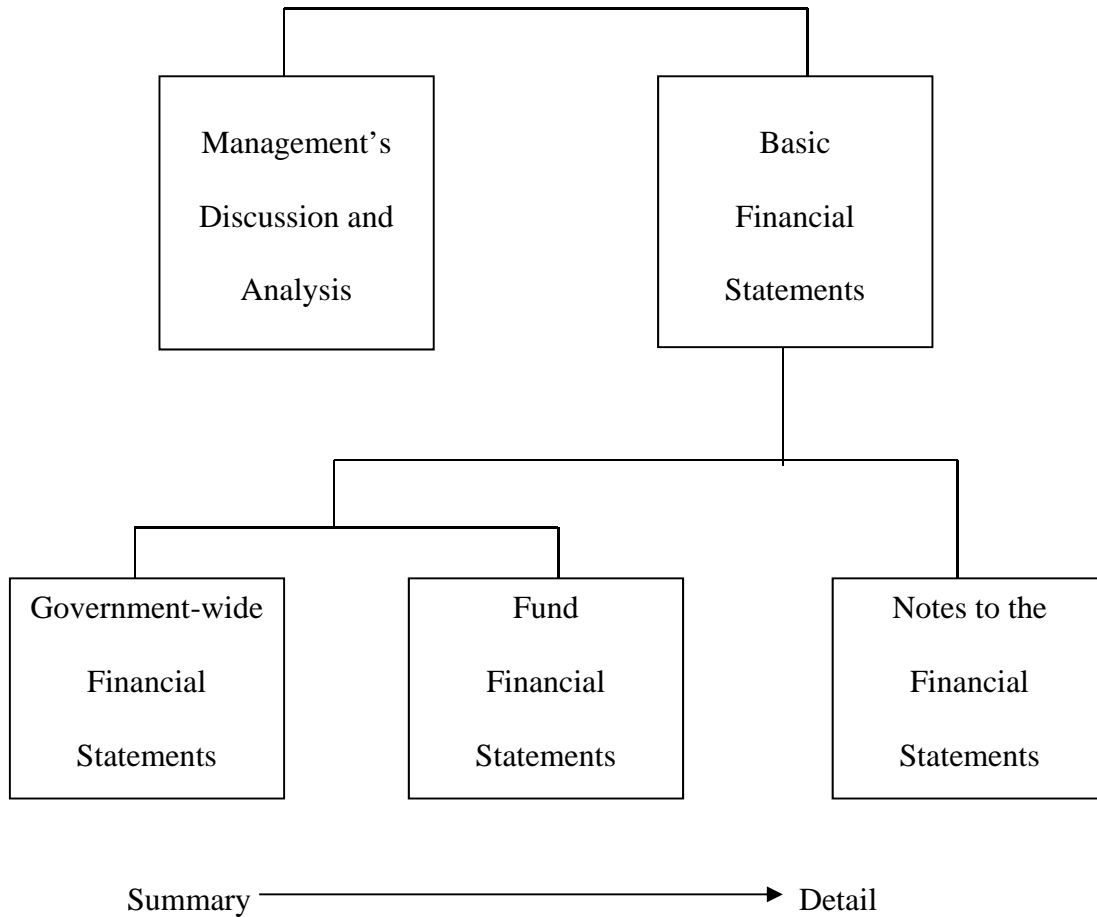
Financial Highlights

- The assets and deferred outflows of resources of Sampson County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$45,847,416(*net position*).
- The government's total net position increased by \$2,505,208, primarily due to increases in net position for both the Governmental Activities and Business-Type Activities.
- As of the close of the current fiscal year, Sampson County's governmental funds reported combined ending fund balances of \$32,297,585, an increase of \$1,339,938. Airport expansion capital project increased the fund balance by \$15,618, Schools Capital Projects fund activity increased the fund balance by \$454,749 and School Construction Fund activity decreased the fund balance by \$317,563. Other Non-Major Governmental Funds activity increased fund balance by \$63,190. General fund activity increased fund balance by \$1,123,944. Approximately twenty-nine percent (29%) of the fund balance amount, \$9,435,050, 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 \$9,435,050, or thirteen percent (13%) of total general fund expenditures for the fiscal year.
- Sampson County's total long term obligations decreased by \$4,472,487. Several factors led the decrease in total debt as follows:
 - Scheduled payments of principal on other loans.
 - No new loan proceeds.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (pages 25 through 27) 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 (pages 28 through 44) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements are on pages 25 through 27 of this report.

Fund Financial Statements

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

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

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

Proprietary Funds – Sampson County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Sampson County uses enterprise funds to account for its water and sewer activities. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Sampson County. The County uses an internal service fund to account for one activity – its self-insured operations. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Sampson County has six fiduciary funds, all 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 45 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 97 of this report.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Sampson County exceeded its liabilities and deferred inflows of resources by \$45,847,416 as of June 30, 2017. The County's net position increased by \$2,505,208 for the fiscal year ended June 30, 2017. The largest portion \$34,192,177 (75%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Sampson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net position \$17,753,584 (39%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$6,098,345 (-13%).

Sampson County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 42,258,294	\$ 39,482,146	\$ 3,797,189	\$ 3,393,856	\$ 46,055,483	\$ 42,876,002
Capital assets	<u>130,899,916</u>	<u>134,325,310</u>	<u>25,368,895</u>	<u>26,065,602</u>	<u>156,268,811</u>	<u>160,390,912</u>
Total assets	<u>\$ 173,158,210</u>	<u>\$ 173,807,456</u>	<u>\$ 29,166,084</u>	<u>\$ 29,459,458</u>	<u>\$ 202,324,294</u>	<u>\$ 203,266,914</u>
Deferred outflows of resources	\$ 5,605,092	\$ 1,232,729	\$ 114,631	\$ 18,612	5,719,723	1,251,341
Long-term liabilities outstanding	\$ 136,420,496	\$ 134,349,171	\$ 13,521,006	\$ 13,952,664	\$ 149,941,502	\$ 148,301,835
Other liabilities	<u>10,094,235</u>	<u>9,439,202</u>	<u>750,923</u>	<u>600,697</u>	<u>10,845,158</u>	<u>10,039,899</u>
Total liabilities	<u>\$ 146,514,731</u>	<u>\$ 143,788,373</u>	<u>\$ 14,271,929</u>	<u>\$ 14,553,361</u>	<u>\$ 160,786,660</u>	<u>\$ 158,341,734</u>
Deferred inflows of resources	\$ 1,404,037	\$ 1,880,634	\$ 5,904	\$ 11,399	\$ 1,409,941	\$ 1,892,033
Net position:						
Net investment in capital assets	\$ 21,833,672	\$ 22,501,526	\$ 12,358,505	\$ 12,608,837	\$ 34,192,177	\$ 35,110,363
Restricted	17,720,664	19,296,072	32,920	24,690	17,753,584	19,320,762
Unrestricted	<u>(8,709,802)</u>	<u>(12,426,420)</u>	<u>2,611,457</u>	<u>2,279,783</u>	<u>(6,098,345)</u>	<u>(10,146,637)</u>
Total net position	<u>\$ 30,844,534</u>	<u>\$ 29,371,178</u>	<u>\$ 15,002,882</u>	<u>\$ 14,913,310</u>	<u>\$ 45,847,416</u>	<u>\$ 44,284,488</u>

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

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of approximately 97%.
- Debt refunding in prior year reduced debt service expenditures.
- Collections in excess of budget on property taxes, ambulance fees, and sales taxes.
- Expenditures as related budget were much lower than expected in the General Fund. Cost saving measures implemented by the Board produced an unexpected windfall.

Sampson County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 7,786,879	\$ 10,298,867	\$ 3,039,162	\$ 2,684,952	\$ 10,826,041	\$ 12,983,819
Operating grants and contributions	14,487,067	15,414,676	-	-	14,487,067	15,414,676
Capital grants and contributions	327,703	327,703	239,655	1,558,770	567,358	1,886,473
General revenues:						
Property taxes	38,934,982	38,435,072	-	-	38,934,982	38,435,072
Other taxes	12,430,397	10,740,902	-	-	12,430,397	10,740,902
Investment earnings, unrestricted	83,624	46,411	10,675	5,864	94,299	52,275
Other	3,107,139	573,416	-	-	3,107,139	573,416
Total revenues	77,157,791	75,837,047	3,289,492	4,249,586	80,447,283	80,086,633
Expenses:						
General government	6,824,518	9,608,178	-	-	6,824,518	9,608,178
Public safety	22,031,336	19,651,554	-	-	22,031,336	19,651,554
Economic and physical development	1,796,679	1,138,800	-	-	1,796,679	1,138,800
Environmental protection	1,555,952	1,055,697	-	-	1,555,952	1,055,697
Human services	20,911,416	20,528,746	-	-	20,911,416	20,528,746
Cultural and recreation	2,435,999	2,051,751	-	-	2,435,999	2,051,751
Education	13,449,772	13,734,564	-	-	13,449,772	13,734,564
Interest on long-term debt	5,736,483	4,997,734	-	-	5,736,483	4,997,734
Water and sewer Dist. I	-	-	664,357	580,000	664,357	580,000
Water and sewer Dist. II	-	-	2,535,563	2,107,835	2,535,563	2,107,835
Total expenses	74,742,155	72,767,024	3,199,920	2,687,835	77,942,075	75,454,859
Change in net position before transfers & special items	2,415,636	3,070,023	89,572	1,561,751	2,505,208	4,631,774
Transfers	-	-	-	-	-	-
Change in net position	2,415,636	3,070,023	89,572	1,561,751	2,505,208	4,631,774
Net position, beginning(restated)	28,428,898	26,301,155	14,913,310	13,351,559	43,342,208	39,652,714
Net position, ending	\$ 30,844,534	\$ 29,371,178	\$ 15,002,882	\$ 14,913,310	\$ 45,847,416	\$ 44,284,488

Governmental activities: Governmental activities increased the County's net position by \$2,415,636, thereby accounting for ninety-eight percent (96%) of the total increase in net position of Sampson County. Key elements of this increase are as follows:

- Ad valorem tax revenue increased.
- Sales tax revenue increased

Business-type activities: Business-type activities increased Sampson County's net position by \$89,572, accounting for two percent (4%) of the government's total increase in net position. Key elements of this decrease as compared to the prior year are as follows:

- Current year receipt of grant revenue.

- Decrease in expenditures.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Sampson County. At the end of the current fiscal year, unassigned fund balance of the General fund was \$9,435,050, while total fund balance was \$25,987,696. 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 thirteen percent (13%) of total General Fund expenditures, while total fund balance represents thirty-seven percent (37%) percent of that same amount.

At June 30, 2017, the governmental funds of Sampson County reported a combined fund balance of \$32,297,585, a four percent (4%) increase over last year. The primary reason for this increase was mentioned earlier.

The other major governmental funds include the Schools Capital Projects Fund, the Airport expansion capital project fund, and the School Construction capital project fund. The Schools Capital Projects Fund accounts for the accumulation of resources to fund capital needs and debt for capital needs for the County's school districts. In the current fiscal year, restricted fund balance of the Schools Capital Projects Fund was \$3,138,225.

The Schools Capital Projects Fund fund balance increased \$454,749. This increase was due to revenues that were more than the expenditures for capital outlay and debt service for the school systems.

The County's other two major capital project funds are the Airport Expansion Capital Project and the Schools Construction Fund. The Airport Expansion fund accounts for the resources and costs to construct a taxi-way and apron at the Clinton-Sampson Airport. This construction is funded primarily through grant funds from the North Carolina Department of Transportation. The School Construction fund accounts for the resources and costs to construct new school facilities in the County. This fund currently has a fund balance of \$1,597,262.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,430,226 or two percent (2%).

Proprietary Funds. Sampson County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. During the year, net position increased by \$89,572. This increase was due primarily to grant funds received for the capital project.

Capital Asset and Debt Administration

Capital assets. Sampson County’s capital assets for its governmental and business-type activities as of June 30, 2017, totals \$156,268,811 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, and construction in progress.

Major capital asset transactions during the year include:

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

SAMPSON COUNTY’S CAPITAL ASSETS (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 6,353,480	\$ 6,338,480	\$ 225,319	\$ 225,319	\$ 6,578,799	\$ 6,563,799
Buildings and Systems	112,809,798	116,461,258	22,942,003	23,788,115	135,751,801	140,249,373
Machinery and Equipment	5,605,756	6,190,316	141,944	158,902	5,747,700	6,349,218
Vehicles and Motorized Equipmer	2,134,528	1,721,593	222,454	187,750	2,356,982	1,909,343
Construction in Progress	<u>3,996,354</u>	<u>3,613,663</u>	<u>1,837,175</u>	<u>1,705,516</u>	<u>5,833,529</u>	<u>5,319,179</u>
Total	<u>\$ 130,899,916</u>	<u>\$ 134,325,310</u>	<u>\$ 25,368,895</u>	<u>\$ 26,065,602</u>	<u>\$ 156,268,811</u>	<u>\$ 160,390,912</u>

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

Long-term Debt. As of June 30, 2017, Sampson County had total bonded debt outstanding of \$10,225,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$40,410,000 in limited obligation bonds, \$72,215,241 outstanding in installment/purchase contracts, \$1,065,669 in State Water Bonds, and \$6,930,000 outstanding in installment purchase revenue bonds – all of which are being paid from general fund, school capital reserve fund, NC Education Lottery and water district service revenues.

Sampson County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ -	\$ -	\$ 10,225,000	\$ 10,507,500	\$ 10,225,000	\$ 10,507,500
Installment Purchases	68,656,244	69,838,784	1,719,721	1,744,592	70,375,965	71,583,376
Qualified Zone Academy Bonds	1,839,276	2,087,848	-	-	1,839,276	2,087,848
Revenue Bonds	6,930,000	7,950,000	-	-	6,930,000	7,950,000
Certificates of Participation	-	1,575,000	-	-	-	1,575,000
Limited Obligation Bonds	40,410,000	40,410,000	-	-	40,410,000	40,410,000
Unamortized Premium on LOBs	5,476,613	5,751,704	-	-	5,476,613	5,751,704
Unamortized Premium on GOs	-	-	755,086	783,178	755,086	783,178
State Clean Water Bonds	-	-	1,065,669	1,204,673	1,065,669	1,204,673
Compensated Absences	1,887,557	1,794,534	56,629	49,235	1,944,186	1,843,769
Net Pension Liability (LGERS)	6,485,704	1,327,077	68,490	20,209	6,554,194	1,347,286
Total Pension Liability (LEOSSA)	1,412,568	1,334,635	-	-	1,412,568	1,334,635
Other Post-employment Benefits	8,618,139	8,502,980	136,485	134,644	8,754,624	8,637,624
	<u>\$ 141,716,101</u>	<u>\$ 140,572,562</u>	<u>\$ 14,027,080</u>	<u>\$ 14,444,031</u>	<u>\$ 155,743,181</u>	<u>\$ 155,016,593</u>

Sampson County's total outstanding debt (excluding pension debt, compensated absences and unamortized premiums) decreased by \$4,472,487 or three percent (3%) during the past fiscal year, primarily due to the scheduled debt payments.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Sampson County is \$225,028,974.

Additional information regarding Sampson County's long-term debt can be found on page 81 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, 2016 of 5.4% was slightly higher than the state average of 5.2%.
- The property tax base increased by 3.11%. This was largely due to increases in business personal property listing and increased construction.
- The tax collection rate of approximately 97% was unchanged from the prior year.

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2017-2018 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2018

Governmental Activities: In fiscal year June 30, 2018, the County tax rate decreased to \$.825 cents per \$100 of value. The total operating budget increased by approximately \$2,000,000 primarily due to the implementation of year 3 of the pay study which resulted in an increase for all employees. The pay study will be implemented over a four (4) year period. The County also received increased funding for education and economic development which was included in the budget.

General Fund revenues are projected to increase \$2,448,410 or approximately four percent (4%). Increase in property tax and sales tax revenues represents the largest increases in revenues.

Budgeted expenditures in the General Fund are budgeted to increase less than one percent (1%) to \$91,138,220. The largest increases are in costs for implementation of the new pay plan and additional funding for education and economic development.

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

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Sampson County, 406 County Complex Road, Suite 120, Clinton, N.C. 28328.



Basic Financial Statements



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

June 30, 2017

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Sampson County	Sampson
	Activities	Activities		Tourism Development	Reg. Medical
				Authority	Center, Inc.
ASSETS					
Cash and cash equivalents	\$ 26,032,699	\$ 3,076,629	\$ 29,109,328	\$ 112,337	\$ 2,290,597
Short-term investments	-	-	-	-	1,720,785
Receivables (net)	10,517,438	654,364	11,171,802	7,347	6,088,516
Inventories	8,598	66,196	74,794	-	1,421,581
Prepays	-	-	-	-	384,087
Restricted cash and cash equivalents	5,605,934	-	5,605,934	-	9,774,101
Other non-current receivables	-	-	-	-	-
Net pension asset	93,625	-	93,625	-	-
Capital assets:					
Land, improvements, and construction in progress	10,349,834	2,062,494	12,412,328	-	2,771,868
Other capital assets, net of depreciation	120,550,082	23,306,401	143,856,483	-	24,841,146
Total capital assets	130,899,916	25,368,895	156,268,811	-	27,613,014
Total assets	\$ 173,158,210	\$ 29,166,084	\$ 202,324,294	\$ 119,684	\$ 49,292,681
DEFERRED OUTFLOWS OF RESOURCES	5,605,092	114,631	5,719,723	-	-
LIABILITIES					
Accounts payable and accrued liabilities	\$ 4,798,630	\$ 244,849	\$ 5,043,479	\$ 802	\$ 8,432,801
Long-term liabilities:					
Due within one year	5,295,605	506,074	5,801,679	-	4,565,648
Due in more than one year	128,522,224	13,452,516	141,974,740	-	3,685,837
Total pension liability - LEOSSA	1,412,568	-	1,412,568	-	-
Net pension liability - LGERS	6,485,704	68,490	6,554,194	-	-
Total liabilities	146,514,731	14,271,929	160,786,660	802	16,684,286
DEFERRED INFLOWS OF RESOURCES	1,404,037	5,904	1,409,941	-	-
NET POSITION					
Net Investment in capital assets	21,833,672	12,358,505	34,192,177	-	19,361,529
Restricted for:					
Stabilization by state statute	8,623,146	-	8,623,146	7,347	-
Public safety	1,256,133	-	1,256,133	-	-
Debt Service	3,743,653	32,920	3,776,573	-	-
Education	4,097,732	-	4,097,732	-	-
Capital acquisitions	-	-	-	-	508,969
Unrestricted	(8,709,802)	2,611,457	(6,098,345)	111,535	12,415,764
Net position of controlled organization	30,844,534	15,002,882	45,847,416	118,882	32,286,262
Noncontrolling interest in entity	-	-	-	-	322,133
Total net position	\$ 30,844,534	\$ 15,002,882	\$ 45,847,416	\$ 118,882	\$ 32,608,395

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

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

For the Year Ended June 30, 2017

Page 1 of 2

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,824,518	\$ 290,230	\$ 65,842	\$ -
Public safety	22,031,336	2,518,305	104,800	-
Economic and physical development	1,796,679	-	89,541	327,703
Environmental protection	1,555,952	818,170	38,615	-
Human services	20,911,416	3,858,194	13,103,782	-
Culture and recreation	2,435,999	301,980	-	-
Education	13,449,772	-	1,084,487	-
Interest on long-term debt	5,736,483	-	-	-
Total governmental activities	<u>74,742,155</u>	<u>7,786,879</u>	<u>14,487,067</u>	<u>327,703</u>
Business-type activities:				
Water District II	2,535,563	2,362,953	-	239,655
Water District I	<u>664,357</u>	<u>676,209</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>3,199,920</u>	<u>3,039,162</u>	<u>-</u>	<u>239,655</u>
Total primary government	<u>\$ 77,942,075</u>	<u>\$ 10,826,041</u>	<u>\$ 14,487,067</u>	<u>\$ 567,358</u>
Component units:				
Sampson County Tourism Dev Authority	87,801	100	-	-
Sampson Regional Medical Ctr. Inc.	<u>60,610,037</u>	<u>57,908,184</u>	<u>-</u>	<u>82,140</u>
Total component unit	<u>\$ 60,697,838</u>	<u>\$ 57,908,284</u>	<u>\$ -</u>	<u>\$ 82,140</u>

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

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

For the Year Ended June 30, 2017

Page 2 of 2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Sampson County Tourism Development Authority	Sampson Reg. Medical Center, Inc.
Primary Government:					
Governmental Activities:					
General government	\$ (6,468,446)	\$ -	\$ (6,468,446)		
Public safety	(19,408,231)	-	(19,408,231)		
Economic and physical development	(1,379,435)	-	(1,379,435)		
Environmental protection	(699,167)	-	(699,167)		
Human services	(3,949,440)	-	(3,949,440)		
Culture and recreation	(2,134,019)	-	(2,134,019)		
Education	(12,365,285)	-	(12,365,285)		
Interest on long-term debt	(5,736,483)	-	(5,736,483)		
Total governmental activities	<u>(52,140,506)</u>	<u>-</u>	<u>(52,140,506)</u>		
Business-type activities:					
Water District II	-	67,045	67,045		
Water District I	-	11,852	11,852		
Total business-type activities	<u>-</u>	<u>78,897</u>	<u>78,897</u>		
Total primary government	<u>\$ (52,140,506)</u>	<u>\$ 78,897</u>	<u>\$ (52,061,609)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (87,701)	\$ -
Sampson Regional Medical Ctr. Inc.				-	(2,619,713)
Total component units				<u>\$ (87,701)</u>	<u>\$ (2,619,713)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	38,934,982	-	38,934,982	-	-
Other taxes and fees	12,430,397	-	12,430,397	97,731	-
Investment earnings, unrestricted	83,624	10,675	94,299	5	51,286
Miscellaneous, unrestricted	3,107,139	-	3,107,139	7,555	(152,843)
Total general revenues excluding transfers	54,556,142	10,675	54,566,817	105,291	(101,557)
Transfers	-	-	-	-	-
Total general revenues and transfers	<u>54,556,142</u>	<u>10,675</u>	<u>54,566,817</u>	<u>105,291</u>	<u>(101,557)</u>
Change in net position	2,415,636	89,572	2,505,208	17,590	(2,721,270)
Net position - beginning, previously reported	29,371,178	14,913,310	44,284,488	101,292	35,007,532
Restatement	(942,280)	-	(942,280)	-	-
Net position, beginning, restated	<u>28,428,898</u>	<u>14,913,310</u>	<u>43,342,208</u>	<u>101,292</u>	<u>35,007,532</u>
Net position - ending	<u>\$ 30,844,534</u>	<u>\$ 15,002,882</u>	<u>\$ 45,847,416</u>	<u>\$ 118,882</u>	<u>\$ 32,286,262</u>

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

SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	Major			
	General	Schools Capital Project	School Construction Fund	Airport Expansion Capital Project
ASSETS				
Cash and cash equivalents	\$ 19,264,094	\$ -	\$ -	\$ -
Restricted cash	1,384,882	2,500,470	1,720,582	-
Taxes receivable (net)	1,978,394	-	-	-
Accounts receivable	7,334,133	637,755	-	1,369
Due from other funds	338,127	-	-	-
Inventories	8,598	-	-	-
Total Assets	<u>\$ 30,308,228</u>	<u>\$ 3,138,225</u>	<u>\$ 1,720,582</u>	<u>\$ 1,369</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,271,118	\$ -	\$ 123,320	29,783
Due to general fund	-	-	-	338,091
Total Liabilities	<u>2,271,118</u>	<u>-</u>	<u>123,320</u>	<u>367,874</u>
Deferred Inflows of Resources:				
Property taxes receivable	1,978,394	-	-	-
Prepaid Taxes	71,020	-	-	-
Total Deferred Inflows of Resources	<u>2,049,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable				
Inventories	8,598	-	-	-
Restricted				
Stabilization by state statute	7,672,260	637,755	-	1,369
Public safety	444,954	-	-	-
Debt service	3,743,653	-	-	-
Education	-	2,500,470	1,597,262	-
Committed				
Revaluation	939,928	-	-	-
Nonmajor funds	-	-	-	-
Capital projects	1,663,447	-	-	(367,874)
LEO special separation allowance	295,148	-	-	-
Assigned				
Subsequent year's expenditures	1,784,658	-	-	-
Unassigned	9,435,050	-	-	-
Total fund balances	<u>25,987,696</u>	<u>3,138,225</u>	<u>1,597,262</u>	<u>(366,505)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,308,228</u>	<u>\$ 3,138,225</u>	<u>\$ 1,720,582</u>	<u>\$ 1,369</u>

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

SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 1,872,791	\$ 21,136,885
Restricted cash	-	5,605,934
Taxes receivable (net)	115,822	2,094,216
Accounts receivable	311,762	8,285,019
Due from other funds	-	338,127
Inventories	-	8,598
Total Assets	<u>\$ 2,300,375</u>	<u>\$ 37,468,779</u>
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 243,610	\$ 2,667,831
Due to general fund	36	338,127
Total Liabilities	<u>243,646</u>	<u>3,005,958</u>
Deferred Inflows of Resources:		
Property taxes receivable	115,822	2,094,216
Prepaid Taxes	-	71,020
Total Deferred Inflows of Resources	<u>115,822</u>	<u>2,165,236</u>
Fund balances:		
Nonspendable		
Inventories	-	8,598
Restricted		
Stabilization by state statute	311,762	8,623,146
Public safety	811,179	1,256,133
Debt service	-	3,743,653
Education	-	4,097,732
Committed		
Revaluation	-	939,928
Nonmajor funds	780,862	780,862
Capital projects	37,104	1,332,677
LEO special separation allowance	-	295,148
Assigned		
Subsequent year's expenditures	-	1,784,658
Unassigned	-	9,435,050
Total fund balances	<u>1,940,907</u>	<u>32,297,585</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,300,375</u>	<u>\$ 37,468,779</u>

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



SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

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

Total Fund Balance, Governmental Funds	\$ 32,297,585
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	130,899,916
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	137,362
Net pension asset	93,625
Contributions to pension plans in the current fiscal year are deferred outflows of resources	1,440,108
Benefit payments and pension administrative costs for LEOSA are deferred outflows of resources	26,008
Liabilities for earned but deferred revenues in fund statements	2,094,216
Deferred gain related to bonding refunding issue	(1,006,602)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(127,168,771)
Pension and other post-employment benefits liability	(16,516,411)
Pension deferrals	3,812,561
Internal service fund allocation	4,734,937
Net position of Governmental Activities	<u>\$ 30,844,534</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, 2017

	Major			
	General	Schools Capital Projects	School Construction Fund	Airport Expansion Capital Project
REVENUES				
Ad Valorem taxes	\$ 36,550,817	\$ -	\$ -	\$ -
Other taxes and licenses	9,959,376	2,471,021	-	-
Intergovernmental Revenues:				
Restricted	13,475,336	-	-	81,186
Permits and fees	818,170	-	-	-
Sales and services	6,504,930	-	-	-
Investment earnings	69,064	8,449	253	-
Miscellaneous	3,106,039	-	-	-
Total revenues	<u>70,483,732</u>	<u>2,479,470</u>	<u>253</u>	<u>81,186</u>
EXPENDITURES				
Current:				
General government	6,508,433	-	-	-
Public safety	17,246,628	-	-	-
Environmental protection	1,064,585	-	-	-
Economic and physical development	1,318,116	-	-	-
Human services	19,925,629	-	-	-
Culture and recreation	1,978,100	-	-	-
Education	13,449,772	-	-	-
Debt service				
Principal	4,026,114	-	-	-
Interest and fees	5,480,311	-	-	-
Administration	103,244	-	-	-
Capital expansion	-	-	317,816	65,568
Total expenditures	<u>71,100,932</u>	<u>-</u>	<u>317,816</u>	<u>65,568</u>
Excess (deficiency) of revenues over expenditures	<u>(617,200)</u>	<u>2,479,470</u>	<u>(317,563)</u>	<u>15,618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,844,721	-	-	-
Transfers out	(1,103,577)	(2,024,721)	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>1,741,144</u>	<u>(2,024,721)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,123,944	454,749	(317,563)	15,618
Fund balances-beginning	24,863,752	2,683,476	1,914,825	(382,123)
Fund balances-ending	<u>\$ 25,987,696</u>	<u>\$ 3,138,225</u>	<u>\$ 1,597,262</u>	<u>\$ (366,505)</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, 2017

	<u>Non-Major</u>	
	Other	Total
	Governmental	Governmental
	Funds	Funds
REVENUES		
Ad Valorem taxes	\$ 2,711,608	\$ 39,262,425
Other taxes and licenses	-	12,430,397
Intergovernmental Revenues:		
Restricted	759,065	14,315,587
Permits and fees	390,279	1,208,449
Sales and services	-	6,504,930
Investment earnings	6,058	83,824
Miscellaneous	2,600	3,108,639
Total revenues	<u>3,869,610</u>	<u>76,914,251</u>
EXPENDITURES		
Current:		
General government	-	6,508,433
Public safety	2,960,042	20,206,670
Environmental protection	5,025	1,069,610
Economic and physical development	-	1,318,116
Human services	1,124,930	21,050,559
Culture and recreation	-	1,978,100
Education	-	13,449,772
Debt service		
Principal	-	4,026,114
Interest and fees	-	5,480,311
Administration	-	103,244
Capital expansion	-	383,384
Total expenditures	<u>4,089,997</u>	<u>75,574,313</u>
Excess (deficiency) of revenues over expenditures	<u>(220,387)</u>	<u>1,339,938</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	283,577	3,128,298
Transfers out	-	(3,128,298)
Installment purchase debt issued	-	-
Total other financing sources (uses)	<u>283,577</u>	<u>-</u>
Net change in fund balance	63,190	1,339,938
Fund balances-beginning	1,877,717	30,957,647
Fund balances-ending	<u>\$ 1,940,907</u>	<u>\$ 32,297,585</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, 2017

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

Net changes in fund balances - total governmental funds	\$ 1,339,938
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(3,425,394)
Cost of capital asset disposed of during the year, not recongized on modified accrual basis	-
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	213,942
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	26,008
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(170,497)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and realted items.	4,372,780
Difference in insurance expense between fund statements (modified accrual) and government-wide statements (full accrual) due to the allocation of profit from internal service fund	1,118,530
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>(1,059,671)</u>
Total changes in net position of governmental funds	<u>\$ 2,415,636</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad Valorem taxes	\$36,114,014	\$36,114,014	\$36,428,817	\$ 314,803
Other taxes and licenses	9,488,141	9,488,141	9,959,376	471,235
Intergovernmental Revenues:				
Restricted	15,166,362	16,436,614	13,475,336	(2,961,278)
Permits and fees	749,825	749,825	818,170	68,345
Sales and services	6,199,657	6,231,127	6,504,930	273,803
Investment earnings	-	-	60,311	60,311
Miscellaneous	<u>2,633,482</u>	<u>2,761,986</u>	<u>3,106,039</u>	<u>344,053</u>
Total revenues	<u>70,351,481</u>	<u>71,781,707</u>	<u>70,352,979</u>	<u>(1,428,728)</u>
Expenditures				
Current:				
General government	6,374,435	7,612,016	6,395,234	1,216,782
Public safety	17,599,564	17,767,816	17,246,628	521,188
Environmental protection	1,096,206	1,125,352	1,064,585	60,767
Economic and physical dev	1,236,929	1,559,914	1,318,116	241,798
Human services	21,448,147	21,913,698	19,925,629	1,988,069
Education	13,813,013	14,464,818	13,449,772	1,015,046
Culture and recreation	2,135,145	2,139,514	1,978,100	161,414
Debt service				
Principal	4,670,387	4,661,787	4,026,114	635,673
Interest and fees	5,804,608	5,804,308	5,480,311	323,997
Administration	113,928	113,928	103,244	10,684
Contingency	<u>428,982</u>	<u>343,982</u>	<u>-</u>	<u>343,982</u>
Total expenditures	<u>74,721,344</u>	<u>77,507,133</u>	<u>70,987,733</u>	<u>6,519,400</u>
Revenues over (under) expenditures	<u>(4,369,863)</u>	<u>(5,725,426)</u>	<u>(634,754)</u>	<u>5,090,672</u>
Other Financing Sources (Uses)				
Transfers in	2,346,000	2,856,162	2,094,721	(761,441)
Transfers out	(1,033,577)	(1,033,577)	(1,033,577)	-
Loan proceeds	<u>764,666</u>	<u>1,322,434</u>	<u>-</u>	<u>(1,322,434)</u>
Total other financing sources (uses)	<u>2,077,089</u>	<u>3,145,019</u>	<u>1,061,144</u>	<u>(2,083,875)</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,292,774)	(2,580,407)	426,390	3,006,797
Appropriated Fund Balance	<u>2,292,774</u>	<u>2,580,407</u>	-	<u>(2,580,407)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	426,390	<u>\$ 426,390</u>
Fund balance -beginning			<u>22,957,931</u>	
Fund balance - ending			<u>\$23,384,321</u>	

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

Property taxes & Interest income	130,753
Transfers to General Fund	(70,000)
Transfer from General Fund	750,000
Revaluation costs	<u>(113,199)</u>
Fund Balance Beginning	<u>1,905,821</u>
Fund Balance Ending	<u>\$25,987,696</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,250,938	\$ 1,825,691	\$ 3,076,629	\$ 4,895,814
Accounts receivable (net)	240,461	43,682	284,143	841
Water fees receivable (net)	331,140	39,081	370,221	-
Inventory	<u>48,233</u>	<u>17,963</u>	<u>66,196</u>	<u>-</u>
Total current assets	<u>1,870,772</u>	<u>1,926,417</u>	<u>3,797,189</u>	<u>4,896,655</u>
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	2,045,687	16,807	2,062,494	-
Other capital assets net of depreciation	<u>21,443,501</u>	<u>1,862,900</u>	<u>23,306,401</u>	<u>-</u>
Total capital assets	<u>23,489,188</u>	<u>1,879,707</u>	<u>25,368,895</u>	<u>-</u>
Total assets	<u>25,359,960</u>	<u>3,806,124</u>	<u>29,166,084</u>	<u>4,896,655</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>88,840</u>	<u>25,791</u>	<u>114,631</u>	<u>-</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2017

	Major		Total	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I		
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	200,119	44,730	244,849	161,718
Compensated absences	33,373	19,012	52,385	-
Notes payable	164,689	-	164,689	-
General obligation bonds payable	260,000	29,000	289,000	-
Total Current Liabilities	<u>658,181</u>	<u>92,742</u>	<u>750,923</u>	<u>161,718</u>
Noncurrent liabilities:				
Compensated absences	2,747	1,497	4,244	-
Other post-employment benefits	105,776	30,709	136,485	-
Net pension liability	53,080	15,410	68,490	-
Notes payable	2,620,701	-	2,620,701	-
Unamortized premium on bonds	755,086	-	755,086	-
General obligation bonds payable	9,230,000	706,000	9,936,000	-
Total noncurrent liabilities	<u>12,767,390</u>	<u>753,616</u>	<u>13,521,006</u>	<u>-</u>
Total liabilities	<u>13,425,571</u>	<u>846,358</u>	<u>14,271,929</u>	<u>161,718</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,576</u>	<u>1,328</u>	<u>5,904</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11,213,798	1,144,707	12,358,505	-
Debt service	32,920	-	32,920	-
Unrestricted	771,935	1,839,522	2,611,457	4,734,937
Total net position	<u>\$ 12,018,653</u>	<u>\$ 2,984,229</u>	<u>\$ 15,002,882</u>	<u>\$ 4,734,937</u>

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



SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
OPERATING REVENUES				
Charges for services	\$ 2,055,055	\$ 596,629	\$ 2,651,684	\$ 6,178,502
Water tap fees	60,316	7,700	68,016	-
Miscellaneous	<u>247,582</u>	<u>71,880</u>	<u>319,462</u>	<u>835,373</u>
Total operating revenues	<u>2,362,953</u>	<u>676,209</u>	<u>3,039,162</u>	<u>7,013,875</u>
OPERATING EXPENSES				
Administration	464,591	114,314	578,905	-
Water Distribution	67,005	195,760	262,765	-
Operations and maintenance	742,000	201,862	943,862	-
Depreciation	779,375	113,856	893,231	-
Claims paid	-	-	-	5,911,900
Total operating expenses	<u>2,052,971</u>	<u>625,792</u>	<u>2,678,763</u>	<u>5,911,900</u>
Operating income (loss)	<u>309,982</u>	<u>50,417</u>	<u>360,399</u>	<u>1,101,975</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	4,270	6,405	10,675	16,555
Interest expense	<u>(482,592)</u>	<u>(38,565)</u>	<u>(521,157)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(478,322)</u>	<u>(32,160)</u>	<u>(510,482)</u>	<u>16,555</u>
Income (loss) before contributions and transfers	(168,340)	18,257	(150,083)	1,118,530
Capital Contributions	239,655	-	239,655	-
Transfers from other funds	-	-	-	-
Change in net position	71,315	18,257	89,572	1,118,530
Total net position - beginning	<u>11,947,338</u>	<u>2,965,972</u>	<u>14,913,310</u>	<u>3,616,407</u>
Total net position - ending	<u>\$ 12,018,653</u>	<u>\$ 2,984,229</u>	<u>\$ 15,002,882</u>	<u>\$ 4,734,937</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, 2017

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
Cash flows from operating activities:				
Cash received from customers	\$ 2,248,911	\$ 506,976	\$ 2,755,887	\$ 6,178,502
Cash paid for goods and services	(726,703)	(319,831)	(1,046,534)	(5,977,270)
Cash paid to employees for services	(474,284)	(102,663)	(576,947)	-
Customer deposits received	-	-	-	-
Customer deposits returned	-	-	-	-
Other operating revenues	<u>247,582</u>	<u>10,050</u>	<u>257,632</u>	<u>1,127,427</u>
Net cash provided (used) by operating activities	<u>1,295,506</u>	<u>94,532</u>	<u>1,390,038</u>	<u>1,328,659</u>
Cash flows from noncapital financing activities:				
Due to (from) other funds	-	-	-	-
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(131,659)	(16,807)	(148,466)	-
Capital contributions-grants	239,655	-	239,655	-
Principal paid on bond maturities and equipment contracts	(418,876)	(46,950)	(465,826)	-
Interest paid on bond maturities and equipment contracts	<u>(510,915)</u>	<u>(40,717)</u>	<u>(551,632)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(821,795)</u>	<u>(104,474)</u>	<u>(926,269)</u>	<u>-</u>
Cash flows from investing activities:				
Interest	<u>4,270</u>	<u>6,405</u>	<u>10,675</u>	<u>16,555</u>
Net increase (decrease) in cash and cash equivalents	477,981	(3,537)	474,444	1,345,214
Cash and cash equivalents, July 1	<u>772,957</u>	<u>1,829,228</u>	<u>2,602,185</u>	<u>3,550,600</u>
Cash and cash equivalents, June 30	<u>\$ 1,250,938</u>	<u>\$ 1,825,691</u>	<u>\$ 3,076,629</u>	<u>\$ 4,895,814</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Major			Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Total	
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 309,982	\$ 50,417	\$ 360,399	\$ 1,101,975
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	779,375	113,856	893,231	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(55,109)	(48,860)	(103,969)	292,054
Inventory	64,862	-	64,862	-
Deferred outflows of resources	(74,416)	(21,603)	(96,019)	-
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	213,647	(112)	213,535	(65,370)
Compensated absences	5,105	2,289	7,394	-
Net pension liability	37,418	10,863	48,281	-
Deferred inflows of resources	(4,258)	(1,237)	(5,495)	-
Other post-employment benefits	18,900	(11,081)	7,819	-
Total adjustments	985,524	44,115	1,029,639	226,684
Net cash provided (used) by operating activities	\$ 1,295,506	\$ 94,532	\$ 1,390,038	\$ 1,328,659

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

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017**

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 183,949
Accounts receivable	<u>110,776</u>
Total assets	<u>\$ 294,725</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Accounts payable and accrued liabilities	\$ 67,845
Miscellaneous liabilities	<u>226,880</u>
Total liabilities	<u>\$ 294,725</u>

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

SAMPSON COUNTY, NORTH CAROLINA
NOTE TO FINANCIAL STATEMENTS
June 30, 2017

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 & 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	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Sampson County Water & Sewer Districts I & 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 the 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 Authority with or without cause.	Sampson County Finance Office PO Box 257 Clinton, NC 28329

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued)

1. Basis of Presentation, Measurement Focus – Basis of Accounting (Continued)

The County reports the following fund types:

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

Non-major Funds - The County maintains twelve legally budgeted funds. The Emergency Telephone System Fund, Sampson Area Transportation, Head Start, the Fire Districts Fund, Soil and Water District, Hazard Mitigation Plan Update, Community Development Grant SFR-14, Urgent Home Repair, Homeland Security Equipment and Employment and Training are reported as nonmajor special revenue funds. The Courthouse Annex Renovations and County Buildings Construction are reported as capital projects funds.

2. 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, 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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued)

2. Measurement Focus, Basis of Accounting (Continued)

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

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

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

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (excluding grant projects), Debt Service Funds and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Fund, the Special Revenue Grant Projects, and the Enterprise Capital Projects Fund, which are consolidated with the related enterprise operating fund for reporting purposes.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Deposits and Investments

All deposits of the County, the Authority and the Sampson Regional Medical Center, Inc. are made in board-designated official depositories and are secured as required by G.S.159-31. The County, the Authority and the Hospital may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Authority and the Hospital may establish time deposit accounts such as NOW and Super-NOW 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 majority of the County, the Authority and the Hospital's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The County and the Authority pool money from several funds, except the Pension Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are 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

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

Sampson County Restricted Cash			
Governmental Activities			
General Fund	Public Safety		\$ 444,954
General Fund	Revaluation		939,928
Schools Capital Projects	Education		2,500,470
Schools Construction Fund	Education		<u>1,720,582</u>
Total Governmental Activities			<u>5,605,934</u>
Total Restricted Cash			<u>\$ 5,605,934</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity (Continued)

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, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes that 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's inventories are valued at the lower of cost, derived primarily by use of the weighted average valuation method, or market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventory of the County's enterprise funds as well as those of the Hospital consists 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 received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The 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 minimum capitalization threshold for land, buildings, improvements, lines and other plant and distribution systems, furniture and equipment, and vehicles is \$2,500.

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

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements	20 years
Vehicles	3-10 years
Furniture and equipment	5-20 years
Water distribution systems	40 years

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity (Continued)

7. Capital Assets (Continued)

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 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.

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:

Asset Class	Estimated Useful Lives
Land improvements	5-15 years
Buildings	5-40 years
Fixed equipment	8-20 years
Movable equipment	3-20 years
Vehicles	4-6 years

The Authority has no fixed assets.

8. Deferred Outflows/Inflows of Resources

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

9. Long-Term Obligations

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

10. Compensated Absences

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

The sick leave policies of the County and the Hospital provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made by the County or its component units.

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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 or imposed by law.

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

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

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

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

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

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

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

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

12. Defined Benefit Pension Plans

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(1,453,051) consists of the following:

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)	\$ 182,110,278
Less accumulated depreciation	51,210,362
Net capital assets	<u>130,899,916</u>
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable and in the fund statements	137,362
Net pension asset	93,625
Contributions to the pension plan in the current fiscal year	1,440,108
Benefit payments and pension administration costs for LEOSSA	26,008
Deferred gain on bond refunding	(1,006,602)
Accrued pension expense which is recorded on government-wide statement of net position but not on fund statements because it is not a current financial liability	(7,898,272)
Accrued other post-employment benefit which is recorded on government-wide statement of net position but not on fund statements because it is not a current financial liability	(8,618,139)
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	4,734,937
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	2,094,216
Pension related deferrals	3,812,561
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:	
Accrued interest payable	(1,969,081)
Bonds, leases, and installment financing	(123,312,133)
Compensated absences	<u>(1,887,557)</u>
Total adjustment	<u>\$ (1,453,051)</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Reconciliation of Government-wide and Fund Financial Statements (Continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$1,075,698 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,695,383
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(5,120,775)
This amount is the net effect of these differences in the treatment of long-term debt and related items; it has no effect on the statement of activities – it affects only the government-wide statements	4,357,387
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	213,942
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	26,008
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)	(152,928)
Difference in insurance expense between fund statements (modified accrual) and government-wide statements (full accrual) due to allocation of profit from internal service fund	1,118,530
Pension Expense	(1,143,155)
Amortization of debt issuance costs	56,184
Compensated absences	(93,023)
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	(327,443)
Amortization of debt premium	275,091
Increase in accrued taxes receivable	170,497
Total adjustment	<u>\$ 1,075,698</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, Authority and the Hospital rely on the State Treasurer to monitor those financial institutions. The County, Authority and the Hospital analyze the financial soundness of any other financial institution used by them. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Authority and the Hospital have no policy regarding custodial credit risk for deposits.

At June 30, 2017, the County's deposits had a carrying amount of \$14,228,688 and a bank balance of \$14,087,381. Of the bank balance, \$1,192,879 was covered by federal depository insurance; \$13,007,234 were covered by collateral held under the Pooling Method.

At June 30, 2017, Sampson County had \$4,870 cash on hand.

The Hospital's deposits had a carrying amount of \$2,290,597 and a bank balance of \$2,267,319 as of September 30, 2016. Of the bank balances, \$250,000 was covered by federal depository insurance as of September 30, 2016 and the remainder was covered under the Pooling Method.

The Authority's deposits had a carrying amount of \$112,337 and a bank balance of \$112,732 as of June 30, 2017. Of the bank balance, \$112,732 was in interest bearing deposits and were covered by collateral held under the pooling method.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

2. Investments

At June 30, 2017, the County's investments consisted of \$20,665,653 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At September 30, 2016, the Hospital's investments consisted of the following:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 1 Year	2-3 Years
US Treasuries and Agency Bonds	Fair Value-Level 1	\$ 6,266,529	\$ 6,266,529	\$ -
NC Capital Management Trust – Government Portfolio	Amortized Cost	5,228,357	N/A	N/A
Cash	Fair Value-Level 1	2,290,597	N/A	N/A
Total		\$ 13,785,483	\$ 6,266,529	\$ -

The Hospital's investment in the NC Capital Management Trust's Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of September 30, 2016. Investment grade bonds include U.S. Treasury issues with ratings of A or better by Standard & Poor's and corporate bonds guaranteed by the FDIC.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Accounts	Taxes & Accrued Interest	Due from Other Governments	Other	Total
Governmental Activities					
General	\$ 3,209,060	\$ 2,146,394	\$ 4,125,914	\$ -	\$ 9,481,368
Accrued Interest	-	137,362	-	-	137,362
Other Governmental	132,102	125,622	818,784	-	1,076,508
Total Receivables	3,341,162	2,409,378	4,944,698	-	10,695,238
Less: Allowance Amount	-	(177,800)	-	-	(177,800)
Total	\$ 3,341,162	\$ 2,231,578	\$ 4,944,698	\$ -	\$ 10,517,438
Business-type Activities					
Water Districts I and II	\$ 492,451	\$ -	\$ 192,446	\$ 91,697	\$ 776,594
Total Receivables	492,451	-	192,446	91,697	776,594
Less: Allowance Amount	(122,230)	-	-	-	(122,230)
Total	\$ 370,221	\$ -	\$ 192,446	\$ 91,697	\$ 654,364

Due from other governments that owed to the County consists of the following:

Local Option Sales Tax	\$ 3,205,054
Other Taxes and Grants	1,739,644
Total	<u>\$ 4,944,698</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$14,606,000.

The Authority's accounts receivable are presented net of the allowance for uncollectible accounts of \$7,347.

4. 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 the use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2013	\$ 3,414,156	\$ 887,681	\$ 4,301,837
2014	4,059,335	690,087	4,749,422
2015	4,131,330	330,506	4,461,836
2016	4,138,494	-	4,138,494
	<u>\$ 15,743,315</u>	<u>\$ 1,908,274</u>	<u>\$ 17,651,589</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 6,338,480	\$ 15,000	\$ -	\$ 6,353,480
Construction in progress	3,613,663	382,691	-	3,996,354
Total assets not being depreciated	<u>9,952,143</u>	<u>397,691</u>	<u>-</u>	<u>10,349,834</u>
Capital assets being depreciated:				
Buildings and improvements	150,417,529	-	-	150,417,529
Equipment	13,630,068	210,891	-	13,840,959
Vehicles and motor equipment	6,415,155	1,086,799	-	7,501,954
Total Assets being depreciated	<u>170,462,752</u>	<u>1,297,690</u>	<u>-</u>	<u>171,760,442</u>
Less accumulated depreciation for:				
Buildings and improvements	33,956,271	3,651,460	-	37,607,731
Equipment	7,439,752	795,451	-	8,235,203
Vehicles and motor equipment	4,693,562	673,864	-	5,367,426
Total accumulated depreciation	<u>46,089,585</u>	<u>\$ 5,120,775</u>	<u>\$ -</u>	<u>51,210,360</u>
Total capital assets being depreciated, net	<u>124,373,167</u>			<u>120,550,082</u>
Governmental activity capital assets, net	<u>\$ 134,325,310</u>			<u>\$ 130,899,916</u>

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

	<u>Depreciation</u>
General Government	\$ 3,922,033
Public Safety	980,252
Economic and Physical Development	32,409
Human Services	117,426
Environmental Protection	10,101
Cultural and Recreational	58,554
Total	<u>\$ 5,120,775</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Assets (Continued)

5. Capital Assets (Continued)

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water District II				
Capital assets not being depreciated				
Land	\$ 208,512	\$ -	\$ -	\$ 208,512
Construction in progress	1,705,516	131,659	-	1,837,175
Total capital assets not being depreciated	<u>1,914,028</u>	<u>131,659</u>	<u>-</u>	<u>2,045,687</u>
Capital assets being depreciated				
Distribution systems	29,913,344	-	-	29,913,344
Equipment	300,864	-	-	300,864
Vehicles	151,040	32,432	-	183,472
Total capital assets being depreciated	<u>30,365,248</u>	<u>32,432</u>	<u>-</u>	<u>30,397,680</u>
Less accumulated depreciation for:				
Distribution systems	7,960,727	747,835	-	8,708,562
Equipment	154,951	15,543	-	170,494
Vehicles	59,128	15,997	-	75,125
Total accumulated depreciation	<u>8,174,806</u>	<u>\$ 779,375</u>	<u>\$ -</u>	<u>8,954,181</u>
Total capital assets being depreciated, net	<u>22,190,442</u>			<u>21,443,499</u>
Water District II capital assets, net	<u>\$ 24,104,470</u>			<u>\$ 23,489,186</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water District I				
Capital assets not being depreciated				
Land	\$ 16,807	\$ -	\$ -	\$ 16,807
Total capital assets not being depreciated	<u>16,807</u>	<u>-</u>	<u>-</u>	<u>16,807</u>
Capital assets being depreciated				
Distribution systems	3,931,081	-	-	3,931,081
Equipment	34,576	-	-	34,576
Vehicles	148,009	32,432	-	180,441
Total capital assets being depreciated	<u>4,113,666</u>	<u>32,432</u>	<u>-</u>	<u>4,146,098</u>
Less accumulated depreciation for:				
Distribution systems	2,095,583	98,277	-	2,193,860
Equipment	21,587	1,415	-	23,002
Vehicles	52,171	14,163	-	66,334
Total accumulated depreciation	<u>2,169,341</u>	<u>\$ 113,855</u>	<u>\$ -</u>	<u>2,283,196</u>
Total capital assets being depreciated, net	<u>1,944,325</u>			<u>1,862,902</u>
Water District I capital assets, net	<u>1,961,132</u>			<u>1,879,709</u>
Business-type activities capital assets, net	<u>\$ 26,065,602</u>			<u>\$ 25,368,895</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

5. Capital Assets

Construction Commitments

The government has an active construction project as of June 30, 2017. The project is the water district well project. At June 30, 2017, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Remaining Commitment</u>	<u>Spent to Date</u>
Hwy 403 Infrastructure Project			
Caldwell Tank	\$ 1,302,000	\$ -	\$ 1,302,000
Herring Rivenbark	391,699	-	391,699

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, 2016 was as follows:

Sampson Regional Medical Center	<u>9/30/15</u>	<u>Increases</u>	<u>Decreases</u>	<u>9/30/16</u>
Capital assets not being depreciated				
Land	\$ 1,955,053	\$ 17,003	\$ -	\$ 1,972,056
Construction in progress	2,622,102	799,812	2,622,102	799,812
Total capital assets not being depreciated	<u>4,577,155</u>	<u>816,815</u>	<u>2,622,102</u>	<u>2,771,868</u>
Capital assets being depreciated				
Land improvements	2,134,235	2,441	37,684	2,098,992
Buildings and improvements	37,818,822	3,691,264	96,996	41,413,090
Furniture and equipment	53,326,436	5,009,718	4,366,899	53,969,255
Total capital assets being depreciated	<u>93,279,493</u>	<u>8,703,423</u>	<u>4,501,579</u>	<u>97,481,337</u>
Less accumulated depreciation for:				
Land improvements	1,794,008	65,039	37,684	1,821,363
Buildings and improvements	23,825,632	1,483,801	98,653	25,210,780
Furniture and equipment	48,108,751	1,866,168	4,366,871	45,608,048
Total accumulated depreciation	<u>73,728,391</u>	<u>3,415,008</u>	<u>4,503,208</u>	<u>72,640,191</u>
Total capital assets being depreciated, net	<u>19,551,102</u>			<u>24,841,146</u>
Sampson Regional Medical Center capital assets, net	<u>\$ 24,128,257</u>			<u>\$27,613,014</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017, were as follows:

	Vendors	Salaries & Benefits	Accrued Interest	Total
Governmental Activities				
General	\$ 2,280,966	\$ 151,870	\$ 1,969,081	\$ 4,401,917
Other Governmental	385,975	10,738	-	396,713
Total	<u>\$ 2,666,941</u>	<u>\$ 162,608</u>	<u>\$ 1,969,081</u>	<u>\$ 4,798,630</u>
Business-type Activities				
Water District II	\$ 154,807	\$ 704	\$ 44,608	\$ 200,119
Water District I	41,562	175	2,993	44,730
Total	<u>\$ 196,369</u>	<u>\$ 879</u>	<u>\$ 47,601</u>	<u>\$ 244,849</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers and 7.34% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,465,307 for the year ended June 30, 2017.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

At June 30, 2017, the County reported a liability of \$6,554,194 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was .30882%, which was an increase of .00862% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$1,730,781. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,142	\$ 229,666
Changes in assumptions	448,904	-
Net difference between projected and actual earnings on pension plan investments	3,623,645	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,803	62,594
County contributions subsequent to the measurement date	1,465,307	-
Total	<u>\$ 5,663,801</u>	<u>\$ 292,260</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

\$1,465,307 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2018	\$	581,033
2019		581,576
2020		1,705,979
2021		1,037,646
2022		-
Thereafter		-
Total	<u>\$</u>	<u>3,906,234</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 15,556,162	\$ 6,554,194	\$ (964,918)

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

b. Law Enforcement Officers Special Separation Allowance

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 under the age of 62 who have completed at least 30 years creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan and Other Postemployment Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

Plan Description (Continued)

All full-time County law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>96</u>
Total	<u>98</u>

Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2016.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$25,084 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of \$1,412,568. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$139,225.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	35,886
County benefit payments & plan administrative expense made subsequent to the measurement date	26,008	-
Total	<u>\$ 26,008</u>	<u>\$ 35,886</u>

\$26,008 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ (5,931)
2019	(5,931)
2020	(5,931)
2021	(5,931)
2022	(5,931)
Thereafter	(6,231)
Total	<u>\$ (35,886)</u>

\$25,084 paid as benefits came due and \$924 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	\$ 1,561,961	\$ 1,412,568	\$ 1,277,419

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2017
Beginning balance	\$ 1,334,635
Service cost	97,635
Interest on the total pension liability	47,199
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(41,817)
Benefit payments	(25,084)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,412,568</u>

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

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 that the County contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$404,823 for the reporting year. No amounts were forfeited.

d. Registers of Deed's Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,478 for the year ended June 30, 2017.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Pension Plan Obligations (Continued)

d. Registers of Deed's Supplemental Pension Fund (Continued)

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

At June 30, 2017, the County reported an asset of \$93,625 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was .50078%, which was an increase of .01509% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$4,001. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 100	\$ 1,212
Changes of assumptions	24,944	-
Net difference between projected and actual earnings on pension plan investments	160	-
Changes in proportion and differences between County contributions and proportionate share of contributions	232	2,961
County contributions subsequent to the measurement date	4,478	-
Total	<u>\$ 29,914</u>	<u>\$ 4,173</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

d. Registers of Deed's Supplemental Pension Fund (Continued)

\$4,478 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June		
30:		
2018	\$	8,740
2019		9,596
2020		3,975
2021		(1,048)
2022		-
Thereafter		-
Total	<u>\$</u>	<u>21,263</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

d. Registers of Deed's Supplemental Pension Fund (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (4.75%)</u>	<u>Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (75,493)	\$ (93,625)	\$ (108,860)

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

e. Other Postemployment Benefit

Plan Description

Plan Administration. Under the County's annual budget ordinance as of July 1, 2016, Sampson County provides healthcare benefits through the Healthcare Benefits Plan (the HCB Plan) as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have worked at least 15 continuous years in local or State government with the last 10 years worked with Sampson County under the original plan. The County pays 100% of the individual premium for employees who have worked at least 15 years as stated above, must have worked for Sampson County as least 20 consecutive years and not retire before the age 58 to qualify for the plan. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. Employees who do not have at least five years creditable service in the retirement system as of July 1, 2016 are not eligible to participate in the plan. The Board of Commissioners may amend the benefit provisions.

Management of the HCB Plan is vested in the Sampson County Board of Commissioners.

Plan Membership. At June 30, 2017, HCB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	58
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	248
Total	306

Funding Policy. The HCB Plan provides healthcare benefits for retirees. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under the County budget ordinance. The County obtains healthcare coverage through private insurers. The County's members pay \$378 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

Contributions. The current ARC rate is 8.53% of annual covered payroll. For the current year, the County contributed \$767,000 or 7.3% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 4.17% and 3.45% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$64,000. The County's obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

e. Other Postemployment Benefit (Continued)

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, 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 changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 891,000
Interest on net OPEB obligation	346,000
Adjustment to annual required contribution	<u>(353,000)</u>
Annual OPEB cost (expense)	884,000
Contributions made	<u>(767,000)</u>
Increase (decrease) in net OPEB obligation	117,000
Net OPEB obligation, beginning of year	<u>8,637,624</u>
Net OPEB obligation, end of year	<u><u>\$ 8,754,624</u></u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

e. Other Postemployment Benefit (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

3 Year Trend Information			
For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	1,165,000	74.68%	8,357,624
2016	1,200,000	76.67%	8,637,624
2017	884,000	86.76%	8,754,624

Funded Status and Funding Progress. As of June 30, 2017, 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 \$11,215,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,446,000, and the ratio of the UAAL to the covered payroll was 107.36 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, 2017 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 7.00 percent annually. The investment rate included a 2.50 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 payrolls on an open basis. The remaining amortization period at June 30, 2017, was 30 years.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

g. Sampson Regional Medical Center, Inc. Pension Plan

Benefit Plans – The Sampson Regional Medical Center, Inc. Plan (Plan) is a single-employer defined contribution plan. Employees become eligible for the plan after completing one year of employment and 1,000 hours of service. The Hospital may contribute 2% of participant earnings. The Hospital may also make a year-end discretionary contribution which shall be determined by the Board of Trustees on an annual basis. There were no discretionary contributions for plan years 2015 and 2014.

The Hospital also has a tax deferred retirement savings plan. All full time employees of the Hospital and part-time employees who work at least 1,000 hours during the plan year are eligible to participate. The Hospital matches 50% of the first 4% of the compensation deferred by each participant. The Hospital contributed \$473,473 to the Plan for the current year.

3. Closure and Postclosure Care Costs – Landfill Facility

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions – difference between expected and actual experience	\$ 123,242	\$ 230,878
Pensions – difference between projected and actual investment earnings	3,623,805	-
Pensions – change in proportion and difference between employer contributions and proportionate share of contributions	3,035	65,555
Pensions – change in assumptions	473,848	35,886
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	1,469,785	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	26,008	-
Deferred gain on refunding of debt	-	1,006,602
Prepaid Taxes not yet earned (General)	-	71,020
Taxes Receivable, net, less penalties (General)	-	1,978,394
Taxes Receivable, net, less penalties (Special Revenue)	-	115,822
Total	\$ 5,719,723	\$ 3,504,157

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for all of these risks of loss. The County's general insurance coverage provides property and contents insurance up to \$19,500,000 and liability coverage up to \$9 million. Workers' 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 at any given time of the County's funds 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 settled claims have not exceeded coverage in any of the past three fiscal years.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5. Risk Management (Continued)

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

	June 30, 2017
Claims payable, beginning of year	<u>\$ 227,088</u>
Add: Claims received	5,846,530
Less: Claims paid	<u>5,911,900</u>
Claims payable, end of year	<u><u>\$ 161,718</u></u>

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption, errors and omissions; injuries to employees; 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 on the Hospital's claims history. The Hospital's insurance coverages are generally provided under claims made policies. Should the claims made policies not be renewed or replaced with equivalent insurance, claims based on occurrences during their terms, but reported subsequently, would be uninsured. Management anticipates that such coverages will be renewed or replaced with equivalent insurance as they expire.

6. Contingent Liabilities

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations

a. Installment Purchase

The County's installment purchase agreements payable at June 30, 2017 are comprised of the following individual issues:

Serviced by the Governmental Funds:

Installment agreement with USDA for the construction of a new Midway High School, secured by the building and land. The total loan was \$3,750,000 and will be repaid in 34 annual installments of \$193,620 including interest at 4%. At June 30, 2017 there were 36 payments remaining.	\$ 3,513,578
Installment agreement with 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 loan will be repaid in 29 annual installments of \$129,809 including interest at 4.25%. At June 30, 2017, there were 17 payments remaining.	1,429,568
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, 2017, there were 29 payments remaining.	9,637,240
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, 2017, there were 30 payments remaining.	2,002,736
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, 2017, there were 30 payments remaining.	26,728,526
Installment agreement with USDA for the construction and renovation of buildings for 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, 2017, there were 31 payments remaining.	8,567,987

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Liabilities (Continued)

7. Long-Term Obligations (Continued)

a. Installment Purchase (Continued)

Installment 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, 2017, there were 21 payments remaining. 705,958

Installment agreement with USDA for the construction of a new Union High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2017, there were 33 payments remaining. 3,513,578

Installment agreement with USDA for the renovation of a County owned building for use by various departments. This agreement is secured by the building and land. The loan amount is \$904,846 and will be repaid over a 30 year period. The payments are annually in the amount of \$59,096 including interest at 4.75%. At June 30, 2017, there were 22 payments remaining. 802,336

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%. At June 30, 2017, there were 34 payments remaining. 11,754,737

\$ 68,656,244

Annual debt service payments of the installment purchases as of June 30, 2017, including \$52,285,346 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,231,856	\$ 2,842,597
2019	1,283,232	2,791,221
2020	1,336,757	2,737,696
2021	1,392,521	2,681,932
2022	1,450,618	2,623,835
2023-2027	8,213,277	12,158,988
2028-2032	10,077,027	10,295,238
2033-2037	11,792,197	8,060,844
2038-2042	13,848,354	5,433,446
2043-2047	14,712,765	2,358,904
2048-2052	3,317,640	300,645
Total	<u>\$ 68,656,244</u>	<u>\$ 52,285,346</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Liabilities (Continued)

7. Long-Term Obligations (Continued)

a. Installment Purchase (Continued)

Serviced by the Water and Sewer Districts:

Installment agreements with USDA for the construction of water wells, secured by the equipment and land. The total cost of the loans is \$1,792,000 and will be repaid in 38 annual installments of \$82,293 including interest at 2.75% and 3.5%. Principal and interest repayments will began in fiscal year 2015-2016. At June 30, 2017, there were 34 payments remaining.

\$ 1,719,721

Annual debt service payments of the installment purchases as of June 30, 2017, including \$1,239,708 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	\$ 25,684	\$ 56,609
2019	26,523	55,770
2020	27,390	54,903
2021	28,286	54,007
2022	29,211	53,082
2023-2027	161,047	250,418
2028-2032	189,237	222,228
2033-2037	222,422	189,043
2038-2042	261,497	149,968
2043-2047	307,518	103,947
2048-2052	440,906	49,733
Total	<u>\$ 1,719,721</u>	<u>\$ 1,239,708</u>

b. Qualified Zone Academy Bonds

As authorized by State law (G.S. 160A-20), the County entered into an installment financing agreement with Bank of America for renovations on Clinton City Board of Education owned facilities. The County's obligation under the contract will be designated as "Qualified Zone Academy Bonds (QZAB)" pursuant to the federal QZAB program. 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 \$160,712 including interest at 0%. At June 30, 2017, there were 6 payments remaining.

As authorized by State law (G.S. 160A-20), the County entered into an installment financing agreement with Regions Bank for renovations on Sampson County Board of Education owned facilities. The County's obligation under the contract will be designated as "Qualified Zone Academy Bonds (QZAB)" pursuant to the federal QZAB program. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. 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 including interest at 1%. At June 30, 2017, there were 6 payments remaining.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Liabilities (Continued)

7. Long-Term Obligations (Continued)

b. Qualified Zone Academy Bonds (Continued)

For Sampson County, the future minimum payments as of June 30, 2017 are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 305,713	\$ 8,750
2019	305,713	7,300
2020	305,713	5,850
2021	305,713	4,400
2022	305,713	2,950
2023-2027	310,711	1,500
Total	<u>\$ 1,839,276</u>	<u>\$ 30,750</u>

c. 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's Water and Sewer District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water and Sewer District Funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2017 are comprised of the following individual issues:

Serviced by the County's Water and Sewer Districts:

\$1,093,000 Water and Sewer Bonds		
Issued on August 7, 1995, due in annual installments of \$11,500 to \$46,000 through June 1, 2035, 5.125% interest rate		\$ 735,000
\$9,990,000 Refunding, Series 2015 General Obligation Bonds		
Due in semi-annual installments of \$170,981 to \$558,469 through June 1, 2044, variable interest rate		9,490,000
Total		<u>\$ 10,225,000</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (Continued)

c. General Obligation Indebtedness (Continued)

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$6,465,877 are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ -	\$ -	\$ 289,000	\$ 441,900
2019	-	-	290,500	435,214
2020	-	-	307,000	423,251
2021	-	-	318,500	410,611
2022	-	-	325,500	397,494
2023-2027	-	-	1,831,500	1,776,106
2028-2032	-	-	2,185,000	1,395,619
2033-2037	-	-	2,343,000	861,239
2038-2042	-	-	1,870,000	301,606
2043-2044	-	-	465,000	22,837
Total	\$ -	\$ -	\$ 10,225,000	\$ 6,465,877
Unamortized premium	-	-	755,086	
Carrying Value	\$ -	\$ -	\$ 10,980,086	\$ 6,465,877

d. Refunding Bonds

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

The installment purchase was executed on April 7, 2010 to the outstanding amount of the January, 1999 issue. The transaction 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 percent to 5.25 percent. These refunding bonds which mature through June 1, 2024 are reported in the General Fund because they are being repaid from General Fund revenues. Balance outstanding at June 30, 2017 was \$6,930,000.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Liabilities (Continued)

8. Long-Term Obligations (Continued)

d. Refunding Bonds (Continued)

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$1,364,713 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,010,000	\$ 323,875
2019	1,000,000	283,475
2020	990,000	243,475
2021	980,000	203,875
2022	980,000	154,875
2023-2024	1,970,000	155,138
Total	<u>\$ 6,930,000</u>	<u>\$ 1,364,713</u>

e. Revenue Bonds

On September 22, 2004, the County issued \$5.7 million of Hospital Revenue Bonds, Series 2004A, to finance capital improvements at Sampson Regional Medical Center, Inc. The bonds carry an interest rate at adjusted one month LIBOR rate plus .90 percent, due in monthly installments of principal of \$55,556 plus interest, maturing April, 2013. During the fiscal year ended June 30, 2006, the County issued \$4.3 million of Hospital Revenue Bonds, Series 2004B, dated September 22, 2004. The bonds carry an interest rate at adjusted one month LIBOR rate plus .90 percent, due in monthly installments of principal of \$55,556 plus interest. Payments began in May 2013 and the bonds mature in September 2019. On January 29, 2007, the County issued \$5.5 million in Hospital Revenue Bonds, Series 2007. The bonds carry an interest rate 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 on 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.

Revenue bond annual debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$241,018, are as follows:

Year Ending September 30		
	Principal	Interest
2017	\$ 4,154,549	\$ 200,877
2018	764,336	21,755
2019	765,811	8,911
2020	122,861	7,359
2021	434,212	2,116
Total	<u>\$ 6,241,769</u>	<u>\$ 241,018</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (Continued)

f. State Clean Water Bond Loan

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

\$ 324,616

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% beginning June 1, 2008. This debt is serviced by the Water and Sewer District II Enterprise Fund.

741,053

\$ 1,065,669

Debt service requirements to maturity, including interest of \$168,539 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	\$ 139,005	\$ 39,107
2019	139,005	33,217
2020	139,005	28,301
2021	139,005	23,386
2022	139,005	18,471
2023-2027	370,644	26,057
Total	<u>\$ 1,065,669</u>	<u>\$ 168,539</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (Continued)

g. Limited Obligation Bonds

On June 3, 2015 the County issued Limited Obligation Bonds (“LOBs”) to purchase these certificates. When debt service is due, the County will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. The Limited Obligation Bonds are appropriation-backed with bi-annual interest payments with a 3.375% average interest rate over the life of the term. As of June 30, 2017, the balance of the bonds was \$40,410,000.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,540,000	\$ 1,851,531
2019	1,520,000	1,790,331
2020	1,510,000	1,729,731
2021	1,490,000	1,669,731
2022	1,475,000	1,603,056
2023-2027	10,510,000	6,693,594
2028-2032	12,505,000	3,788,581
2033-2036	9,860,000	882,766
Total principal payments	40,410,000	20,009,321
Unamortized premiums	5,476,613	-
Total	<u>\$ 45,886,613</u>	<u>\$ 20,009,321</u>

h. Certificates of Participation

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

The installment purchase was executed on November 29, 2007 to finance the construction of two new high school buildings. The transactions call 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% to 5%. These certificates of participation which mature through June 1, 2036 are reported in the General Fund because they are being repaid from general fund revenues.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (Continued)

i. 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, 2017, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$43,200,000.

Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$8,769,276 relates to assets the County does not hold title.

j. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 69,838,784	\$ -	\$ 1,182,540	\$ 68,656,244	\$ 1,231,856
Qualified Zone Academy bonds	2,087,848	-	248,572	1,839,276	305,713
Revenue bonds	7,950,000	-	1,020,000	6,930,000	1,010,000
Certificates of Participation	1,575,000	-	1,575,000	-	-
Limited Obligation bonds	40,410,000	-	-	40,410,000	1,540,000
Unamortized premium on LOBs	5,751,704	-	275,091	5,476,613	-
Net pension liability (LGERS)	1,327,077	5,158,627	-	6,485,704	-
Total pension liability (LEOSSA)	1,334,635	77,933	-	1,412,568	-
Compensated absences	1,794,534	93,023	-	1,887,557	1,208,036
Other post-employment benefits	8,502,980	115,159	-	8,618,139	-
Total governmental activities	\$ 140,572,562	\$ 5,444,742	\$ 4,301,203	\$ 141,716,101	\$ 5,295,605
Business-type activities:					
General obligation debt	\$ 10,507,500	\$ -	\$ 282,500	\$ 10,225,000	\$ 289,000
Installment purchases	1,744,592	-	24,871	1,719,721	25,684
State Clean Water bonds	1,204,673	-	139,004	1,065,669	139,005
Unamortized premium on GOs	783,178	-	28,092	755,086	-
Net pension liability (LGERS)	20,209	48,281	-	68,490	-
Compensated absences	49,235	7,394	-	56,629	52,385
Other post-employment benefits	134,644	1,841	-	136,485	-
Total business-type activities	\$ 14,444,031	\$ 57,516	\$ 474,467	\$ 14,027,080	\$ 506,074

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (Continued)

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.

Discretely presented component units:	Beginning Balance	Increase	Decrease	Ending Balance	Current Portion of Balance
Revenue bonds	\$6,355,555	\$ -	\$ 113,786	\$ 6,241,769	\$ 4,154,549
Capital Leases	653,910	1,544,723	188,917	2,009,716	411,099
Compensated absences	1,953,944	-	140,176	1,813,768	-
Total	\$8,963,409	\$ 1,544,723	\$ 442,879	\$ 10,065,253	\$ 4,565,648

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2017 consists of the following:

From the General Fund to the Sampson Area Transportation Fund to provide for the transportation of the elderly	\$ 283,577
From the General Fund to the County Capital Project fund to provide for County & School Building construction and major repairs	750,000
Total Transfers out from the General Fund	<u>1,033,577</u>
From the School Capital Reserve Fund to the General Fund to pay debt on school projects and school capital outlay	2,024,721
From the County Capital Project Fund to the General Fund to pay for livestock arena maintenance costs	2,000
From the County Capital Project Fund to the General Fund to pay for airport maintenance costs	68,000
Total Transfers into the General Fund	<u>2,094,721</u>
Total	<u>\$ 3,128,298</u>

Interfund balances at June 30, 2017, consists of the following:

Due to the General Fund from:	
Airport Construction Capital Project Fund	\$ 338,091
Nonmajor Governmental Funds	
Hazard Mitigation Plan Update Special Revenue Fund	36
Total nonmajor (other) governmental funds	<u>36</u>
Total all funds	<u>\$ 338,127</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

II. DETAIL NOTES ON ALL FUNDS (Continued)

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 130,899,916	\$ 25,368,895
Less: long-term debt	109,066,244	13,010,390
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	\$ 21,833,672	\$ 12,358,505

E. Fund Balance

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

<i>Total fund balance – General Fund</i>	\$ 25,987,696
Less:	
Restricted	
Inventories	8,598
Stabilization by State Statute	7,672,260
Public Safety	444,954
Debt Service	3,743,653
Revaluation	939,928
Capital Projects	1,663,447
LEO Special Separation Allowance	295,148
Appropriated Fund Balance in 2017-2018 budget	1,784,658
Remaining Fund Balance	9,435,050

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

<i>Encumbrances</i>	General Fund	Non-Major Funds
\$ -	\$ -	\$ -

III. 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 FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

IV. JOINT VENTURES

A. Eastpointe Area Mental Health Developmental Disabilities and Substance Abuse Services Center

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, 2017. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$274,680 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.

B. Sampson Community College

The County, in conjunction with the State of North Carolina and the Sampson County Board of Education, participates in a joint venture to operate 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 serves as a non-voting ex officio member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for 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 \$1,389,388 and \$206,038 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. 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, 2017. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

V. 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 that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
State/County Special Assistance	\$ -	\$ 572,214
Temporary Assistance to Needy Families	244,349	-
Medicaid	67,622,527	36,357,013
Energy Assistance	325,238	-
Program for Women, Infants, and Children	1,534,027	-
Title IV-E, Foster Care	653,152	173,411
Special Children Adoption	14,400	-
State Children's Insurance Program – NC Health Choice	1,888,270	10,085
Total	<u>\$ 72,281,963</u>	<u>\$ 37,102,638</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2017

VI. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Federal and State Assisted Programs

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

VII. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 20, 2017, which is the date the financial statements were available to be issued.

VIII. RELATED PARTY TRANSACTIONS

The County appoints the board members of the TDA based on citizens who represent lodging providers within the County. The legislation that created the TDA gives the County the authority to levy and collect an occupancy tax and remit to the TDA. For the year, \$97,731 was collected, \$97,731 was remitted to the Authority, and \$0 is remaining to be distributed to the Authority. The County finance officer also serves as the finance officer of the TDA.

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

IX. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance or Net Position of Individual Funds

The County experienced deficit fund balances in the following funds: Special Revenue Funds: Hazard Mitigation Plan Update (\$36); Capital Project Funds: Airport Expansion (\$366,505). The deficits occurred because of the timing of payments. Management intends to appropriate funds as necessary to cover deficit fund balance.

X. CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period (fiscal year ending December 31, 2016). As a result, net position for the governmental activities decreased by \$942,280.



Required Supplemental Financial Data



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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/2013	-	17,523,000	17,523,000	-	16,887,916	103.76
6/30/2015	-	13,720,000	13,720,000	-	10,821,000	126.79
6/30/2017	-	11,215,000	11,215,000	-	10,446,000	107.36

Schedule of Employer Contributions

Year Ended June 30	Annual OPEB Cost	Percentage Contributed
2015	1,165,000	74.68
2016	1,200,000	76.67
2017	884,000	86.76

**SAMPSON COUNTY, NORTH CAROLINA
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS***

Local Government Employees' Retirement System

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.30882%	0.30020%	0.30319%	0.30300%
County's proportion of the net pension liability (asset) (\$)	\$ 6,554,194	\$ 1,347,286	\$ (1,788,051)	\$ 3,652,314
County's covered-employee payroll	\$18,168,885	\$17,033,631	\$16,791,093	\$16,615,280
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.07%	7.91%	(10.65%)	21.98%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

**This will be the same percentage for all participant employers in the LGERS plan

**SAMPSON COUNTY, NORTH CAROLINA
SAMPSON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS**

Local Government Employees' Retirement System

	2017	2016	2015	2014
Contractually required contribution	\$ 1,465,307	\$ 1,240,804	\$ 1,215,792	\$ 1,170,977
Contributions in relation to the contractually required contribution	1,465,307	1,240,804	1,215,792	1,170,977
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 19,626,173	\$ 18,168,885	\$ 17,033,631	\$ 16,791,093
Contributions as a percentage of covered-employee payroll	7.47%	6.83%	7.14%	6.97%

**SAMPSON COUNTY, NORTH CAROLINA
 PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST FOUR FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.50078%	0.48569%	0.48841%	0.45784%
County's proportion of the net pension liability (asset) (\$)	\$ (93,625)	\$ (112,554)	\$ (110,703)	\$ (97,795)
County's covered-employee payroll	\$ 58,872	\$ 58,464	\$ 56,407	\$ 58,176
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(159.03%)	(192.52%)	(196.26%)	-168.10%
Plan fiduciary net position as a percentage of the total pension liability**	160.17%	197.29%	193.88%	190.50%

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

**This will be the same percentage for all participant employers in the RODSPF plan.

**SAMPSON COUNTY, NORTH CAROLINA
SAMPSON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund

	2017	2016	2015	2014
Contractually required contribution	\$ 4,478	\$ 3,974	\$ 4,133	\$ 3,988
Contributions in relation to the contractually required contribution	4,478	3,974	4,133	3,988
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered employee payroll	\$ 61,005	\$ 58,872	\$ 58,464	\$ 56,407
Contributions as a percentage of covered-employee payroll	7.34%	6.75%	7.07%	7.07%

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
June 30, 2017

Law Enforcement Officers' Special Separation Allowance

	<u>2017</u>
Beginning balance	\$ 1,334,635
Service cost	97,635
Interest on the total pension liability	47,199
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(41,817)
Benefit payments	(25,084)
Other changes	-
	<hr/>
Ending balance of the total pension liability	<u><u>\$ 1,412,568</u></u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
June 30, 2017

Law Enforcement Officers' Special Separation Allowance

	<u>2017</u>
Total pension liability	\$ 1,412,568
Covered payroll	3,553,569
Total pension liability as a percentage of covered payroll	<u>39.75%</u>

Notes to the schedules:

Sampson County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.



***Combining and Individual Fund
Statements and Schedules***

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes:			
Ad valorem	\$ 35,810,014	\$ 36,129,797	\$ 319,783
Penalties and interest	304,000	299,020	(4,980)
Total	36,114,014	36,428,817	314,803
Sales Tax:			
One cent	4,281,253	5,326,415	1,045,162
One half cent article 40	2,922,486	2,542,657	(379,829)
One half cent article 42	1,035,618	920,874	(114,744)
One quarter cent article 46	1,248,784	1,169,430	(79,354)
Total	9,488,141	9,959,376	471,235
Restricted:			
State grants	15,612,481	12,808,826	(2,803,655)
Federal grants	574,908	411,383	(163,525)
Court facility fees	163,000	161,799	(1,201)
Local grants	86,225	93,328	7,103
Total	16,436,614	13,475,336	(2,961,278)
Permits and Fees:			
Register of deeds	301,000	360,430	59,430
Inspection	372,400	373,215	815
Local subdivision fees	24,425	34,061	9,636
Franchise	52,000	50,464	(1,536)
Total	749,825	818,170	68,345
Sales and Services:			
Tax Collection Fees:			
Towns	4,745	4,658	(87)
City of Clinton	54,500	56,192	1,692
Tax collection	240,000	229,380	(10,620)
Jail fees	1,410,400	1,581,710	171,310
Sheriff fees	754,351	774,796	20,445
Health fees	834,680	1,060,658	225,978
Ambulance fees	2,325,000	2,348,217	23,217
Aging services fees	607,451	449,319	(158,132)
Total	6,231,127	6,504,930	273,803
Investment Earnings	\$ -	\$ 60,311	\$ 60,311

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Miscellaneous:			
Board of elections	\$ -	\$ -	\$ -
Short-term vehicle lease	14,500	17,940	3,440
Recreation	43,800	49,463	5,663
Agri-Exposition center	273,321	257,410	(15,911)
Rent	2,069,886	2,347,109	277,223
Other	360,479	434,117	73,638
Total	2,761,986	3,106,039	344,053
Total revenues	71,781,707	70,352,979	(1,428,728)
Expenditures			
General Government			
Governing Body			
Salaries and employee benefits		97,079	
Operations and maintenance		42,091	
Total	143,333	139,170	4,163
Administration			
Salaries and employee benefits		411,544	
Operations and maintenance		51,228	
Total	477,626	462,772	14,854
Airport			
Operations and maintenance		134,329	
Total	136,517	134,329	2,188
Finance			
Salaries and employee benefits		1,021,349	
Operations and maintenance		413,262	
Total	2,287,193	1,434,611	852,582
Data Processing			
Salaries and employee benefits		268,057	
Operations and maintenance		318,962	
Total	643,441	587,019	56,422
Communications Tower			
Operations and maintenance		96,132	
Total	97,640	96,132	1,508
Tax Administration			
Salaries and employee benefits		958,667	
Operations and maintenance		504,496	
Total	\$ 1,504,297	\$ 1,463,163	\$ 41,134

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Legal			
Professional services		\$ 15,815	
Total	\$ 45,000	15,815	\$ 29,185
Courts			
Operations and maintenance		20,077	
Capital outlay		23,470	
Total	53,297	43,547	9,750
Board of Elections			
Salaries and employee benefits		106,341	
Operations and maintenance		173,862	
Total	321,793	280,203	41,590
Register of Deeds			
Salaries and employee benefits		328,789	
Operations and maintenance		80,721	
Total	463,675	409,510	54,165
Public Buildings			
Salaries and employee benefits		411,118	
Operations and maintenance			
Operations and maintenance		917,845	
Total	1,403,119	1,328,963	74,156
Total General Government	7,576,931	6,395,234	1,181,697
Public Safety			
Sheriff			
Salaries and employee benefits		5,395,864	
Operations and maintenance		1,077,574	
Capital outlay		661,805	
Total	7,158,774	7,135,243	23,531
Jail			
Salaries and employee benefits		2,081,969	
Operations and maintenance		1,117,246	
Capital outlay		62,838	
Total	\$ 3,523,987	\$ 3,262,053	\$ 261,934

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Communications			
Salaries and employee benefits		\$ 953,288	
Operations and maintenance		74,737	
Total	\$ 1,061,186	1,028,025	\$ 33,161
Emergency Management			
Salaries and employee benefits		419,456	
Operations and maintenance		109,938	
Capital outlay		72,201	
Total	640,290	601,595	38,695
Volunteer Fire Departments			
Assistance to County fire departments	244,441	243,737	704
Inspections			
Salaries and employee benefits		371,481	
Operations and maintenance		59,034	
Total	447,097	430,515	16,582
Coroner			
Professional services	63,600	52,150	11,450
Rescue			
Salaries and employee benefits		3,361,032	
Assistance to County rescue units		148,649	
Operations and maintenance		572,368	
Capital outlay		123,308	
Total	4,313,611	4,205,357	108,254
Dive Team			
Contracted services	15,940	15,940	-
Animal Control			
Salaries and employee benefits		160,698	
Operations and maintenance		111,315	
Total	298,890	272,013	26,877
Total Public Safety	\$ 17,767,816	\$ 17,246,628	\$ 521,188

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Environmental Protection			
Solid Waste			
Contracted services		\$ 853,918	
Operations and maintenance		12,735	
Total	\$ 895,540	866,653	\$ 28,887
Forestry			
State forestry program	134,971	134,228	743
4-H Programs	22,500	19,265	3,235
Horticulture Project	2,423	-	2,423
Lagoon Management	12,549	7,596	4,953
Senior Health Information Program	5,693	926	4,767
Cooperative Extension Seminars	1,200	364	836
Environmental Defense Fund Project			
Operations and maintenance			
Operations and maintenance		250	
Total	14,870	250	14,620
4-H Prevention Program			
Salaries and employee benefits		27,360	
Operations and maintenance		7,943	
Total	35,606	35,303	303
Total Environmental Protection	\$ 1,125,352	\$ 1,064,585	\$ 60,767

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Economic and Physical Development			
Planning and Zoning			
Contracted services		\$ 167,704	
Total	\$ 167,704	167,704	\$ -
Industrial Development			
Salaries and employee benefits		157,715	
Operations and maintenance		403,568	
Total	666,756	561,283	105,473
Industrial Utility			
Operations and maintenance		4,118	
Total	54,500	4,118	50,382
N.C. Cooperative Extension Service			
Salaries and employee benefits		326,317	
Operations and maintenance		40,142	
Total	437,160	366,459	70,701
Soil Conservation			
Salaries and employee benefits		209,849	
Operations and maintenance		8,703	
Total	233,794	218,552	15,242
Total Economic and Physical Development	\$ 1,559,914	\$ 1,318,116	\$ 241,798

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Human Services			
Mental Health Administration			
Eastpointe Mental Health	\$ 274,680	\$ 274,680	\$ -
Veterans			
Salaries and employee benefits		127,791	
Operations and maintenance		34,396	
Total	<u>169,110</u>	<u>162,187</u>	<u>6,923</u>
Youth Needs Task Force			
Salaries and employee benefits		64,284	
Programs		67,442	
Total	<u>182,170</u>	<u>131,726</u>	<u>50,444</u>
Health			
Administration			
Salaries and employee benefits		20,842	
Operations and maintenance		39,724	
Total	<u>92,168</u>	<u>60,566</u>	<u>31,602</u>
School Nurse Initiative			
Contracted services	<u>400,000</u>	<u>400,000</u>	<u>-</u>
BCCCP Wise Woman			
Salaries and employee benefits		2,496	
Operations and maintenance		429	
Total	<u>4,023</u>	<u>2,925</u>	<u>1,098</u>
Tuberculosis Medical Services			
Professional services	<u>2,271</u>	<u>2,271</u>	<u>-</u>
Communicable Disease			
Salaries and employee benefits		235,176	
Operations and maintenance		38,209	
Total	<u>279,027</u>	<u>273,385</u>	<u>5,642</u>
Adult Services			
Salaries and employee benefits		35,769	
Operations and maintenance		25,905	
Total	<u>\$ 62,893</u>	<u>\$ 61,674</u>	<u>\$ 1,219</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Health Promotion			
Salaries and employee benefits		\$ 32,062	
Operations and maintenance		4,125	
Total	<u>\$ 37,880</u>	<u>36,187</u>	<u>\$ 1,693</u>
Breast and Cervical Cancer			
Salaries and employee benefits		6,982	
Operations and maintenance		11,200	
Total	<u>22,345</u>	<u>18,182</u>	<u>4,163</u>
Immunization			
Salaries and employee benefits		88,356	
Operations and maintenance		49,545	
Total	<u>142,260</u>	<u>137,901</u>	<u>4,359</u>
Maternal Health & Outreach			
Salaries and employee benefits		523,699	
Operations and maintenance		130,275	
Total	<u>759,980</u>	<u>653,974</u>	<u>106,006</u>
Family Planning			
Salaries and employee benefits		241,287	
Operations and maintenance		64,725	
Total	<u>313,451</u>	<u>306,012</u>	<u>7,439</u>
WIC			
Salaries and employee benefits		351,660	
Operations and maintenance		35,477	
Total	<u>388,866</u>	<u>387,137</u>	<u>1,729</u>
Child Services Coordination			
Salaries and employee benefits		158,127	
Operations and maintenance		36,187	
Total	<u>212,818</u>	<u>194,314</u>	<u>18,504</u>
Pregnancy Care Management			
Salaries and employee benefits		139,045	
Operations and maintenance		9,581	
Total	<u>\$ 160,608</u>	<u>\$ 148,626</u>	<u>\$ 11,982</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Child Health			
Salaries and employee benefits		\$ 98,669	
Operations and maintenance		16,528	
Total	<u>\$ 116,697</u>	<u>115,197</u>	<u>\$ 1,500</u>
Environmental Health			
Salaries and employee benefits		393,357	
Operations and maintenance			
Operations and maintenance		30,341	
Total	<u>430,580</u>	<u>423,698</u>	<u>6,882</u>
Food and Lodging			
Travel	<u>11,416</u>	<u>9,857</u>	<u>1,559</u>
State Bio-Terrorism			
Salaries and employee benefits		44,249	
Operations and maintenance		2,625	
Total	<u>53,906</u>	<u>46,874</u>	<u>7,032</u>
Total Health	<u>3,491,189</u>	<u>3,278,780</u>	<u>212,409</u>
Social Services			
Administration			
Salaries and employee benefits		7,683,088	
Operations and maintenance		1,336,877	
Capital outlay		48,859	
Total	<u>\$ 9,426,756</u>	<u>\$ 9,068,824</u>	<u>\$ 357,932</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Assistance			
Food stamp issuance		\$ 20,047	
WFBG programs		150	
Medicaid transportation		865,565	
Daycare		2,375,487	
AA-AD-AB rest homes		595,195	
Aid to the blind		4,966	
Crisis intervention program		131,128	
In-Home services		10,435	
Foster care		742,326	
Adoption assistance		138,394	
Low income energy assistance		325,238	
Other programs		152,919	
Total	<u>\$ 6,568,024</u>	<u>5,361,850</u>	<u>\$ 1,206,174</u>
Total Social Services	<u>15,994,780</u>	<u>14,430,674</u>	<u>1,564,106</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		163,378	
Operations and maintenance		65,294	
Total	<u>216,766</u>	<u>228,672</u>	<u>(11,906)</u>
Transportation			
Salaries and employee benefits			
Salaries and employee benefits		33,854	
Total	<u>33,919</u>	<u>33,854</u>	<u>65</u>
Personal Care Block Grant			
Salaries and employee benefits		132,852	
Operations and maintenance		235,947	
Total	<u>456,016</u>	<u>368,799</u>	<u>87,217</u>
Home Repairs			
Salaries and employee benefits		73,760	
Operations and maintenance		78,443	
Total	<u>172,863</u>	<u>152,203</u>	<u>20,660</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		79,778	
Operations and maintenance		25,715	
Total	<u>\$ 119,553</u>	<u>\$ 105,493</u>	<u>\$ 14,060</u>

**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
Adult Daycare			
Salaries and employee benefits		\$ 193,202	
Operations and maintenance		60,609	
Total	\$ 290,426	253,811	\$ 36,615
Information/Case Assistance			
Salaries and employee benefits		55,901	
Operations and maintenance		1,746	
Total	58,450	57,647	803
Nutrition Program			
Salaries and employee benefits		126,169	
Operations and maintenance		280,967	
Total	410,898	407,136	3,762
Family Caregiver Support			
Salaries and employee benefits		10,294	
Operations and maintenance		29,673	
Total	42,878	39,967	2,911
Total Aging and In-Home Services	1,801,769	1,647,582	154,187
Total Human Services	21,913,698	19,925,629	1,988,069
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education	8,184,150	8,184,150	
Clinton City Board of Education	2,964,975	2,964,975	
Sampson Community College	1,389,388	1,389,388	
Capital Outlay			
Sampson County Board of Education	998,984	544,473	
Clinton City Board of Education	467,678	160,748	
Sampson Community College	459,643	206,038	
Total Education	14,464,818	13,449,772	1,015,046
Culture and Recreation			
Library			
Salaries and employee benefits		567,543	
Operations and maintenance		122,832	
Capital outlay		83,023	
Total	\$ 841,360	\$ 773,398	\$ 67,962

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Special Appropriations			
Special projects	\$ 56,570	\$ 55,963	\$ 607
Recreation			
Salaries and employee benefits		394,416	
Operations and maintenance		74,396	
Programs		103,647	
Capital outlay		39,059	
Total Recreation	<u>640,895</u>	<u>611,518</u>	<u>29,377</u>
Agri-Exposition Center			
Salaries and employee benefits		128,327	
Operations and maintenance		396,894	
Capital outlay		12,000	
Total	<u>600,689</u>	<u>537,221</u>	<u>63,468</u>
Total Culture and Recreation	<u>2,139,514</u>	<u>1,978,100</u>	<u>161,414</u>
Debt Service			
Principal		4,038,487	
Interest and fees		5,467,938	
Administration		103,244	
Total Debt Service	<u>10,580,023</u>	<u>9,609,669</u>	<u>970,354</u>
Contingency	<u>343,982</u>	-	<u>343,982</u>
Total expenditures	<u>77,472,048</u>	<u>70,987,733</u>	<u>6,484,315</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,690,341)</u>	<u>\$ (634,754)</u>	<u>\$ (7,913,043)</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses)			
Transfers in	\$ 2,856,162	\$ 2,094,721	\$ (761,441)
Transfers out	(1,068,662)	(1,033,577)	(35,085)
Loan proceeds	1,322,434	-	(1,322,434)
Total Other Financing Sources (Uses)	<u>3,109,934</u>	<u>1,061,144</u>	<u>(2,118,960)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(2,580,407)	426,390	3,006,797
Appropriated Fund Balance	<u>2,580,407</u>	-	<u>(2,580,407)</u>
Net change in fund balance	<u>\$ -</u>	426,390	<u>\$ 426,390</u>
Fund balance - beginning		<u>22,957,931</u>	
Fund balance - ending		<u>\$ 23,384,321</u>	

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-SCHOOLS CAPITAL PROJECT FUND
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Other taxes and licenses	\$ 2,386,585	\$ 2,471,021	\$ 84,436
Investment earnings		8,449	8,449
Total revenues	<u>2,386,585</u>	<u>2,479,470</u>	<u>92,885</u>
Expenditures			
Unallocated capital outlay	<u>42,585</u>	-	<u>42,585</u>
Total expenditures	42,585	-	42,585
Other Financing Sources (Uses)			
Transfers (out)			
To General Fund for:			
County schools capital outlay	(998,984)	(544,473)	454,511
City schools capital outlay	(467,678)	(160,748)	306,930
Debt service	<u>(1,319,500)</u>	<u>(1,319,500)</u>	-
Total other financing uses	(2,786,162)	(2,024,721)	761,441
Revenues, Expenditures and Other Financing Uses			
Over (Under) Expenditures	(442,162)	454,749	896,911
Appropriated Fund Balance	<u>442,162</u>	-	<u>(442,162)</u>
Net change in fund balance	<u>\$ -</u>	454,749	<u>\$ 454,749</u>
Fund balance - beginning		<u>2,683,476</u>	
Fund balance - ending		<u>\$ 3,138,225</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, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad-valorem taxes	\$ -	\$ 122,000	\$ 122,000
Investment earnings		3,300	3,300
Total revenues	<u>122,000</u>	<u>125,300</u>	<u>125,300</u>
Expenditures			
Real property appraisals	<u>122,000</u>	<u>113,199</u>	<u>8,801</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>12,101</u>	<u>134,101</u>
Other Financing Sources			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	-	12,101	12,101
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>12,101</u>	<u>\$ 12,101</u>
Fund balance - beginning		<u>927,827</u>	
Fund balance - ending		<u>\$ 939,928</u>	

**SAMPSON COUNTY, NORTH CAROLINA
COUNTY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings:			
Library reserve	\$ -	\$ 5	\$ 5
Airport reserve	-	2,020	2,020
Livestock arena reserve	-	263	263
Schools building reserve	-	1,588	1,588
County building reserve	-	1,374	1,374
Water line repairs	-	203	203
Total revenues	<u>-</u>	<u>5,453</u>	<u>5,453</u>
Other Financing Sources (Uses)			
Transfers in (out)			
To General fund	(820,000)	(70,000)	750,000
From General Fund for Airport Reserve	-	-	
From General Fund for County School Bldg Reserve	225,000	225,000	
From General Fund for City School Bldg Reserve	112,500	112,500	
From General Fund for SCC Bldg Reserve	112,500	112,500	
From General Fund for County Bldg Reserve	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total other financing sources (uses)	(70,000)	680,000	750,000
Excess (deficiency) of revenues over expenditures	<u>(70,000)</u>	<u>685,453</u>	<u>755,453</u>
Appropriated Fund Balance	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>685,453</u>	<u>\$ 685,453</u>
Fund balance - beginning		<u>977,994</u>	
Fund balance - ending		<u>\$ 1,663,447</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, 2017

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal and Local Grants:				\$ -	\$ -
Investment earnings	24,000	150,293	253	150,546	126,546
Sales tax refund	-	279,498	-	279,498	279,498
Total revenues	<u>24,000</u>	<u>429,791</u>	<u>253</u>	<u>430,044</u>	<u>406,044</u>
Expenditures					
School Construction:					
Clinton City Schools other	2,024,000	2,004,307	-	2,004,307	19,693
Sampson County Schools other	2,000,000	1,992,887	693	1,993,580	6,420
Community Facilities	<u>2,536,536</u>	<u>1,394,709</u>	<u>317,123</u>	<u>1,711,832</u>	<u>824,704</u>
Total expenditures	6,560,536	5,391,903	317,816	5,709,719	850,817
Excess (deficiency) of revenues over expenditures	<u>(6,536,536)</u>	<u>(4,962,112)</u>	<u>(317,563)</u>	<u>(5,279,675)</u>	<u>1,256,861</u>
Other Financing Sources (Uses)					
Transfers in (out)					
To General Fund for:					
From School capital reserve	-	340,401	-	340,401	340,401
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
Loan proceeds	<u>4,000,000</u>	<u>4,000,000</u>	-	<u>4,000,000</u>	-
Total other financing uses	<u>6,536,536</u>	<u>6,876,937</u>	-	<u>6,876,937</u>	<u>340,401</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>1,914,825</u>	<u>(317,563)</u>	<u>1,597,262</u>	<u>1,597,262</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,914,825</u>	<u>(317,563)</u>	<u>\$ 1,597,262</u>	<u>\$ 1,597,262</u>
Fund balance - beginning			<u>1,914,825</u>		
Fund balance - ending			<u>\$ 1,597,262</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, 2017

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 4,471,386	\$ 3,803,780	\$ 81,186	\$ 3,884,966	\$ (586,420)
City of Clinton	248,411	152,904	-	152,904	(95,507)
Other revenue	-	1,811	-	1,811	1,811
Total revenues	<u>4,719,797</u>	<u>3,958,495</u>	<u>81,186</u>	<u>4,039,681</u>	<u>(680,116)</u>
Expenditures					
Capital Expansion:					
Professional services	1,335,114	1,235,916	45,284	1,281,200	53,914
Capital outlay	58,520	58,520	-	58,520	-
Construction costs	3,173,507	2,903,063	20,284	2,923,347	250,160
Land	<u>401,067</u>	<u>340,027</u>	<u>-</u>	<u>340,027</u>	<u>61,040</u>
Total expenditures	<u>4,968,208</u>	<u>4,537,526</u>	<u>65,568</u>	<u>4,603,094</u>	<u>365,114</u>
Excess (deficiency) of revenues over expenditures	<u>(248,411)</u>	<u>(579,031)</u>	<u>15,618</u>	<u>(563,413)</u>	<u>(315,002)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	<u>248,411</u>	<u>196,908</u>	<u>-</u>	<u>196,908</u>	<u>(51,503)</u>
Total other financing sources	<u>248,411</u>	<u>196,908</u>	<u>-</u>	<u>196,908</u>	<u>(51,503)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (382,123)</u>	15,618	<u>\$ (366,505)</u>	<u>\$ (366,505)</u>
Fund balance - beginning			<u>(382,123)</u>		
Fund balance - ending			<u>\$ (366,505)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
ASSETS				
Cash and cash equivalents	\$ 873,265	\$ 8,424	\$ 1,401	\$ 817,101
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	115,822
Other receivables	24,266	158,393	-	34,172
TOTAL ASSETS	\$ 897,531	\$ 166,817	\$ 1,401	\$ 967,095
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 99,948	\$ 40,005	\$ -	\$ 5,922
Due to General Fund	-	-	-	-
Deferred tax revenue	-	-	-	115,822
Total Liabilities	99,948	40,005	-	121,744
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	24,267	158,392	-	34,172
Public safety	-	-	-	811,179
Assigned				
General government	-	-	-	-
Public safety	773,316	-	-	-
Environmental protection	-	-	-	-
Human services	-	(31,580)	1,401	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned				
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	797,583	126,812	1,401	845,351
TOTAL LIABILITIES AND FUND BALANCES	\$ 897,531	\$ 166,817	\$ 1,401	\$ 967,095

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
ASSETS				
Cash and cash equivalents	\$ 68,071	\$ -	\$ 1,308	\$ 30,222
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	-	-	94,931	-
TOTAL ASSETS	\$ 68,071	\$ -	\$ 96,239	\$ 30,222
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 265	\$ -	\$ 94,931	\$ 2,539
Due to General Fund	-	36	-	-
Deferred tax revenue	-	-	-	-
Total Liabilities	265	36	94,931	2,539
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	-	-	94,931	-
Public Safety	-	-	-	-
Assigned				
General government	-	-	-	-
Public safety	-	(36)	-	-
Environmental protection	67,806	-	-	-
Human services	-	-	(93,623)	27,683
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned				
Total Fund Balances (Deficits)	67,806	(36)	1,308	27,683
TOTAL LIABILITIES AND FUND BALANCES	\$ 68,071	\$ -	\$ 96,239	\$ 30,222

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	Special Revenue Funds		
	Homeland Security Equipment	Employment and Training	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ 24,875	\$ 11,020	\$ 1,835,687
Restricted cash	-	-	-
Taxes receivable (net)	-	-	115,822
Other receivables	-	-	311,762
TOTAL ASSETS	\$ 24,875	\$ 11,020	\$ 2,263,271
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 243,610
Due to General Fund	-	-	36
Deferred tax revenue	-	-	115,822
Total Liabilities	-	-	359,468
Fund Balances (Deficits):			
Restricted			
Stabilization by state statute	-	-	311,762
Public Safety	-	-	811,179
Assigned			
General government	-	11,020	11,020
Public safety	24,875	-	798,155
Environmental protection	-	-	67,806
Human services	-	-	(96,119)
Culture and recreation	-	-	-
Capital expansion	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	24,875	11,020	1,903,803
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,875	\$ 11,020	\$ 2,263,271

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	Capital Project Funds			Total Nonmajor Governmental Funds
	Courthouse Annex Renovation	County Bldgs Construction & Renovation	Total Nonmajor Capital Project Funds	
ASSETS				
Cash and cash equivalents	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,872,791
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	115,822
Other receivables	-	-	-	311,762
TOTAL ASSETS	\$ 29,104	\$ 8,000	\$ 37,104	\$ 2,300,375
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 243,610
Due to General Fund	-	-	-	36
Deferred tax revenue	-	-	-	115,822
Total Liabilities	-	-	-	359,468
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	-	-	-	311,762
Public Safety	-	-	-	811,179
Assigned				
General government	-	-	-	11,020
Public safety	-	-	-	798,155
Environmental protection	-	-	-	67,806
Human services	-	-	-	(96,119)
Culture and recreation	-	-	-	-
Capital expansion	29,104	8,000	37,104	37,104
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	29,104	8,000	37,104	1,940,907
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,104	\$ 8,000	\$ 37,104	\$ 2,300,375

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,711,608
Sales taxes	-	-	-	-
State, federal and local grants	-	400,167	-	-
Fees	291,193	99,086	-	-
Investment earnings	2,968	-	-	2,857
Miscellaneous	-	-	-	-
Total revenues	<u>294,161</u>	<u>499,253</u>	<u>-</u>	<u>2,714,465</u>
Expenditures				
General government	-	-	-	-
Public safety	298,768	-	-	2,661,274
Environmental protection	-	-	-	-
Human services	-	790,310	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>298,768</u>	<u>790,310</u>	<u>-</u>	<u>2,661,274</u>
Excess (deficiency) of revenues over expenditures:	<u>(4,607)</u>	<u>(291,057)</u>	<u>-</u>	<u>53,191</u>
Other Financing Sources (Uses)				
Transfers in	-	283,577	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>283,577</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,607)	(7,480)	-	53,191
Fund balances - beginning	<u>802,190</u>	<u>134,292</u>	<u>1,401</u>	<u>792,160</u>
Fund balances - ending	<u>\$ 797,583</u>	<u>\$ 126,812</u>	<u>\$ 1,401</u>	<u>\$ 845,351</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	5,550	-	303,348	50,000
Fees	-	-	-	-
Investment earnings	233	-	-	-
Miscellaneous	1,100	-	1,500	-
Total revenues	<u>6,883</u>	<u>-</u>	<u>304,848</u>	<u>50,000</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	5,025	-	-	-
Human services	-	-	303,540	31,080
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>5,025</u>	<u>-</u>	<u>303,540</u>	<u>31,080</u>
Excess (deficiency) of revenues over expenditures:	<u>1,858</u>	<u>-</u>	<u>1,308</u>	<u>18,920</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,858	-	1,308	18,920
Fund balances - beginning	65,948	(36)	-	8,763
Fund balances - ending	<u>\$ 67,806</u>	<u>\$ (36)</u>	<u>\$ 1,308</u>	<u>\$ 27,683</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	Special Revenue Funds		
	Homeland Security Equipment	Employment and Training	Total Nonmajor Special Revenue Funds
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ 2,711,608
Sales taxes	-	-	-
State, federal and local grants	-	-	759,065
Fees	-	-	390,279
Investment earnings	-	-	6,058
Miscellaneous	-	-	2,600
Total revenues	-	-	3,869,610
Expenditures			
General government	-	-	-
Public safety	-	-	2,960,042
Environmental protection	-	-	5,025
Human services	-	-	1,124,930
Culture and recreation	-	-	-
Capital Expansion	-	-	-
Total Expenditures	-	-	4,089,997
Excess (deficiency) of revenues over expenditures	-	-	(220,387)
Other Financing Sources (Uses)			
Transfers in	-	-	283,577
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	-	-	283,577
Net change in fund balances	-	-	63,190
Fund balances - beginning	24,875	11,020	1,840,613
Fund balances - ending	\$ 24,875	\$ 11,020	\$ 1,903,803

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	Capital Project Funds			Total Nonmajor Governmental Funds
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds	
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,711,608
Sales taxes	-	-	-	-
State, federal and local grants	-	-	-	759,065
Fees	-	-	-	390,279
Investment earnings	-	-	-	6,058
Miscellaneous	-	-	-	2,600
Total revenues	-	-	-	3,869,610
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	2,960,042
Environmental protection	-	-	-	5,025
Human services	-	-	-	1,124,930
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	-	-	-	4,089,997
Excess (deficiency) of revenues over expenditures	-	-	-	(220,387)
Other Financing Sources (Uses)				
Transfers in	-	-	-	283,577
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	283,577
Net change in fund balances	-	-	-	63,190
Fund balances - beginning	29,104	8,000	37,104	1,877,717
Fund balances - ending	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,940,907

**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, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
NC 911 PSAP fees	\$ 218,929	\$ 291,193	\$ 72,264
Investment earnings	-	2,968	2,968
Total revenues	<u>218,929</u>	<u>294,161</u>	<u>75,232</u>
Expenditures			
Operations and maintenance	20,845	17,640	3,205
Telephone and postage	126,936	97,300	29,636
Contracted services	77,105	75,541	1,564
Capital outlay	111,965	108,287	3,678
Total expenditures	<u>336,851</u>	<u>298,768</u>	<u>38,083</u>
Excess (deficiency) of revenues over expenditures	<u>(117,922)</u>	<u>(4,607)</u>	<u>113,315</u>
Other financing sources (uses)			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(117,922)	(4,607)	113,315
Appropriated Fund Balance	<u>117,922</u>	<u>-</u>	<u>(117,922)</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,607)</u>	<u>\$ (4,607)</u>
Fund balance - beginning		<u>802,190</u>	
Fund balance - ending		<u>\$ 797,583</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, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grants:			
Transportation-capital improvements	\$ 123,432	\$ 117,819	\$ (5,613)
Transportation-riders	148,150	119,691	(28,459)
Development funds	163,985	150,174	(13,811)
Workfirst	17,157	12,483	(4,674)
Mileage fees	90,927	99,086	8,159
Total revenues	<u>543,651</u>	<u>499,253</u>	<u>(44,398)</u>
Expenditures			
Salaries and employee benefits	470,806	447,850	22,956
Gas, oil, and tires	59,947	59,947	-
Maintenance and repairs	30,671	26,219	4,452
Operations	105,998	101,964	4,034
Insurance and bonds	20,943	20,943	-
Capital outlay	138,863	133,387	5,476
Total expenditures	<u>827,228</u>	<u>790,310</u>	<u>36,918</u>
Excess (deficiency) of revenues over expenditures	<u>(283,577)</u>	<u>(291,057)</u>	<u>(7,480)</u>
Other Financing Sources (Uses)			
Transfers:			
From General fund	<u>283,577</u>	<u>283,577</u>	<u>-</u>
Total other financing sources (uses)	<u>283,577</u>	<u>283,577</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	-	(7,480)	(7,480)
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>(7,480)</u>	<u>\$ (7,480)</u>
Fund balance - beginning		<u>134,292</u>	
Fund balance - ending		<u>\$ 126,812</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, 2017**

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

**SAMPSON COUNTY, NORTH CAROLINA
 FIRE DISTRICTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes:			
Current year	\$ 2,557,900	\$ 2,649,628	\$ 91,728
Prior year	74,800	59,491	(15,309)
Penalties and interest	-	2,489	2,489
Investment earnings	-	2,857	2,857
Total revenues	<u>2,632,700</u>	<u>2,714,465</u>	<u>81,765</u>
Expenditures			
Fire protection	<u>2,667,815</u>	<u>2,661,274</u>	<u>6,541</u>
Total expenditures	<u>2,667,815</u>	<u>2,661,274</u>	<u>6,541</u>
Excess (deficiency) of revenues over expenditures	<u>(35,115)</u>	<u>53,191</u>	<u>88,306</u>
Appropriated Fund Balance	<u>35,115</u>	<u>-</u>	<u>(35,115)</u>
Net change in fund balance	<u>\$ -</u>	<u>53,191</u>	<u>\$ 53,191</u>
Fund balance - beginning		<u>792,160</u>	
Fund balance - ending		<u>\$ 845,351</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, 2017**

District	Ad Valorem Taxes & Investment Earnings	Fire Protection Transfers to Districts	Revenues Over (Under) Expenditures	Fund Balance June 30, 2016	Fund Balance June 30, 2017
Coharie	\$ 153,824	\$ 147,700	\$ 6,124	\$ 78,430	\$ 84,554
Franklin	151,084	150,700	384	58,718	59,102
Godwin-Falcon	27,744	30,500	(2,756)	8,643	5,887
Halls	137,863	135,000	2,863	17,933	20,796
Herring	140,671	150,715	(10,044)	34,497	24,453
Honeycutt-Salemburg	179,946	168,700	11,246	59,101	70,347
Newton Grove	77,832	89,200	(11,368)	23,460	12,092
Piney Grove	89,223	82,200	7,023	19,543	26,566
Plain View	252,808	248,100	4,708	76,739	81,447
Spivey's Corner	159,057	153,400	5,657	35,090	40,747
Turkey	146,415	140,000	6,415	49,361	55,776
Vanns Crossroads	74,872	81,900	(7,028)	19,327	12,299
Clinton	500,065	483,600	16,465	100,390	116,855
Clement	210,806	197,000	13,806	93,232	107,038
Autryville	108,262	107,934	328	11,758	12,086
Garland	124,618	124,525	93	25,807	25,900
Taylor's Bridge	165,228	156,500	8,728	77,653	86,381
Goshen	14,147	13,600	547	2,478	3,025
	<u>\$ 2,714,465</u>	<u>\$ 2,661,274</u>	<u>\$ 53,191</u>	<u>\$ 792,160</u>	<u>\$ 845,351</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, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State Grant	\$ 5,550	\$ 5,550	\$ -
Miscellaneous	750	1,100	350
Investment earnings	-	233	233
Total revenues	<u>6,300</u>	<u>6,883</u>	<u>583</u>
Expenditures			
Travel	3,950	2,786	1,164
Operations and maintenance	<u>4,980</u>	<u>2,239</u>	<u>2,741</u>
Total expenditures	8,930	5,025	3,905
Excess (deficiency) of revenues over expenditures	<u>(2,630)</u>	<u>1,858</u>	<u>(3,322)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	(2,630)	1,858	4,488
Appropriated Fund Balance	<u>2,630</u>	-	<u>(2,630)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,858</u>	<u>\$ 1,858</u>
Fund balance - beginning		<u>65,948</u>	
Fund balance - ending		<u><u>\$ 67,806</u></u>	

**SAMPSON COUNTY, NORTH CAROLINA
HAZARD MITIGATION PLAN UPDATE
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2017**

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

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SINGLE FAMILY REHABILITATION SFR-14
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2017**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 568,930	\$ 186,066	\$ 303,348	\$ 489,414	\$ (79,516)
Miscellaneous	-	-	1,500	1,500	1,500
Total revenue	<u>568,930</u>	<u>186,066</u>	<u>304,848</u>	<u>490,914</u>	<u>(78,016)</u>
Expenditures					
Administration	118,930	51,443	46,579	98,022	20,908
Housing rehabilitation	450,000	134,623	256,961	391,584	58,416
Total expenditures	<u>568,930</u>	<u>186,066</u>	<u>303,540</u>	<u>489,606</u>	<u>79,324</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,308	<u>\$ 1,308</u>	<u>\$ 1,308</u>
Fund balance - beginning			-		
Fund balance - ending			<u>\$ 1,308</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, 2017**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 450,000	\$ 275,000	\$ 50,000	\$ 325,000	\$ (125,000)
Interest earned	390	826	-	826	436
Total revenue	<u>450,390</u>	<u>275,826</u>	<u>50,000</u>	<u>325,826</u>	<u>(124,564)</u>
Expenditures					
Salaries and employee benefits	5,609	5,609	-	5,609	-
Building materials	97,470	49,624	17,945	67,569	29,901
Department supplies	7,587	7,587	-	7,587	-
Contracted services	<u>339,724</u>	<u>204,243</u>	<u>13,135</u>	<u>217,378</u>	<u>122,346</u>
Total expenditures	<u>450,390</u>	<u>267,063</u>	<u>31,080</u>	<u>298,143</u>	<u>152,247</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 8,763</u>	18,920	<u>\$ 27,683</u>	<u>\$ 27,683</u>
Fund balance - beginning			<u>8,763</u>		
Fund balance - ending			<u>\$ 27,683</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, 2017**

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

**SAMPSON COUNTY, NORTH CAROLINA
EMPLOYMENT AND TRAINING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2017**

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State and local grants	\$ -	\$ -	\$ -
Investment earnings	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Salaries and employee benefits	-	-	-
Operations and maintenance	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning		<u>11,020</u>	
Fund balance - ending		<u>\$ 11,020</u>	

**SAMPSON COUNTY, NORTH CAROLINA
COURTHOUSE ANNEX I RENOVATIONS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2017**

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

**SAMPSON COUNTY, NORTH CAROLINA
COUNTY BUILDINGS CONSTRUCTION AND RENOVATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2017**

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State grant	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-
Sales Tax Refund	-	2,493	-	2,493	2,493
Total revenues	-	2,493	-	2,493	2,493
Expenditures					
County administration offices					
Contingency	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
Engineering	110,920	110,920	-	110,920	-
Relocation	507	-	-	-	507
General contractor	1,033,455	1,033,455	-	1,033,455	-
Total expenditures	1,149,882	1,144,375	-	1,144,375	5,507
Excess (deficiency) of revenues over expenditures	(1,149,882)	(1,141,882)	-	(1,141,882)	8,000
Other Financing Sources (Uses)					
Transfer from general fund	-	-	-	-	-
Installment purchase debt issued	1,149,882	1,149,882	-	1,149,882	-
Total other financing sources	1,149,882	1,149,882	-	1,149,882	-
Net change in fund balance	\$ -	\$ 8,000	-	\$ 8,000	\$ 8,000
Fund balance - beginning			8,000		
Fund balance - ending			\$ 8,000		

Enterprise Funds

**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, 2017**

	Variance Final Budget	Actual	Positive (Negative)
Revenues:			
Charges for Services:			
Water sales	\$	\$ 2,055,055	\$
Penalties		34,697	
Tap fees		60,316	
Miscellaneous		212,886	
Total Operating Revenues	<u>2,114,429</u>	<u>2,362,954</u>	<u>248,525</u>
Nonoperating Revenues:			
Interest earnings		4,270	
Total Nonoperating Revenues	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Total Revenues	<u>2,114,429</u>	<u>2,367,224</u>	<u>252,795</u>
Expenditures:			
Salaries and employee benefits		473,977	
Bulk water purchases		67,005	
Training		2,436	
Contracted services		120,858	
Operations and maintenance		626,723	
Capital outlay		32,432	
Debt service principal		418,876	
Debt service interest		510,915	
Total Expenditures	<u>2,317,993</u>	<u>2,253,222</u>	<u>64,771</u>
Revenues Over (Under) Expenditures	(203,564)	114,002	317,566
Other Financing Sources, and (uses)			
Transfer to capital project	(216,006)	(216,006)	-
Appropriated Fund Balance	<u>419,570</u>	<u>-</u>	<u>(419,570)</u>
Total other financing sources (uses)	<u>203,564</u>	<u>(216,006)</u>	<u>(419,570)</u>
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (102,004)</u>	<u>\$ (102,004)</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, 2017**

Reconciliation from budgetary basis (modified accrual) to full accrual

Revenues and Other Financing Sources

Over (Under) Expenditures \$ (102,004)

Reconciling Items:

Debt principal	418,876
Other post-employment benefits	(18,900)
Deferred outflows of resources for pensions	74,416
Net pension liability	(37,418)
Deferred inflows of resources for pensions	4,258
Compensated absences	(4,955)
Accrued interest	232
Bad debt expense	-
Capital contributions in capital projects	239,655
Transfers	216,006
Depreciation	(779,375)
Amortization of bond premiums	28,092
Capital outlay	<u>32,432</u>
Total reconciling items	<u>173,319</u>
Change in net position	<u>\$ 71,315</u>

SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND-WELL PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2017

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
State Federal and Local Grants:					
USDA Rural Development	\$ 834,850	\$ 835,000	\$ -	\$ 835,000	\$ 150
Sales Tax Refund	116,460	116,460	-	116,460	-
Total Revenues	951,310	951,460	-	951,460	150
Expenditures:					
Engineering	349,927	349,927	-	349,927	-
Other professional services	14,984	14,984	-	14,984	-
Land	77,435	77,435	-	77,435	-
Construction	2,169,466	2,169,466	-	2,169,466	-
Capitalized interest	58,970	58,970	-	58,970	-
Legal	8,368	8,368	-	8,368	-
Total Expenditures	2,679,150	2,679,150	-	2,679,150	-
Revenues Over (Under) Expenditures	(1,727,840)	(1,727,690)	-	(1,727,690)	150
Other Financing Sources (Uses):					
Transfer to water capital project	(64,160)	-	-	-	64,160
Installment purchase debt proceeds	1,792,000	1,792,000	-	1,792,000	-
	1,727,840	1,792,000	-	1,792,000	64,160
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 64,310	\$ -	\$ 64,310	\$ 64,310

SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND-403 INFRASTRUCTURE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2017

	Project Authorization	Actual		Inception to Date	Variance
		Prior Years	Current Year		Positive (Negative)
Revenues:					
State Federal and Local Grants:					
NC Department of Commerce	\$ 781,500	\$ 631,845	\$ 149,655	\$ 781,500	\$ -
DOC Economic Development Div.	566,925	566,925	-	566,925	-
Golden Leaf Funding	450,000	360,000	90,000	450,000	-
Total Revenues	<u>1,798,425</u>	<u>1,558,770</u>	<u>239,655</u>	<u>1,798,425</u>	<u>-</u>
Expenditures:					
Engineering	108,090	100,590	7,500	108,090	-
Other professional services	36,540	10,786	25,430	36,216	324
Land	-	-	-	-	-
Construction	1,691,481	1,592,751	98,729	1,691,480	1
Contingency	-	-	-	-	-
Legal	1,389	1,389	-	1,389	-
Total Expenditures	<u>1,837,500</u>	<u>1,705,516</u>	<u>131,659</u>	<u>1,837,175</u>	<u>325</u>
Revenues Over (Under) Expenditures	(39,075)	(146,746)	107,996	(38,750)	325
Other Financing Sources:					
County contribution	39,075	-	-	-	(39,075)
	<u>39,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,075)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (146,746)</u>	<u>\$ 107,996</u>	<u>\$ (38,750)</u>	<u>\$ (38,750)</u>

SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND-403 WELL CONSTRUCTION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2017

	Project Authorization	Actual		Inception to Date	Variance
		Prior Years	Current Year		Positive (Negative)
Revenues:					
State Federal and Local Grants:					
EDA Department of Commerce	\$ 684,750	\$ -	\$ -	\$ -	\$ (684,750)
Golden Leaf Funding	554,680	-	-	-	(554,680)
Total Revenues	1,239,430	-	-	-	(1,239,430)
Expenditures:					
Engineering	150,096	-	-	-	150,096
Other professional services	-	-	-	-	-
Land	-	-	-	-	-
Construction	1,245,000	-	-	-	1,245,000
Contingency	124,500	-	-	-	124,500
Legal	-	-	-	-	-
Total Expenditures	1,519,596	-	-	-	1,519,596
Revenues Over (Under) Expenditures	(280,166)	-	-	-	280,166
Other Financing Sources:					
Transfer from Water District II	216,006	-	216,006	216,006	-
Transfer from 403 Infrastructure	64,160	-	-	-	(64,160)
	280,166	-	216,006	216,006	(64,160)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ 216,006	\$ 216,006	\$ 216,006

**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, 2017**

	Budget	Variance Actual	Positive (Negative)
Revenues:			
Charges for Services:			
Water sales	\$	\$ 596,629	\$
Penalties		10,074	
Tap fees		7,700	
Miscellaneous		61,806	
Total Operating Revenues	<u>606,125</u>	<u>676,209</u>	<u>70,084</u>
Nonoperating Revenues:			
Interest earnings		6,405	
Total Nonoperating Revenues	<u>-</u>	<u>6,405</u>	<u>6,405</u>
Total Revenues	<u>606,125</u>	<u>682,614</u>	<u>76,489</u>
Expenditures:			
Salaries and employee benefits		137,606	
Bulk water purchases		195,760	
Training		707	
Contracted services		35,088	
Operations and maintenance		169,521	
Capital outlay		32,432	
Debt service principal		27,500	
Debt service interest		39,078	
Total Expenditures	<u>687,362</u>	<u>637,692</u>	<u>49,670</u>
Revenues Over (Under) Expenditures	\$ (81,237)	\$ 44,922	\$ 126,159
Appropriated fund balance	<u>81,237</u>	<u>-</u>	<u>(81,237)</u>
Revenues over expenditures and appropriated fund balance	<u>\$ -</u>	<u>\$ 44,922</u>	<u>\$ 44,922</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, 2017**

Reconciliation from budgetary basis (modified accrual) to full accrual	
Revenues Over (Under) Expenditures	\$ 44,922
Reconciling Items:	
Debt principal	27,500
Deferred outflows of resources for pensions	21,603
Net pension liability	(10,863)
Deferred inflows of resources for pensions	1,237
Other post-employment benefits	17,059
Bad debt expense	-
Depreciation	(113,856)
Compensated absences	(2,289)
Capital outlay	32,432
Accrued interest	<u>512</u>
Total reconciling items	<u>(26,665)</u>
Change in net position	<u>\$ 18,257</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 6,531,517	\$
Miscellaneous		482,358	
Total Operating Revenues	<u>6,915,000</u>	<u>7,013,875</u>	<u>98,875</u>
Nonoperating Revenues:			
Interest earnings		16,555	
Total Nonoperating Revenues	<u>-</u>	<u>16,555</u>	<u>16,555</u>
Total Revenues	<u>6,915,000</u>	<u>7,030,430</u>	<u>115,430</u>
Expenditures:			
Insurance claims paid		5,911,900	
Total Expenditures	<u>7,165,000</u>	<u>5,911,900</u>	<u>1,253,100</u>
Revenues Over (Under) Expenditures	<u>(250,000)</u>	<u>1,118,530</u>	<u>1,368,530</u>
Appropriated Fund Balance	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,118,530</u>	<u>\$ 1,118,530</u>
Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ 1,118,530</u>	
Reconciling Items:			
Change in net position		<u>\$ 1,118,530</u>	



Agency Funds



SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2017

	Social Services Funds	Miscellaneous	Property Tax Collection Funds	Motor Vehicle Tax Funds	Fines and Forfeitures
ASSETS					
Cash and cash equivalents	\$ 87,816	\$ 46,887	\$ 9,111	\$ 3,059	\$ -
Accounts receivable	-	-	-	42,931	67,845
TOTAL ASSETS	<u>\$ 87,816</u>	<u>\$ 46,887</u>	<u>\$ 9,111</u>	<u>\$ 45,990</u>	<u>\$ 67,845</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 67,845
Miscellaneous liabilities	87,816	46,887	9,111	45,990	-
TOTAL LIABILITIES	<u>\$ 87,816</u>	<u>\$ 46,887</u>	<u>\$ 9,111</u>	<u>\$ 45,990</u>	<u>\$ 67,845</u>

	Detention Center Trust	Total June 30, 2017
ASSETS		
Cash and cash equivalents	\$ 37,076	\$ 183,949
Accounts receivable	-	110,776
TOTAL ASSETS	<u>\$ 37,076</u>	<u>\$ 294,725</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ -	\$ 67,845
Miscellaneous liabilities	37,076	226,880
TOTAL LIABILITIES	<u>\$ 37,076</u>	<u>\$ 294,725</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2017

	Balance July 1	Additions	Deductions	Balance June 30
Social Services Funds				
Assets:				
Cash and cash equivalents	\$ 107,437	\$ 724,509	\$ 744,130	\$ 87,816
	<u>107,437</u>	<u>724,509</u>	<u>744,130</u>	<u>87,816</u>
Liabilities:				
Accounts payable	-	251,021	251,021	-
Miscellaneous liabilities	107,437	473,488	493,109	87,816
	<u>\$ 107,437</u>	<u>\$ 724,509</u>	<u>\$ 744,130</u>	<u>\$ 87,816</u>
Miscellaneous Agency Funds				
Assets:				
Cash and cash equivalents	\$ 65,079	\$ 17,775	\$ 35,967	\$ 46,887
	<u>65,079</u>	<u>17,775</u>	<u>35,967</u>	<u>46,887</u>
Liabilities:				
Accounts payable	-	-	-	-
Miscellaneous liabilities	65,079	17,775	35,967	46,887
	<u>\$ 65,079</u>	<u>\$ 17,775</u>	<u>\$ 35,967</u>	<u>\$ 46,887</u>
Tax Collection Funds				
Assets:				
Cash and cash equivalents	\$ -	\$ 3,048,315	\$ 3,039,204	\$ 9,111
Accounts receivable	6,683	-	6,683	-
	<u>6,683</u>	<u>3,048,315</u>	<u>3,045,887</u>	<u>9,111</u>
Liabilities:				
Miscellaneous liabilities	6,683	3,048,315	3,045,887	9,111
	<u>\$ 6,683</u>	<u>\$ 3,048,315</u>	<u>\$ 3,045,887</u>	<u>\$ 9,111</u>
Motor Vehicle Tax Funds				
Assets:				
Cash and cash equivalents	\$ 126	\$ 461,662	\$ 458,729	\$ 3,059
Accounts receivable	38,758	42,931	38,758	42,931
	<u>38,884</u>	<u>504,593</u>	<u>497,487</u>	<u>45,990</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Miscellaneous liabilities	38,884	504,593	497,487	45,990
	<u>\$ 38,884</u>	<u>\$ 504,593</u>	<u>\$ 497,487</u>	<u>\$ 45,990</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2017

	Balance July 1	Additions	Deductions	Balance June 30
<u>Fines and Forfeitures</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 331,764	\$ 331,764	\$ -
Accounts receivable	23,016	67,845	23,016	67,845
	<u>23,016</u>	<u>399,609</u>	<u>354,780</u>	<u>67,845</u>
Liabilities:				
Accounts payable	23,016	399,609	354,780	67,845
	<u>\$ 23,016</u>	<u>\$ 399,609</u>	<u>\$ 354,780</u>	<u>\$ 67,845</u>

<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 43,867	\$ 372,346	\$ 379,137	\$ 37,076
	<u>43,867</u>	<u>372,346</u>	<u>379,137</u>	<u>37,076</u>
Liabilities:				
Miscellaneous liabilities	43,867	372,346	379,137	37,076
	<u>\$ 43,867</u>	<u>\$ 372,346</u>	<u>\$ 379,137</u>	<u>\$ 37,076</u>

	Balance July 1	Additions	Deductions	Balance June 30
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 216,509	\$ 4,956,371	\$ 4,988,931	\$ 183,949
Accounts receivable	68,457	110,776	68,457	110,776
	<u>284,966</u>	<u>5,067,147</u>	<u>5,057,388</u>	<u>294,725</u>
Liabilities:				
Accounts payable	23,016	650,630	605,801	67,845
Miscellaneous liabilities	261,950	4,416,517	4,451,587	226,880
	<u>\$ 284,966</u>	<u>\$ 5,067,147</u>	<u>\$ 5,057,388</u>	<u>\$ 294,725</u>



Other Schedules

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2017

	Uncollected Balance July 1, 2016	Additions	Collections and Credits	Uncollected Balance June 30, 2017
County-wide:				
General County:				
Fiscal Year 2005-2006	\$ 1,601	\$ -	\$ 1,601	\$ -
Fiscal Year 2006-2007	71,082	-	71,082	-
Fiscal Year 2007-2008	77,229	-	2,184	75,045
Fiscal Year 2008-2009	75,547	-	3,693	71,854
Fiscal Year 2009-2010	68,045	-	5,288	62,757
Fiscal Year 2010-2011	75,869	-	8,724	67,145
Fiscal Year 2011-2012	97,759	-	18,798	78,961
Fiscal Year 2012-2013	146,387	-	40,904	105,483
Fiscal Year 2013-2014	179,980	-	47,133	132,847
Fiscal Year 2014-2015	273,529	-	152,003	121,526
Fiscal Year 2015-2016	920,145	-	600,477	319,668
Fiscal Year 2016-2017	-	36,922,019	35,810,912	1,111,107
Total General County	<u>1,987,173</u>	<u>36,922,019</u>	<u>36,762,799</u>	<u>2,146,393</u>
Fire Districts:				
Plain View	10,498	258,099	257,890	10,707
Spivey's Corner	4,361	161,395	161,955	3,801
Halls	5,262	141,340	140,603	5,999
Franklin	8,711	155,437	154,634	9,514
Turkey	6,644	148,958	149,647	5,955
Vanns	9,018	78,364	75,919	11,463
Godwin-Falcon	335	28,105	28,120	320
Coharie	9,349	156,275	156,705	8,919
Herring	4,909	142,856	142,695	5,070
Honeycutt-Salemburg	9,866	181,502	183,395	7,973
Piney Grove	2,291	91,252	91,525	2,018
Newton Grove	3,306	86,737	79,426	10,617
Clinton	16,645	512,502	511,361	17,786
Clement	7,540	215,302	214,166	8,676
Autryville	3,784	111,601	110,104	5,281
Garland	6,723	127,850	127,490	7,083
Taylor's Bridge	3,540	158,606	159,010	3,136
Goshen	1,102	14,216	14,558	760
Taylor's Bridge Service	462	9,259	9,178	543
	<u>114,346</u>	<u>2,779,656</u>	<u>2,768,381</u>	<u>125,621</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	-	-	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 1,923,719</u>	<u>\$ 39,701,675</u>	<u>\$ 39,531,180</u>	<u>\$ 2,094,216</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 36,129,797		
Taxes Ad Valorem Revaluation Fund		122,000		
Penalties and interest		301,509		
Taxes Ad Valorem Fire Districts		2,709,119		
Discounts, adjustments and releases		196,449		
Amounts written off per statute of limitations		<u>72,306</u>		
Total Collections and Credits		<u>\$ 39,531,180</u>		

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2017**

	County Wide			Total Levy	
	Property Valuation	Tax Rate Per \$100 of Value	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year rate	\$ 4,207,563,976	.830	\$ 34,922,781	\$ 30,243,773	\$ 4,679,008
Discoveries	250,816,867	.830	2,081,780	2,081,780	-
Abatements:					
Real, personal, & business property	(9,944,819)	.830	(82,542)	(82,542)	-
Motor vehicles at current year rate	-	.830	-	-	-
Total Property Valuation	<u>4,448,436,024</u>		<u>36,922,019</u>	<u>32,243,011</u>	<u>4,679,008</u>
Net Levy			36,922,019	32,243,011	4,679,008
Uncollected taxes at June 30, 2017			<u>1,111,107</u>	<u>1,111,107</u>	<u>-</u>
Current year taxes collected			<u>35,810,912</u>	<u>31,131,904</u>	<u>4,679,008</u>
Current levy collection percentage			<u>96.99%</u>	<u>96.55%</u>	<u>100.00%</u>

**SAMPSON COUNTY, NORTH CAROLINA
 ANALYSIS OF CURRENT TAX LEVY
 COUNTY-WIDE LEVY
 For the Fiscal Year Ended June 30, 2017**

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)	100 %
Real property	\$ 3,258,429,409
Personal property	1,021,417,099
Public service companies (2)	<u>168,589,516</u>
Total assessed valuation	\$ 4,448,436,024
Tax rate per \$100	<u>0.830</u>
Levy (includes discoveries, releases and abatements) (3)	\$ 36,922,019

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>2,772,802</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
For the Fiscal Year Ended June 30, 2017

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2016 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Duke Energy Progress Inc	Utility	\$ 113,372,249	2.55 %
South River Electric Membership Corp.	Utility	79,187,116	1.78
Smithfield Foods, Inc.	Meat Packing	62,000,646	1.39
Prestage Farms, Inc.	Swine/Poultry Grower	59,323,067	1.33
USCOC of Greater NC LLC	Cellular Provider	33,427,772	0.75
Four County EMC	Utility	30,637,491	0.69
Smithfield Farmland Corp.	Swine Grower	26,844,238	0.60
Piedmont Natural Gas Company	Utility	22,121,086	0.50
Butterball, Inc.	Poultry Grower	18,651,965	0.42
Carolina Telephone	Utility	17,527,255	0.39
		<u>\$ 463,092,885</u>	<u>10.41</u> %

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2017**

	Total Property Valuation	Rate Per \$100 of Value	Amount of Levy	Discoveries	Abatements
County-Wide					
Real, Personal, and Business Property	\$ 3,884,700,120	.830	\$ 30,243,773	\$ 2,081,780	\$ 82,542
Registered Motor Vehicles	563,736,286	.830	4,679,008	-	-
	<u>4,448,436,406</u>		<u>34,922,781</u>	<u>2,081,780</u>	<u>82,542</u>
Fire Districts:					
Plain View	286,428,889	.090	249,180	8,926	320
Spivey's Corner	161,026,000	.100	150,947	10,450	371
Halls	201,605,714	.070	135,484	5,860	220
Franklin	193,517,500	.080	149,761	5,680	627
Turkey	211,777,143	.070	140,549	8,411	716
Vanns	78,365,000	.100	75,246	3,119	-
Godwin-Falcon	28,105,000	.100	26,850	1,255	-
Coharie	183,507,059	.085	149,336	6,943	298
Herring	167,942,353	.085	136,994	5,865	108
Honeycutt-Salemburg	181,194,000	.100	171,261	10,245	312
Piney Grove	120,488,000	.075	80,398	10,855	887
Newton Grove	133,115,385	.065	76,276	10,462	213
Clinton	510,866,000	.100	483,193	29,317	1,644
Clement	238,770,000	.090	203,721	11,584	412
Autryville	117,457,895	.095	107,471	4,132	18
Garland	127,653,000	.100	122,807	5,046	200
Taylor's Bridge	225,912,857	.070	148,823	9,785	469
Goshen	20,284,286	.070	14,196	20	17
Taylor's Bridge Service	26,245,714	.035	8,685	574	73
			<u>2,631,178</u>	<u>148,529</u>	<u>6,905</u>
Grand Total			<u>\$ 37,553,959</u>	<u>\$ 2,230,309</u>	<u>\$ 89,447</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2017**

	<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	\$ 32,243,011	\$ 1,111,107	\$ 31,131,904	96.55	%
Registered Motor Vehicles	<u>4,679,008</u>	<u>-</u>	<u>4,679,008</u>	<u>100.00</u>	
	<u>36,922,019</u>	<u>1,111,107</u>	<u>35,810,912</u>	<u>96.99</u>	
Fire Districts:					
Plain View	257,786	7,275	250,511	97.18	
Spivey's Corner	161,026	2,800	158,226	98.26	
Halls	141,124	4,516	136,608	96.80	
Franklin	154,814	7,011	147,803	95.47	
Turkey	148,244	4,159	144,085	97.19	
Vanns	78,365	4,413	73,952	94.37	
Godwin-Falcon	28,105	254	27,851	99.10	
Coharie	155,981	5,881	150,100	96.23	
Herring	142,751	3,941	138,810	97.24	
Honeycutt-Salemburg	181,194	5,408	175,786	97.02	
Piney Grove	90,366	1,440	88,926	98.41	
Newton Grove	86,525	9,667	76,858	88.83	
Clinton	510,866	12,044	498,822	97.64	
Clement	214,893	6,662	208,231	96.90	
Autryville	111,585	3,885	107,700	96.52	
Garland	127,653	4,479	123,174	96.49	
Taylor's Bridge	158,139	2,212	155,927	98.60	
Goshen	14,199	442	13,757	96.89	
Taylor's Bridge Service	<u>9,186</u>	<u>340</u>	<u>8,846</u>	<u>96.30</u>	
	<u>2,772,802</u>	<u>86,829</u>	<u>2,685,973</u>	<u>96.87</u>	
Grand Total	<u>\$ 39,694,821</u>	<u>\$ 1,197,936</u>	<u>\$ 38,496,885</u>	<u>96.98</u>	%



Compliance Section

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

To the Board of County Commissioners
Sampson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated November 20, 2017. Our report includes a reference to other auditors who audited the financial statements of the Sampson Regional Medical Center, Inc., as described in our report on Sampson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

W Greene PLLC

Whiteville, North Carolina
November 20, 2017

**Report on Compliance for Each Major Federal Program; Report on
Internal Control Over Compliance; In Accordance with OMB Uniform Guidance;
and the State Single Audit Implementation Act**

Independent Auditor's Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Sampson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Sampson County's major federal programs for the year ended June 30, 2017. Sampson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sampson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sampson County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002 and 2017-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002 and 2017-003 that we consider to be significant deficiencies.

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

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

W GREENE PLLC

Whiteville, North Carolina
November 20, 2017

SAMPSON COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2017

SECTION I. SUMMARY OF AUDITOR'S RESULTS
--

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____	Yes	_____	X	No
				None
_____	Yes	_____	X	Reported

Significant deficiency(s) identified

Noncompliance material to financial statements noted

_____	Yes	_____	X	No
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SAMPSON COUNTY, NORTH CAROLINA
 Schedule of Findings and Questioned Costs (Continued)
 For the Fiscal Year Ended June 30, 2017

SECTION I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(s) identified	<u> X </u> Yes	<u> </u> None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes No

Identification of major federal programs:

<u>CFDA#</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program (Title XIX - Medicaid)

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,471,787

Auditee qualified as low-risk auditee? Yes X No

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2017

SECTION I. SUMMARY OF AUDITOR'S RESULTS (Continued)
--

State Awards

The only major State program for Sampson County is the Medical Assistance Program, CFDA# 93.778. This program is a State match on a federal program. Therefore, this program has been included in the list of major federal programs above.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2017

SECTION II. FINANCIAL STATEMENT FINDINGS

None Reported

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2017

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program
CFDA# 93.778

Significant Deficiency and Noncompliance - Eligibility
Finding 2017-001

Criteria: Per the NC DHHS, DMA requirements, Sampson County DSS is responsible for performing and completing an Online Verification (OLV) during the recertification process to check for the client's income and other details.

Condition and Context: Of the 123 case files sampled, we noted 1 case in which the Online Verification was not performed or missing from the file.

Effect: Potential for applicant to receive benefits who was not eligible to receive such benefits.

Cause: Administrative oversight.

Questioned costs: None noted.

Recommendation: We recommend that the County continue to conduct training to ensure that all staff are properly informed of applicable program requirements. We also recommend further second party reviews of case files by supervisors to ensure all program requirements are completed.

Views of Responsible Officials: See planned corrective action plan.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2017

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program
CFDA# 93.778

Significant Deficiency and Noncompliance - Eligibility
Finding 2017-002

Criteria: Per the NC DHHS, DMA requirements, Sampson County DSS is responsible for performing and completing the Asset Verification System (AVS) during the recertification process to check for the client's assets.

Condition and Context: Of the 123 case files sampled, we noted 9 cases in which the Asset Verification was not performed or missing from the file.

Effect: Potential for applicant to receive benefits who was not eligible to receive such benefits.

Cause: Although assets were verified and all cases remained eligible, a technical/administrative oversight resulted in that AVS was not checked.

Questioned costs: None noted.

Recommendation: While internal controls and training resulted in the most reliable source for asset verification being used, we recommend further second party review and training on also complying with the technical requirement to check AVS even when it is understood not to be a reliable source.

Views of Responsible Officials: See planned corrective action plan.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2017

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program
CFDA# 93.778

Significant Deficiency and Noncompliance - Eligibility
Finding 2017-003

Criteria: Per the NC DHHS, DMA requirements, Sampson County DSS is responsible for ensuring that proper documentation is obtained and entered into the individual's case file.

Condition and Context: Of the 123 case files sampled, we noted 2 cases in which information was not properly input or updated correctly in the NCFAST system.

Effect: Potential for applicant to incorrectly be deemed eligible or ineligible for program benefits.

Cause: Administrative oversight.

Questioned costs: None noted.

Recommendation: We recommend further second party reviews of case files by supervisors to ensure accuracy of all actions related to program requirements.

Views of Responsible Officials: See planned corrective action plan.

SAMPSON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2017

SECTION II. FINANCIAL STATEMENT FINDINGS

None Reported.

SAMPSON COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2017

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2017-001

Name of Contact Person: Sarah Bradshaw, Director

Corrective Action Taken: Supervisors are conducting training on policy and second party reviews are being conducted. The internal Quality Assurance, Data Management and Training Unit is also supporting administrative operations.

Finding 2017-002

Name of Contact Person: Sarah Bradshaw, Director

Corrective Action Taken: Supervisors are conducting training on policy and second party reviews are being conducted. The internal Quality Assurance, Data Management and Training Unit is also supporting administrative operations.

Finding 2017-003

Name of Contact Person: Sarah Bradshaw, Director

Corrective Action Taken: Supervisors are conducting training on policy and second party reviews are being conducted. The internal Quality Assurance, Data Management and Training Unit is also supporting administrative operations.

SAMPSON COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2017

SECTION II. FINANCIAL STATEMENT FINDINGS

Finding: 2016-001

Bond refunding calculation error causing correction of previously issued financial statement.

Status: Corrected

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2016-002

Data Collection Form for year ended June 30, 2015 not timely filed.

Status: Corrected

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards:						
US Department of Agriculture						
<u>Food & Nutrition Service</u>						
Passed through the N.C. Dept. of Health & Human Services						
Division of Social Services						
Administration						
Food Stamp Fraud Administration	10.561		59,706	-	-	59,706
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		882,991	-	-	882,991
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		387,952	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,534,027	-	-	-
Administration						
Child and Adult Care Food Program	10.558		61,541	-	-	-
Total US Department of Agriculture			2,926,217	-	-	942,697
US Department of Housing & Urban Development						
Passed through the NC Housing Finance Agency						
Home Investment Partnership Program	14.239	SFR14	303,540	-	-	-
Passed through the NC Department of Commerce						
Community Development Block Grant	14.228	13-E-2640	-	-	-	-
Total US Department of Housing & Urban Dev.			303,540	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards continued:						
US Department of Justice						
<u>Asset Forfeiture Fund</u>						
Equitable Sharing Funds	16.922		102,520	-	-	-
<u>Office for Victims of Crime</u>						
Passed through the NC Dept. of Public Safety						
Victims of Crime Act	16.575	010814	88,532	-	-	23,861
Total US Department of Justice			191,052	-	-	23,861
US Department of Transportation						
<u>Federal Aviation Administration</u>						
Passed through the NC Dept. of Transportation						
State Aid to Airports:						
Airport Construction	20.106	36237.12.10.2	6,001	-	-	667
Airport Construction	20.106		26,804	-	-	2,979
Airport Construction	20.106	36237.12.12.1	26,206	-	-	2,911
Total Federal Aviation Administration			59,011	-	-	6,557
<u>Federal Transit Administration</u>						
Passed through the NC Dept. of Transportation						
Public Transportation Division						
Community Transportation:						
Administration Funds (17-CT-015)	20.509	36233.94.18.1	140,875	8,284	-	26,322
Capital Program (17-CT-015)	20.509	36233.94.18.3	104,728	13,091	-	13,091
Total Federal Transit Administration			245,603	21,375	-	39,413
<u>National Highway Traffic Administration</u>						
Traffic Safety Equipment	20.601	K8-14-02-38	-	-	-	-
Passed through the NC Dept. of Crime Control & Public Safety						
Haz Mat Emergency Preparedness	20.703		-	-	-	-
Total US Department of Transportation			304,614	21,375	-	45,970
Institute of Museum & Library Services						
Passed through the NC Dept. of Cultural Resources						
LSTA EZ Edge Technology Grant	45.310		-	-	-	-
US Department of Homeland Security						
Passed through NC Dept. of Public Safety						
FEMA Hurricane Matthew	97.036	4285-DR-NC	371,117	120,341	-	-
FY 2016 EMPG	97.042		38,584	-	-	-
Total US Department of Homeland Security			409,701	120,341	-	-
US Dept. of Health & Human Services						
<u>Administration for Community Living</u>						
Passed through the NC Dept of Insurance						
Medicare Improvement for Patients & Providers						
	97.042		2,412	-	-	-
<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		189,325	-	-	21,036
Access Services	93.044		48,818	-	-	5,424
In-Home & Support Services	93.044		304,002	-	-	33,778
Total Aging Cluster			542,145	-	-	60,238

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards continued:						
US Dept. of Health & Human Services continued						
<u>Administration for Children & Families</u>						
Passed through the NC Dept of Health & Human Svcs						
Division of Social Services						
Foster Care & Adoption Cluster (Note 3)						
Title IV-E CPS	93.658		90,936	37,845	-	53,091
Title IV-E Foster Care Trn	93.658		8,456	-	-	2,819
Title IV-E Foster Care/Off Trn	93.658		224,555	-	-	224,555
Title IV-E Admin Foster Care	93.658		5,693	-	-	5,693
Title IV-E Adoption	N/A		1,486	-	-	1,598
Title IV-E Adoption/Off Trn	93.659		4,292	-	-	4,292
Title IV-E Adoption Training	93.659		66	-	-	22
Title IV-E Optional Adopt Trn 5	93.659		1,875	-	-	1,875
Foster Care	N/A		44,976	-	-	28,233
Direct Benefit Payments						
Title IV-E Admin Co Paid to CCI	93.658		42,888	21,444	-	21,444
Title IV-E Adoption Subsidy & Vendor	93.659		(25,364)	(6,463)	-	(6,463)
Title IV-E Family Foster Care Max	93.658		-	-	-	-
Title IV-E Foster Care & Extend Max	93.658		150,536	37,618	-	37,495
Title IV-E Foster Care & Extend Reg	93.658		158,333	40,620	-	38,386
Title IV-E Max Level III	93.658		7,167	-	-	3,600
Title IV-E Foster Care	93.658		(15,252)	(3,887)	-	(3,887)
Title IV-E Foster Care In Excess	93.658		(12,840)	(3,272)	-	(3,272)
Title IV-E Adopt & Vendor & GUA			347,684	87,351	-	86,301
Total Foster Care and Adoption Cluster (Note 3)			1,035,487	211,256	-	495,782
Temporary Assistance for Needy Families Cluster						
Temporary Assistance for Needy Families (TANF) -						
TANF-Family Preservation	93.556		33,730	-	-	-
TANF-Direct Benefit Pymts & Penalties	93.558		244,349	-	-	-
Work First Service	93.558		420,501	-	-	528,367
Work First Administration	93.558		87,481	-	-	104,635
Special Children Adoption-Direct Benefit	93.558		14,400	-	-	-
Total TANF Cluster			800,461	-	-	633,002
IV-D Administration	93.563		718,998	-	-	370,393
IV-D Offset Fees-Federal	93.563		2,295	(15)	-	1,197
IV-D Offset Fees-ESC	93.563		100	4	-	47
Refugee Assistance Admin	93.566		1,020	-	-	-
Refugee Assistance Payments	93.566		3,880	-	-	-
Low Income Home Energy Assistance Block Grant						
Administration	93.568		57,599	-	-	-
Direct Benefit Payments	93.568		325,238	-	-	-
Family Violence Prevention & Svcs	93.671		-	-	-	-
Crisis Intervention Program	93.568		130,342	-	-	-
Child Welfare Services-						
Permanency Planning Spec	93.645		16,096	-	-	5,365
SSBG-Other Service & Training	93.667		263,587	25,457	-	96,348
SSBG-In Home Services	93.667		1,408	-	-	201
SSBG-In Home Services Over 60	93.667		9,151	-	-	1,307
SSBG-Adult Day Care Over 60	93.667		1,461	1,391	-	408

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards continued:						
Passed through the NC Dept of Health & Human Svcs.						
SSBG-Adult Day Care	93.667		-	-	-	-
Independent Living Grant (LINKS)	93.674		9,460	2,365	-	-
Division of Public Health						
State Health Access Program	93.256		-	-	-	-
Division of Child Development						
Subsidized Child Care (Note 3)						
Child Care Development Fund Cluster						
Division of Social Services						
Administration	93.596		98,848	-	-	-
Division of Child Development						
Child Care & Development Discretionary	93.575		1,098,054	-	-	-
Child Care & Development Mandatory	93.596		410,620	-	-	-
Child Care & Development Match	93.596		111,584	-	-	-
Total Child Care Fund Cluster			1,719,106	-	-	-
Temporary Assistance for Needy Families	93.558		343,602	-	-	-
Foster Care Title IV-E	93.658		33,889	16,948	-	-
State Appropriations			-	137,955	-	-
TANF-Maintenance of Effort			-	219,573	-	-
Total Subsidized Child Care (Note 3)			2,096,597	374,476	-	-
Passed through the NC Dept of Health & Human Svcs.						
Division of Medical Assistance						
Direct Benefit Payments:						
Medical Assistance Program	93.778		67,622,527	36,357,013	-	-
Division of Social Services						
Administration:						
Medical Assistance Administration	93.778		1,943,537	-	-	658,444
Medical Transportation Administration	93.778		220,942	-	-	220,942
MAC	93.778		56,456	-	-	56,456
Adult Care Home Case Management	93.778		25,603	8,982	-	16,620
State/County Special Assistance	93.778		45,391	-	-	15,130
Total Medical Assistance Program			69,914,456	36,365,995	-	967,592
Direct Benefit Payments:						
State Children's Insurance Program -						
NC Health Choice	93.767		1,888,270	10,085	-	-
Division of Social Services						
Administration:						
State Children's Insurance Program -						
NC Health Choice	93.767		99,051	97	-	160
Total State Children's Insurance Prog.						
NC Health Choice			1,987,321	10,182	-	160
Passed through the NC Dept of Health & Human Svcs.						
Division of Public Health						
Project Grants and Cooperative						
Agreements for Tuberculosis Control	93.116		35,376	-	-	-
Well-Integrated Screening & Evaluation						
for Women Across the Nation	93.094		7,863	-	-	-
HPP & PHEP Aligned Cooperative						
Agreements	93.074		47,037	-	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards continued:						
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,486	-	-	-
Public Health Emergency Preparedness	93.069		-	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		11,120	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		8,415	-	-	-
Comprehensive Breast & Cervical Cancer Early Detection Programs	93.919		-	-	-	-
Preventive Health & Health Svcs Block Grant funded solely with PPHF	93.758		26,708	-	-	-
Statewide Health Promotion	93.991		-	-	-	-
Immunization Grants	93.268		7,854	-	-	-
Maternal and Child Health Services Block Grant	93.994		131,234	50,807	-	-
Prevention Investigations & Tech Asst.	93.283		-	-	-	-
HIV Prevention Activities	93.940		3,000	-	-	-
Sexually Transmitted Diseases Control	93.977		988	-	-	-
Temporary Assist for Needy Families	93.558		10,922	-	-	-
Total Division of Public Health			292,003	50,807	-	-
Office of Population Affairs						
Passed through the NC Dept of Health & Human Svcs. Office of Population Affairs						
Family Planning Services	93.217		46,268	-	-	-
Total Office of Population Affairs			46,268	-	-	-
Total US Dept. of Health & Human Services			78,257,785	37,041,918	-	2,632,040
Total Federal Awards			82,392,909	37,183,634	-	3,644,568
State Awards:						
N.C. Department of Health and Human Services						
Division of Aging and Adult Services						
<u>Division of Social Services</u>						
State/County Special Assistance for Adults-Direct Benefit Pymts			-	572,214	-	572,214
SAA/SAD HB 1030			-	31,739	-	25,823
Energy Assistance Private Grants			-	4,604	-	-
AFDC Incentive Program Integrity			-	1,528	-	-
State Foster Home			-	47,391	-	47,391
SFHF Maximization			-	50,863	-	50,863
St Child Welfare/CPS/CS LD			-	40,302	-	-
CWS Adoption Subsidy			-	82,937	-	15,262
F/C At Risk Maximization			-	10,737	-	5,510
Total Division of Social Services			-	842,315	-	717,063

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
State Awards continued:						
<u>Division of Public Health</u>						
General Aid to Counties			-	130,320	-	-
Maternal Health (HMHC)			-	19,341	-	-
Public Health Nursing			-	400	-	-
HIV/STD SSBG Aid			-	400	-	-
HIV/STD State			-	100	-	-
Child Health			-	496	-	-
Gen. Communicable Disease Control			-	3,659	-	-
Food and Lodging			-	11,416	-	-
HMHC-Family Planning			-	8,970	-	-
School Nurse Funding Initiative			-	400,000	-	-
Women's Health Service Fund			-	11,308	-	-
Breast & Cervical Cancer Program			-	3,825	-	-
Sexually Transmitted Diseases			-	1,590	-	-
Tuberculosis			-	60,163	-	-
Tuberculosis Medical Services			-	2,271	-	-
Health Resources & Service Administration			-	-	-	-
Total Division of Public Health			-	654,259	-	-
Total NC Department of Health and Human Services			-	1,496,574	-	717,063
Division of Aging & Adult Services						
Garland Senior Center			-	14,500	-	-
Family Caregiver Support Program			-	28,000	-	-
Total Division of Aging & Adult Services			-	42,500	-	-
NC Department of Transportation						
ROAP-Elderly and Disabled Trans.		36220.10.7.1	-	73,071	-	-
ROAP- Employment		36236.11.6.1	-	16,772	-	-
ROAP-Rural General Programs		36228.22.7.1	-	83,657	-	-
Total NC Department of Transportation			-	173,500	-	-
NC Housing Finance Agency						
Urgent Home Repair Program			-	-	-	-
Golden Leaf Foundation						
Project Trio (Water Tank)		FY2013-217	-	-	-	-
N.C. Department of Commerce						
Rural Economic Development Division						
Project Trio (Water Tank)		2013-223-40401-107	-	131,659	-	-
State Building Re-Use (Farm Fresh)			-	180,000	-	9,000
State Building Re-Use (Brooks Brothers)			-	87,665	-	-
Total NC Department of Commerce			-	399,324	-	9,000
N.C. Department of Public Safety						
<u>Division of Juvenile Justice & Delinquency Prevention</u>						
Juvenile Justice Crime Prevention Council Programs:						
Administration			-	4,540	-	-
Teen Court & Restitution			-	69,404	-	-
Youth Inspire Program			-	32,645	-	-
Temporary Shelter Program			-	4,200	-	-
Juvenile Innovations Program			-	6,500	-	-
Total NC Department of Public Safety			-	117,289	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
State Awards continued:						
NC Department of Cultural and Natural Resources						
<u>Division of State Library</u>						
State Aid to Public Libraries			-	119,379	-	773,398
Total NC Dept of Cultural and Natural Resources			-	119,379	-	773,398
NC Department of Public Instruction						
N.C. Education Lottery			-	1,084,487	-	-
Public School Building Capital Fund			-	-	-	-
Total NC Dept of Public Instruction			-	1,084,487	-	-
NC Department of Insurance						
Seniors Health Insurance Information Program			-	3,281	-	-
Total NC Department of Insurance			-	3,281	-	-
Total State Awards			-	3,436,334	-	1,499,461
Total Federal and State Awards			82,392,909	40,619,968	-	5,144,029

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

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

I. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Sampson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Sampson County, it is not intended to and does not present the financial position, changes in net position or cash flows of Sampson County.

II. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Sampson County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

III. Clusters of Programs

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