



Required Auditor Communications

County *of* Sampson

Fiscal Year June 30, 2015



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Contact Information

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bryonscott@tpsacpas.com



Required Auditor Communications

Area	Comments
Our Responsibility under Generally Accepted Auditing Standards	● Express opinion on these financial statements in conformity with generally accepted accounting principles. ● Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. ● Determine audit procedures based upon our risk assessment of material misstatement and evaluation of internal control. ● Evaluating appropriateness of accounting policies, reasonableness of significant accounting estimates, and overall presentation of financial statements. ● Communicating significant matters to management. ● Accumulate all known and likely misstatements identified and communicate them to appropriate level of management. ● We have no responsibility to perform procedures beyond those related to the financial statements.
Planned scope and timing of the audit	● Perform the audit according to our letter to you dated February 18, 2015.



Required Auditor Communications

Area	Comments
Significant accounting policies	● Management is responsible for selecting and implementing appropriate accounting policies. ● See Note 1 to the financial statements. ● No transactions entered into for which there was a lack of authoritative guidance. ● Significant policies are listed in detail in the notes section. There are no unusual policies. ● Significant transactions have been recognized in the proper period.
Significant accounting estimates	● Based on management's knowledge/experience. ● Significant estimates include uncollectable accounts, based on prior year write offs. ● Estimates are reasonable.
Significant disclosures	● Disclosures are neutral, consistent, and clear. ● Disclosure of advance bond refunding.
Difficulties encountered in Performing the audit	● No significant difficulties performing the audit.
Disagreements with management	● No such disagreements arose during the course of the audit.



Required Auditor Communications

Area	Comments
Corrected/uncorrected misstatements	● No uncorrected audit adjustments. Management reviewed and accepted responsibility for all proposed adjusting entries.
Management representation	● Management has signed representations and a copy is available upon request.
Consultations with other accountants	● None to our knowledge.
Other issues	● Discuss application of accounting principles and auditing standards prior to retention but not as a condition to our retention. ● Compared and reconciled supplementary information to underlying accounting records.
Other findings	● See compliance section of audit.



Communication of Internal Control Related Matters

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

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statement, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated February 11, 2016. Our report includes a reference to other auditors who audited the financial statements of the Sampson Regional Medical Center, Inc. as described in our report on Sampson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for 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.



Communication of Internal Control Related Matters

Compliance and Other Matters

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

Purpose of this Report

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

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

Elizabethtown, North Carolina

February 11, 2016



Schedule of Findings and Questioned Costs

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material Weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not considered to be material weaknesses _____ Yes X None reported

Noncompliance material to financial statements noted _____ Yes X No

Federal Awards

Internal control over major federal programs:

Material Weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not Considered to be material weaknesses _____ Yes X None reported

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

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program(Title XIX Medicaid)
*93.558	Temporary Assistance for Needy Families (TANF)

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

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,394,324

Auditee qualified as low-risk auditee? _____ Yes X No



Schedule of Findings and Questioned Costs

Section I – Summary of Auditors' Results

State Awards

Internal control over major State programs:

Material Weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not
Considered to be material weaknesses _____ Yes X None reported

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

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

Identification of major State programs:

Program Name

Medical Assistance Program (Title XIX Medicaid)

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

State/County Special Assistance for Adults



Corrective Action Plan

Section II – Financial Statement Findings

None Reported.

Section III – Federal Awards Findings and Questioned Costs

None Reported.

Section IV – State Awards Findings and Questioned Costs

None Reported.



Audit Presentation

County of Sampson

Fiscal Year June 30, 2015

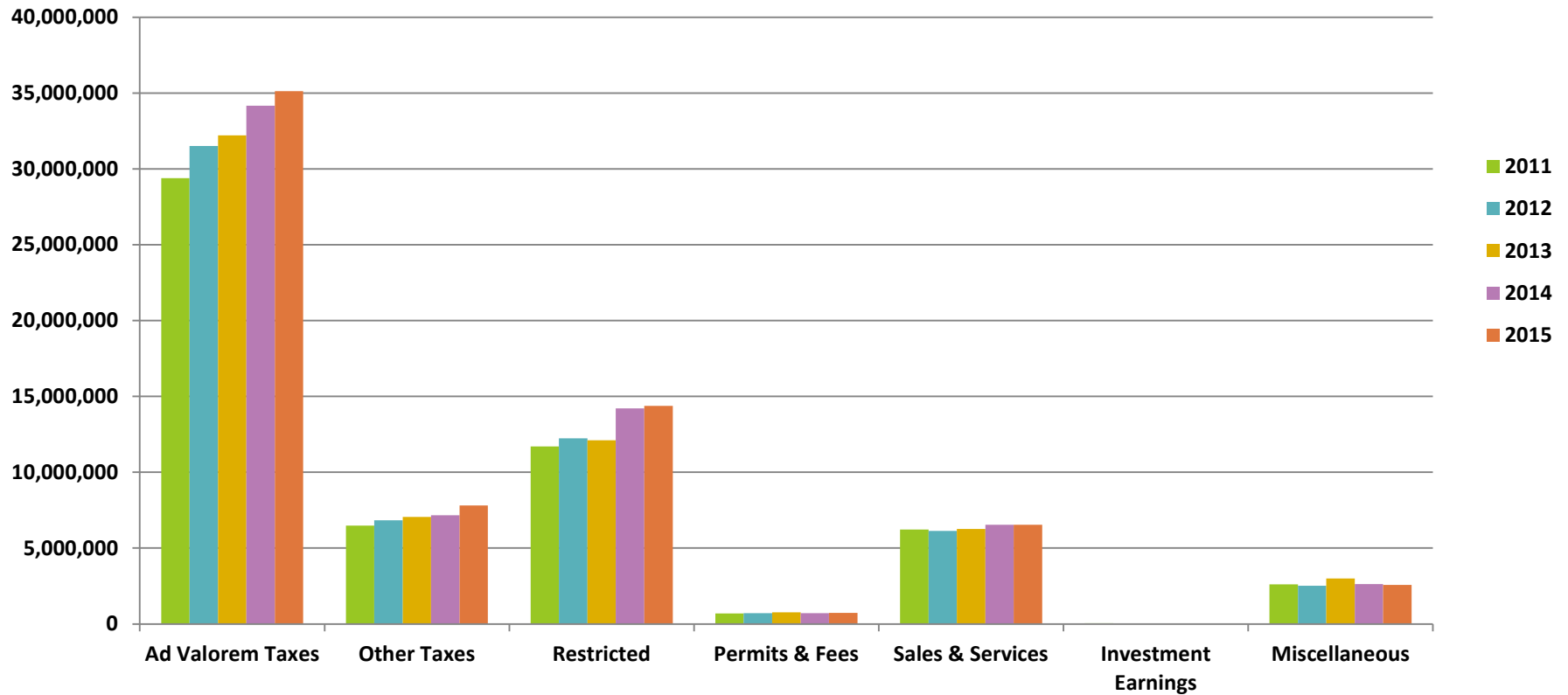
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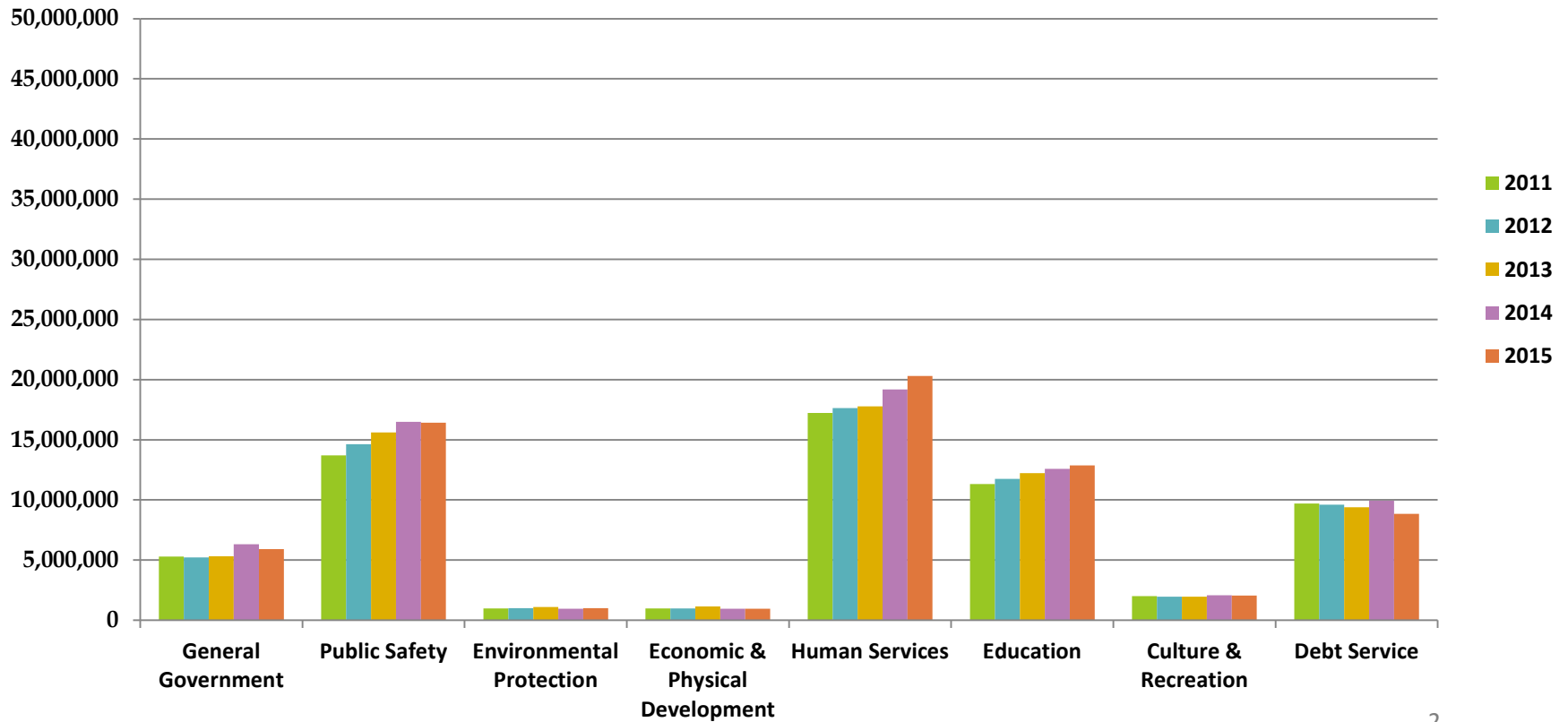


Sampson County General Fund Revenues 5-Year Comparison





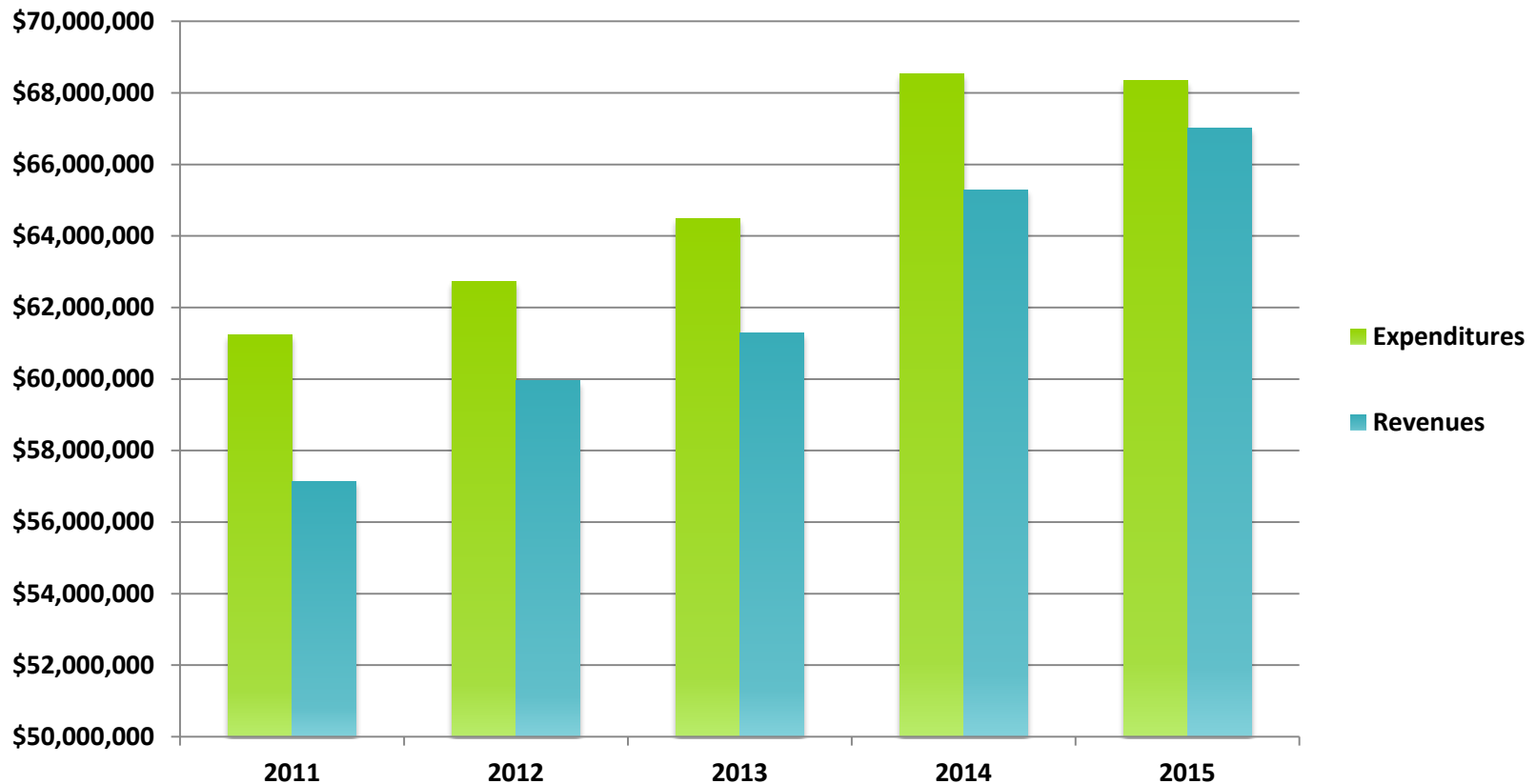
Sampson County General Fund Expenditures 5-Year Comparison





General Fund Revenues & Expenditures Analysis

Operating Revenues and Expenditures Only



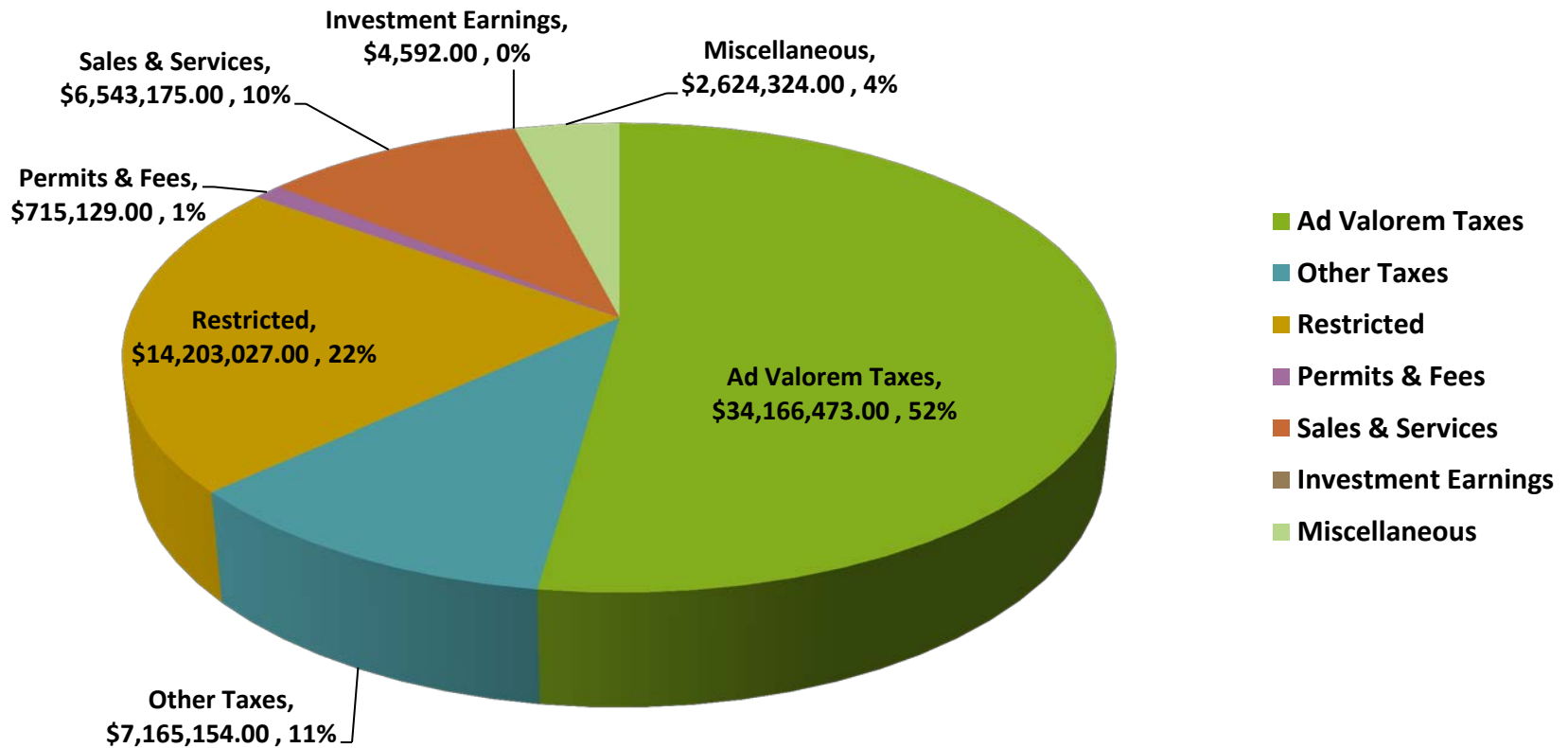


General Fund's Fund Balance Analysis



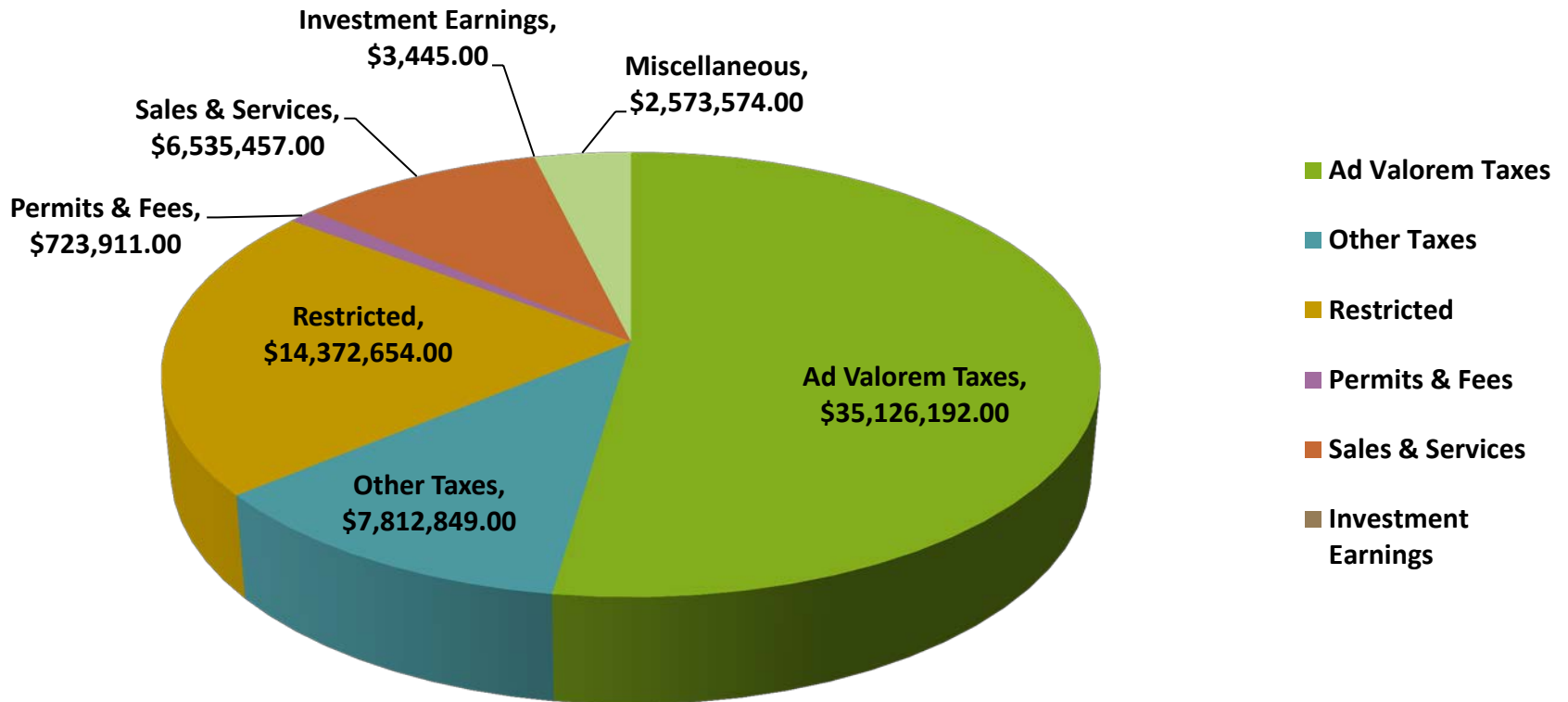


**Sampson County
General Fund Revenues
June 30, 2014**



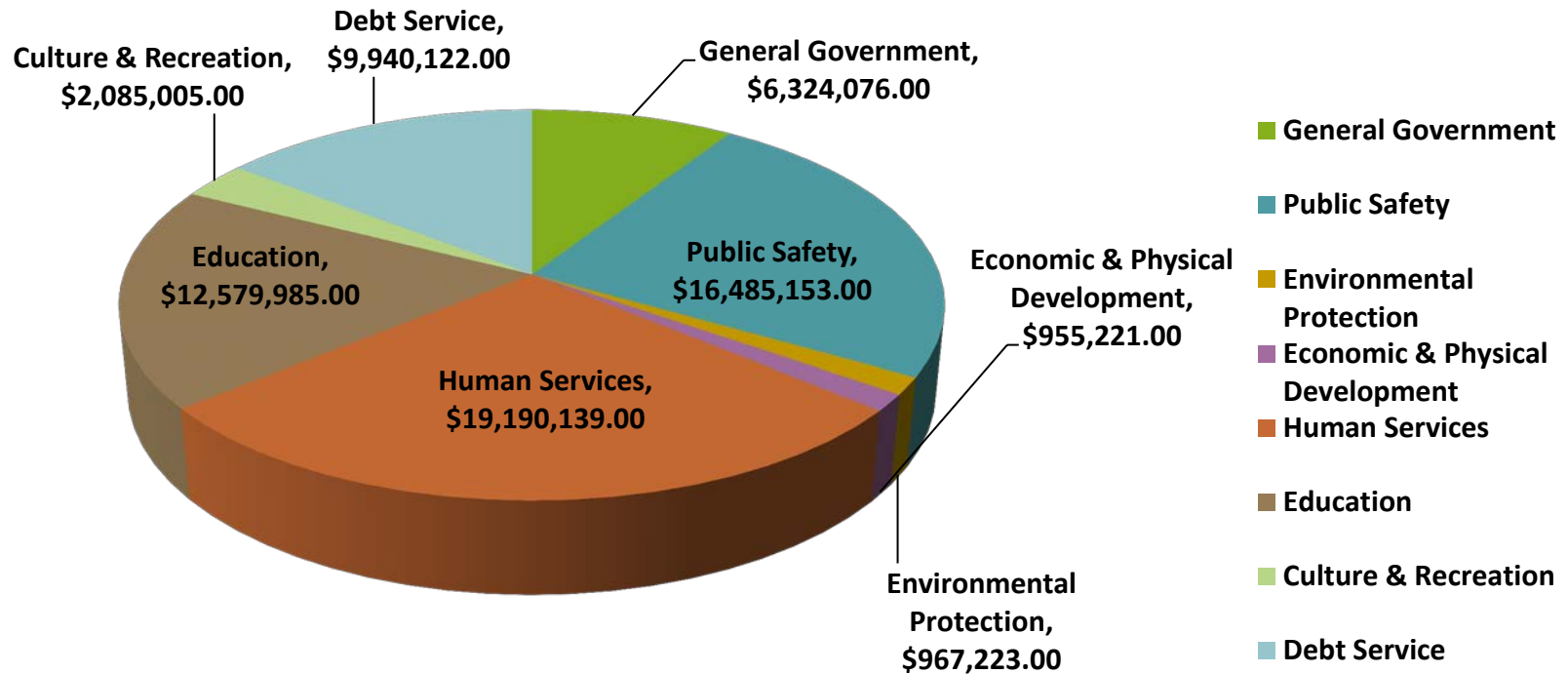


Sampson County General Fund Revenues June 30, 2015



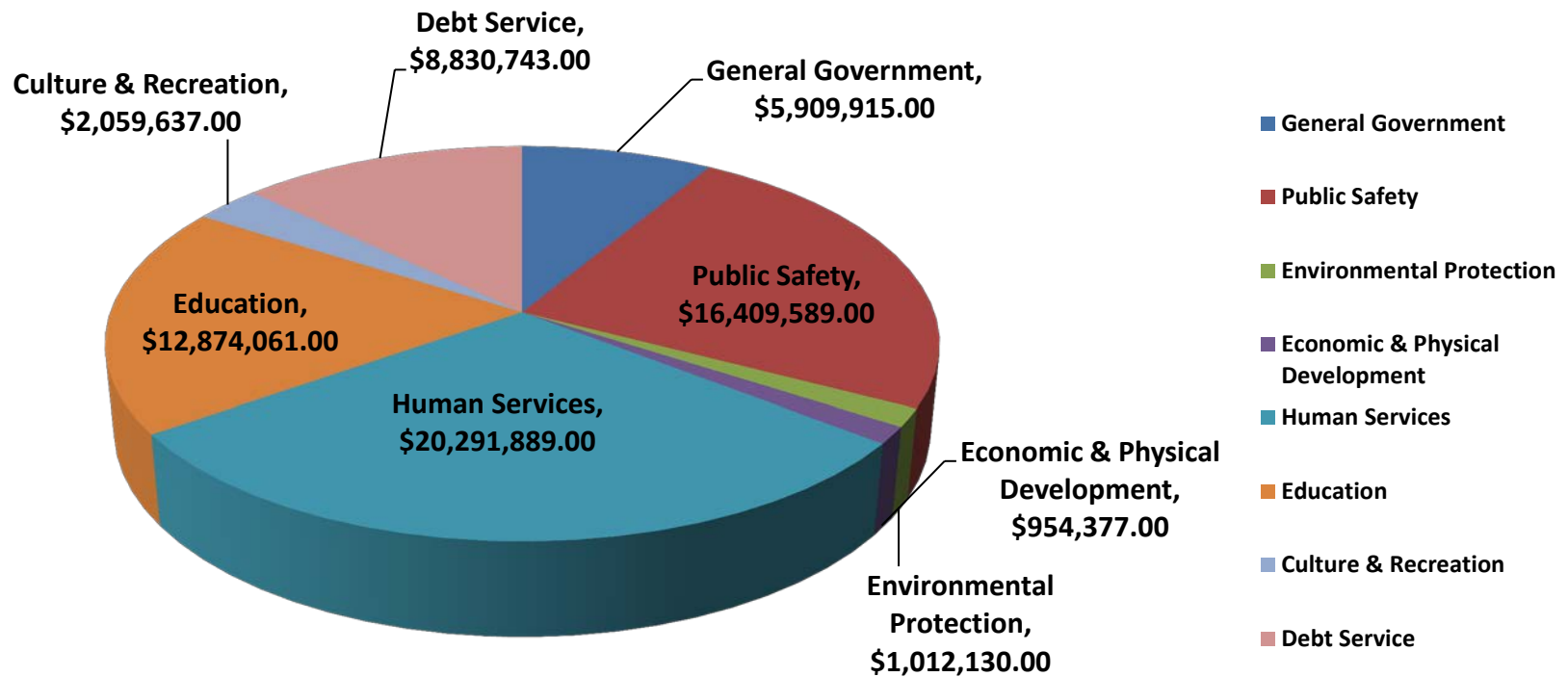


**Sampson County
General Fund Expenditures
June 30, 2014**



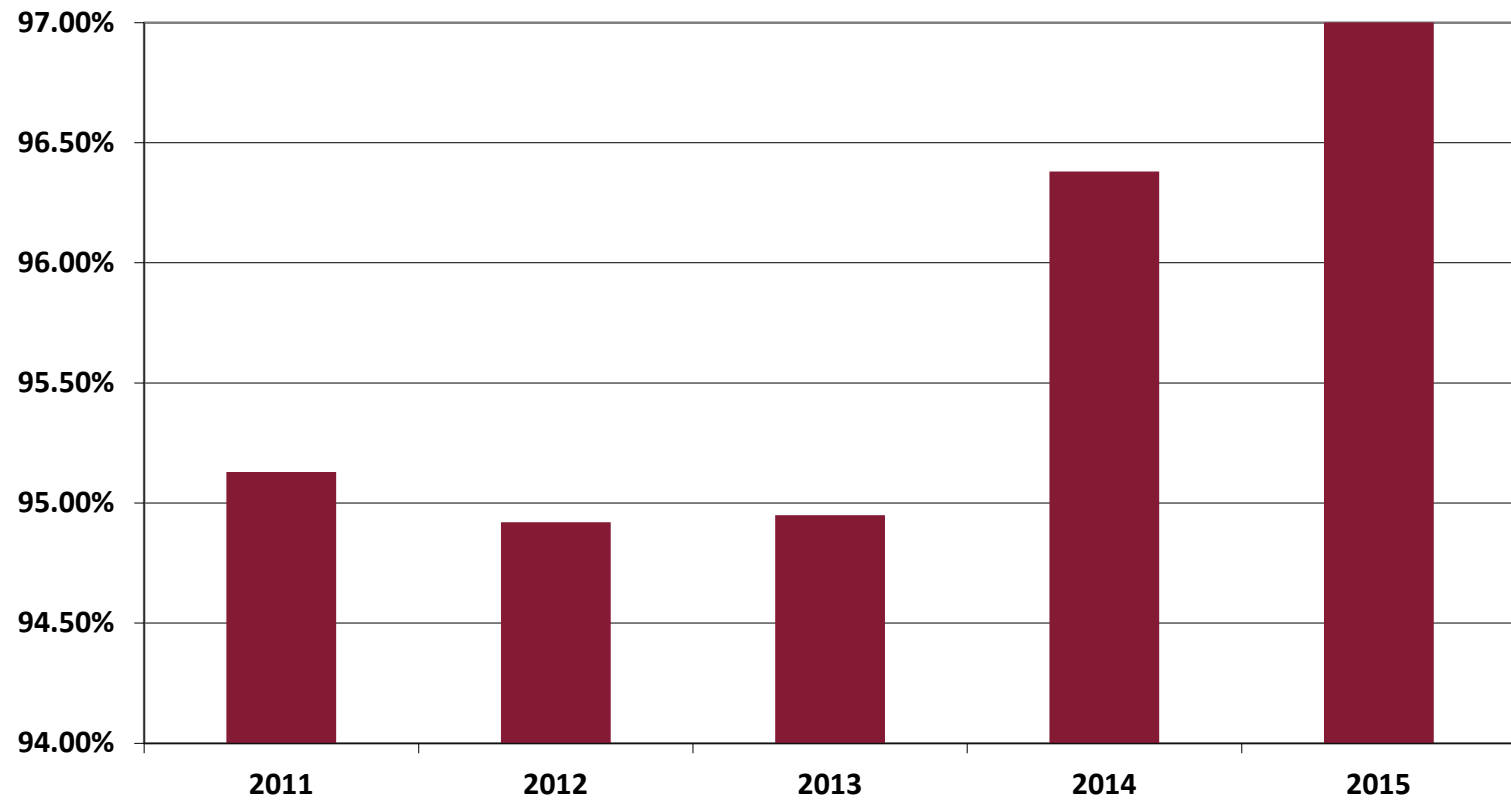


Sampson County General Fund Expenditures June 30, 2015



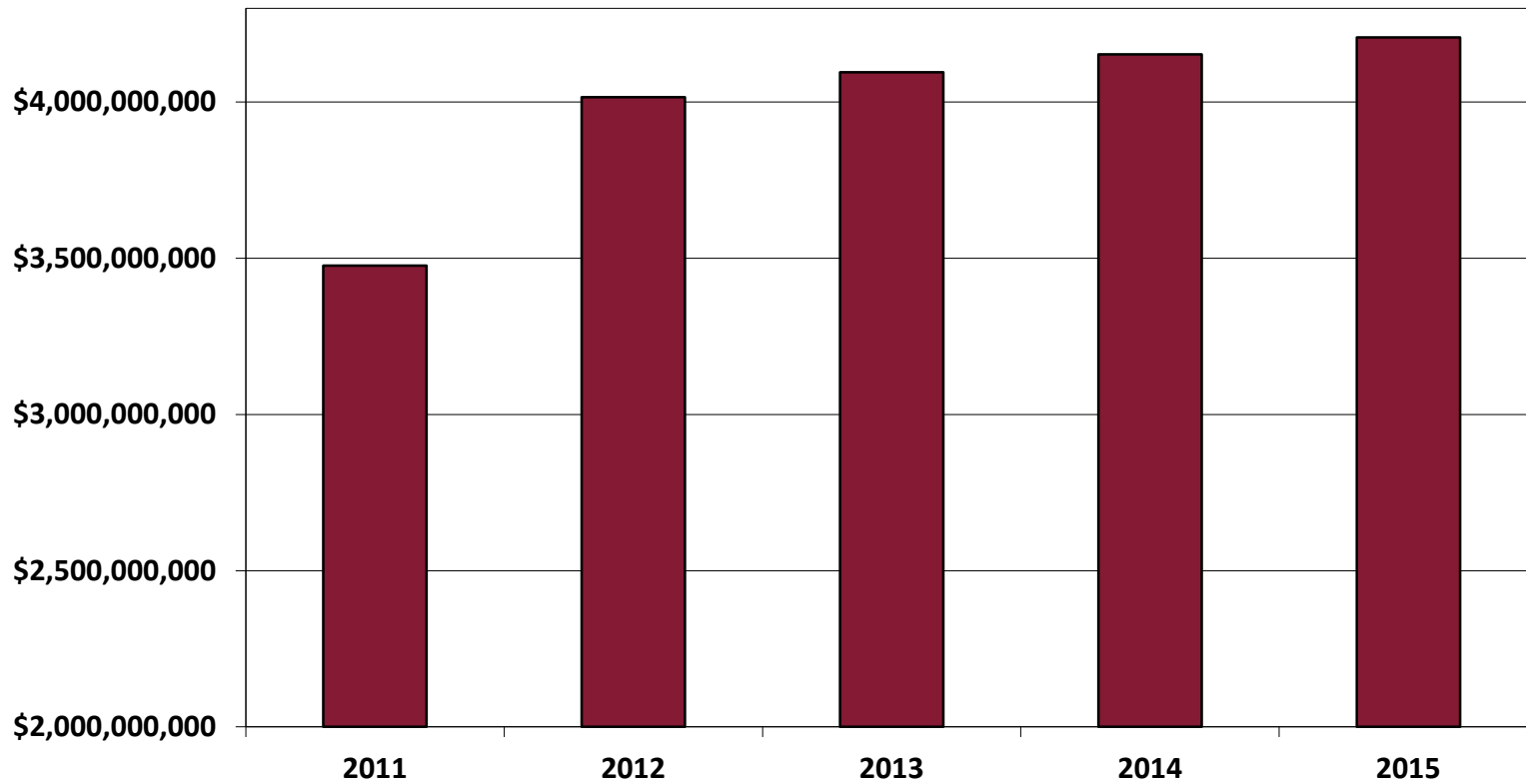


Tax Collection Rate Analysis





Property Tax Valuation Analysis





**Thank You, We Appreciate The
Opportunity to Work With The County.**

**SAMPSON COUNTY
NORTH CAROLINA
JUNE 30, 2015**

**SAMPSON COUNTY
NORTH CAROLINA**

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

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

**David K. Clack
Finance Officer**

Sampson County, North Carolina

Principal Officials

June 30, 2015

Board of Commissioners

**Billy C. Lockamy
Chairman**

**Sue L. Lee
Vice Chairman**

Albert D. Kirby, Jr.

Clark H. Wooten

Harry L. Parker

County Manager

Edwin W. Causey

Finance Officer

David K. Clack

SAMPSON COUNTY, NORTH CAROLINA
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FINANCIAL SECTION





Thompson, Price, Scott, Adams & Co., P.A.
Post Office Box 1690
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Telephone (910) 862-8129
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R. Bryon Scott, CPA
Gregory S. Adams, CPA
Alan W. Thompson, CPA

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year then ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Sampson County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4-13), and the Law Enforcement Officers' Special Separation Allowance (page 76), the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions Employer Contributions (page 77), the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions (pages 78-79), and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions (pages 80-81), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016 on our consideration of Sampson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA
Elizabethtown, North Carolina
February 11, 2016



Management's Discussion and Analysis

As management of Sampson County, we offer readers of Sampson County's financial statements this narrative overview and analysis of the financial activities of Sampson County for the fiscal year ended June 30, 2015. 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.

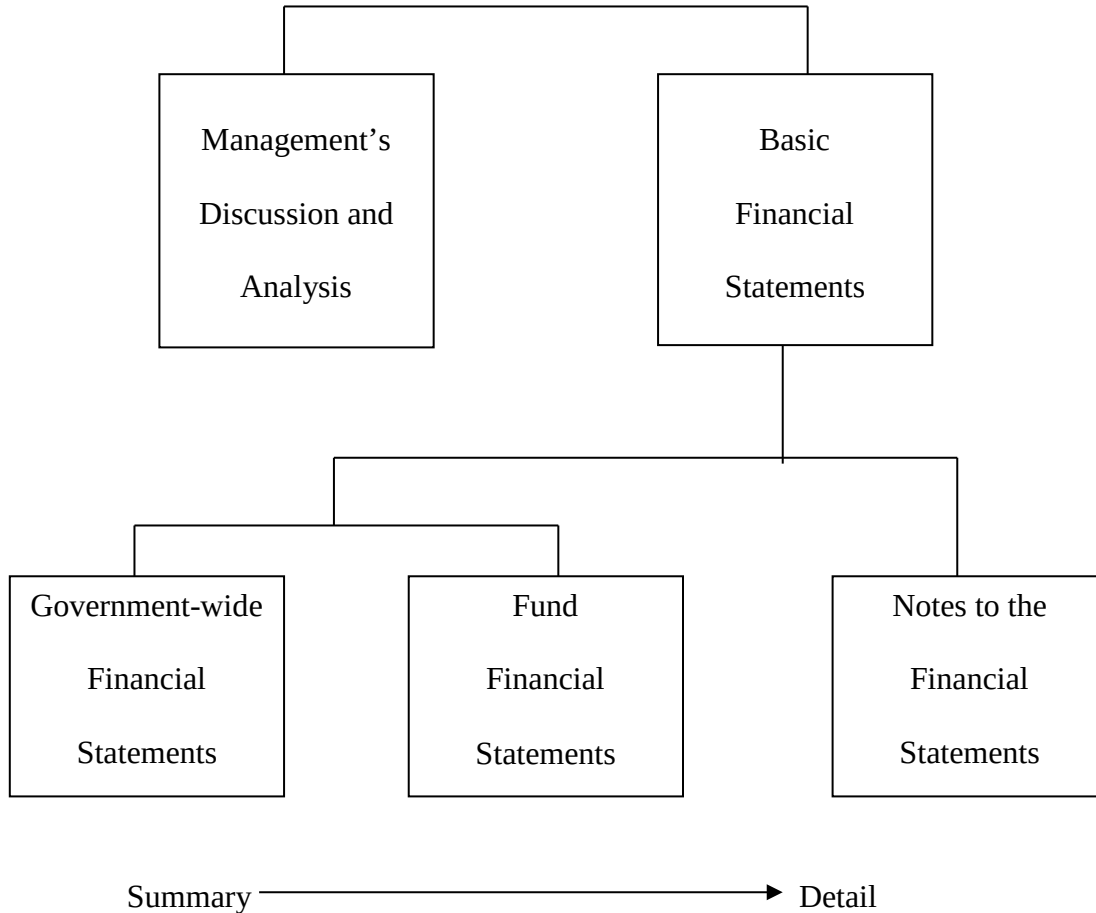
Financial Highlights

- 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 \$42,512,982(*net position*).
- The government's total net position increased by \$1,145,499, 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 \$29,196,686, an increase of \$191,276. Airport expansion capital project increased the fund balance by \$14,115, Schools Capital Projects fund activity increased the fund balance by \$94,024 and School Construction Fund activity decreased the fund balance by \$28,632. General fund activity increased fund balance by \$106,135. Approximately fourteen percent (23%) of the fund balance amount, \$6,822,300, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,822,300, or six percent (6%) of total general fund expenditures for the fiscal year.
- Sampson County's total long term obligations decreased by \$10,252,824. Several factors led the decrease in total debt as follows:
 - Bond refunding yielding a large premium off the original bonds.
 - Scheduled payments of principal on other loans.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Sampson County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide post-employment health care benefits to eligible employees. Required supplementary information can be found beginning on page 78 of this report.

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Sampson County exceeded

its liabilities and deferred inflows of resources by \$42,512,982 as of June 30, 2015. The County's net position increased by \$1,145,499 for the fiscal year ended June 30, 2015. The largest portion \$36,881,322 (87%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Sampson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net position \$17,435,693 (41%) represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is a negative \$11,804,033 (-28%). Also, the County implemented GASB Statement 68 this year. With the new reporting change, the County is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$2,379,554. Decisions regarding the allocations are made by the administrators of the pension plan, not by Sampson County's management.

Sampson County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 39,589,004	\$ 37,866,930	\$ 3,266,000	\$ 3,276,693	\$ 42,855,004	\$ 41,143,623
Capital assets	<u>136,958,317</u>	<u>140,674,057</u>	<u>25,229,516</u>	<u>25,305,418</u>	<u>162,187,833</u>	<u>165,979,475</u>
Total assets	<u>\$176,547,321</u>	<u>\$178,540,987</u>	<u>\$ 28,495,516</u>	<u>\$ 28,582,111</u>	<u>\$205,042,837</u>	<u>\$207,123,098</u>
Deferred outflows of resources	\$ 1,202,704	\$ 332,351	\$ 18,239	\$ -	1,220,943	332,351
Long-term liabilities outstanding	\$135,154,164	\$138,443,127	\$ 14,395,717	\$ 14,694,241	\$149,549,881	\$153,137,368
Other liabilities	<u>7,948,058</u>	<u>9,949,146</u>	<u>700,827</u>	<u>583,920</u>	<u>8,648,885</u>	<u>10,533,066</u>
Total liabilities	<u>\$143,102,222</u>	<u>\$148,392,273</u>	<u>\$ 15,096,544</u>	<u>\$ 15,278,161</u>	<u>\$158,198,766</u>	<u>\$163,670,434</u>
Deferred inflows of resources	\$ 5,486,380	\$ 37,978	\$ 65,652	\$ -	\$ 5,552,032	\$ 37,978
Net position:						
Net investment in capital assets	\$ 25,563,611	\$ 19,506,755	\$ 11,317,711	\$ 10,326,835	\$ 36,881,322	\$ 29,833,590
Restricted	17,427,463	20,626,468	8,230	-	17,435,693	20,626,468
Unrestricted	<u>(13,829,651)</u>	<u>(9,690,136)</u>	<u>2,025,618</u>	<u>2,977,115</u>	<u>(11,804,033)</u>	<u>(6,713,021)</u>
Total net position	<u>\$ 29,161,423</u>	<u>\$ 30,443,087</u>	<u>\$ 13,351,559</u>	<u>\$ 13,303,950</u>	<u>\$ 42,512,982</u>	<u>\$ 43,747,037</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%.
- Ad valorem tax rate increase to \$.83 per \$100 of value.
- Collections in excess of budget on property taxes, ambulance fees, and sales taxes.
- Decreased expenditures in order to maintain the services available to the citizens.

Sampson County's Changes in Net Position

Figure 3

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 10,092,846	\$ 10,182,475	\$ 2,646,138	\$ 2,623,450	\$ 12,738,984	\$ 12,805,925
Operating grants and contributions	13,583,420	13,102,880	-	-	13,583,420	13,102,880
Capital grants and contributions	1,299,093	2,014,514	579,359	255,641	1,878,452	2,270,155
General revenues:						
Property taxes	37,346,033	36,306,974	-	-	37,346,033	36,306,974
Other taxes	10,104,794	9,270,494	-	-	10,104,794	9,270,494
Investment earnings, unrestricted	4,673	6,336	458	653	5,131	6,989
Other	86,365	220,784	-	-	86,365	220,784
Total revenues	<u>72,517,224</u>	<u>71,104,457</u>	<u>3,225,955</u>	<u>2,879,744</u>	<u>75,743,179</u>	<u>73,984,201</u>
Expenses:						
General government	10,049,224	9,836,881	-	-	10,049,224	9,836,881
Public safety	18,847,926	19,517,854	-	-	18,847,926	19,517,854
Economic and physical development	922,342	1,005,634	-	-	922,342	1,005,634
Environmental protection	1,018,834	946,751	-	-	1,018,834	946,751
Human services	20,220,941	20,027,875	-	-	20,220,941	20,027,875
Cultural and recreation	2,019,475	2,126,817	-	-	2,019,475	2,126,817
Education	12,902,756	12,580,680	-	-	12,902,756	12,580,680
Interest on long-term debt	5,475,056	5,863,408	-	-	5,475,056	5,863,408
Water and sewer Dist. I	-	-	553,781	489,682	553,781	489,682
Water and sewer Dist. II	-	-	2,587,345	2,425,885	2,587,345	2,425,885
Total expenses	<u>71,456,554</u>	<u>71,905,900</u>	<u>3,141,126</u>	<u>2,915,567</u>	<u>74,597,680</u>	<u>74,821,467</u>
Change in net position before transfers & special items	1,060,670	(801,443)	84,829	(35,823)	1,145,499	(837,266)
Transfers	-	(26,600)	-	26,600	-	-
Change in net position	<u>1,060,670</u>	<u>(828,043)</u>	<u>84,829</u>	<u>(9,223)</u>	<u>1,145,499</u>	<u>(837,266)</u>
Net position, beginning(restated)	<u>28,100,753</u>	<u>31,271,130</u>	<u>13,266,730</u>	<u>13,313,173</u>	<u>41,367,483</u>	<u>44,584,303</u>
Net position, ending	<u>\$ 29,161,423</u>	<u>\$ 30,443,087</u>	<u>\$ 13,351,559</u>	<u>\$ 13,303,950</u>	<u>\$ 42,512,982</u>	<u>\$ 43,747,037</u>

Governmental activities: Governmental activities increased the County's net position by \$1,060,670, thereby accounting for ninety-nine percent 99% of the total reduction in the net position of Sampson County. Key elements of this decrease are as follows:

- Increased expenditures in public safety and education.

Business-type activities: Business-type activities increased Sampson County's net position by \$84,829, accounting for the remaining reduction in the government's total net position. Key elements of this decrease as compared to the prior year are as follows:

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

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Sampson County. At the end of the current fiscal year, unassigned fund balance of the General fund was \$6,822,300, while total fund balance was \$22,842,409. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned balance represents six percent (6%) of total General Fund expenditures, while total fund balance represents thirty-three percent (20%) percent of that same amount.

At June 30, 2015, the governmental funds of Sampson County reported a combined fund balance of \$29,196,686, a one percent (1%) increase over last year. The primary reason for this increase was mentioned earlier.

The other major governmental funds include the Schools Capital Projects Fund, the Airport expansion capital project fund, and the School Construction capital project fund. The Schools Capital Projects Fund accounts for the accumulation of resources to fund capital needs and debt for capital needs for the County's school districts. In the current fiscal year, restricted fund balance of the Schools Capital Projects Fund was \$2,750,908.

The Schools Capital Projects Fund fund balance increased \$94,024. This increase was due to revenues that were more than the expenditures for capital outlay and debt service for the school systems. The fund balance increased because sales taxes collected exceeded projections and the capital outlay budgeted by the school systems was not completely expended.

The County's other two major capital project funds are the Airport Expansion Capital Project and the Schools Construction Fund. The Airport Expansion fund accounts for the resources and costs to construct a taxi-way and apron at the Clinton-Sampson Airport. This construction is funded primarily grant funds from the North Carolina Department of Transportation. The School Construction fund accounts for the resources and costs to construct new school facilities in the County. This fund currently has a fund balance of \$2,103,707.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,134,740 or three percent (3%).

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 \$84,829. This increase was due to grant funds received for the capital project.

Capital Asset and Debt Administration

Capital assets. Sampson County's capital assets for its governmental and business-type activities as of June 30, 2015, totals \$162,187,833 (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	
	2015	2014	2015	2014	2015	2014
Land	\$ 6,338,480	\$ 6,172,038	\$ 225,319	\$ 225,319	\$ 6,563,799	\$ 6,397,357
Buildings and Systems	119,343,674	122,026,429	24,569,171	22,747,986	143,912,845	144,774,415
Machinery and Equipment	6,937,479	7,053,974	147,194	162,157	7,084,673	7,216,131
Vehicles and Motorized Equipment	1,372,643	1,241,680	207,481	167,502	1,580,124	1,409,182
Construction in Progress	2,966,041	4,179,936	80,351	2,002,452	3,046,392	6,182,388
Total	<u>\$136,958,317</u>	<u>\$140,674,057</u>	<u>\$ 25,229,516</u>	<u>\$ 25,305,416</u>	<u>\$162,187,833</u>	<u>\$165,979,473</u>

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

Long-term Debt. As of June 30, 2015, Sampson County had total bonded debt outstanding of \$10,779,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$40,410,000 in limited obligation bonds, \$76,448,932 outstanding in installment/purchase contracts, \$8,970,000 outstanding in installment purchase revenue bonds – all of which are being paid from general fund, school capital reserve fund, NC Education Lottery and water district service revenues.

Sampson County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ -	\$ -	\$ 10,779,000	\$ 11,663,000	\$ 10,779,000	\$ 11,663,000
Limited Obligation Bonds	40,410,000	-	-	-	40,410,000	-
Revenue Bonds	8,970,000	10,000,000	-	-	8,970,000	10,000,000
Installment Purchases	73,316,127	74,697,173	3,132,805	3,315,583	76,448,932	78,012,756
Certification of Participation	-	47,185,000	-	-	-	47,185,000
Total	<u>\$122,696,127</u>	<u>\$131,882,173</u>	<u>\$ 13,911,805</u>	<u>\$ 14,978,583</u>	<u>\$136,607,932</u>	<u>\$146,860,756</u>

Sampson County's total outstanding debt decreased by \$10,252,824 or seven percent (7%) during the past fiscal year, primarily due to bond refunding yielding a large premium off the original bonds and the scheduled debt payments.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Sampson County is \$213,814,562.

Additional information regarding Sampson County's long-term debt can be found on page 63 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate as of December, 2014 of 5.3% was lower than the state average of 5.5%.
- The property tax base dropped by 2.12%. This was largely due to the fact the County billed four (4) extra months of vehicles in the fiscal year ended June 30, 2014 due to a change in the general statutes.
- The tax collection rate of approximately 97% increased by .89% for the year.

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2015-2016 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities: In fiscal year June 30, 2016, the County tax rate remained unchanged at \$.83 cents per \$100 of value. The total operating budget increased by approximately \$5,300,000 primarily due to the implementation of a 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 experienced an increase in human services which was funded entirely by grant dollars and an increase in health insurance costs.

General Fund revenues are projected to increase \$2,471,867 or approximately five percent (5%). Increase in property tax and sales tax revenues represents the largest increases in revenues.

Budgeted expenditures in the General Fund are expected to increase approximately three percent (3%) to \$81,186,807. The largest increases are in costs for implementation of the new pay plan and additional costs for Human Services activities.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS



SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION

Exhibit 1

June 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Sampson County Tourism Development Authority	Sampson Reg. Medical Center, Inc.
ASSETS					
Cash and cash equivalents	\$ 22,170,032	\$ 2,870,094	\$ 25,040,126	\$ 86,886	\$ 4,790,814
Receivables (net)	10,028,338	287,656	10,315,994	8,988	8,089,451
Inventories	21,190	81,430	102,620	-	1,413,564
Prepays	-	-	-	-	458,142
Restricted cash and cash equivalents	5,497,506	-	5,497,506	-	14,448,332
Other non-current receivables	-	-	-	-	106,790
Net pension asset	1,871,938	26,820	1,898,758	-	-
Capital assets:					
Land, improvements, and construction in progress	9,304,521	305,670	9,610,191	-	2,708,096
Other capital assets, net of depreciation	127,653,796	24,923,846	152,577,642	-	21,306,993
Total capital assets	136,958,317	25,229,516	162,187,833	-	24,015,089
Total assets	<u>\$ 176,547,321</u>	<u>\$ 28,495,516</u>	<u>\$ 205,042,837</u>	<u>\$ 95,874</u>	<u>\$ 53,322,182</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,202,704</u>	<u>18,239</u>	<u>1,220,943</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 4,276,148	\$ 216,266	\$ 4,492,414	\$ 17,225	\$ 7,929,757
Long-term liabilities:					
Due within one year	3,671,910	484,561	4,156,471	-	3,116,677
Due in more than one year	135,154,164	14,395,717	149,549,881	-	6,402,889
Total liabilities	<u>143,102,222</u>	<u>15,096,544</u>	<u>158,198,766</u>	<u>17,225</u>	<u>17,449,323</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,486,380</u>	<u>65,652</u>	<u>5,552,032</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net Investment in capital assets	25,563,611	11,317,711	36,881,322	-	16,465,336
Restricted for:					
Stabilization by state statute	7,866,115	-	7,866,115	8,988	-
Revaluation	804,043	-	804,043	-	-
Public safety	1,261,390	-	1,261,390	-	-
Debt Service	3,258,291	8,230	3,266,521	-	-
Education	4,237,624	-	4,237,624	-	-
Capital acquisitions	-	-	-	-	438,359
Unrestricted	(13,829,651)	2,025,618	(11,804,033)	69,661	18,628,909
Net position of controlled organization	29,161,423	13,351,559	42,512,982	78,649	35,532,604
Noncontrolling interest in entity	-	-	-	-	340,255
Total net position	<u>\$ 29,161,423</u>	<u>\$ 13,351,559</u>	<u>\$ 42,512,982</u>	<u>\$ 78,649</u>	<u>\$ 35,872,859</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, 2015

Exhibit 2
Page 1 of 2

	Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 10,049,224	\$ 607,806	\$ -	\$ -
Public safety	18,847,926	5,345,787	349,760	-
Economic and physical development	922,342	37,126	5,041	125,579
Environmental protection	1,018,834	2,070,979	187,577	-
Human services	20,220,941	1,760,967	12,967,907	-
Culture and recreation	2,019,475	270,181	73,135	-
Education	12,902,756	-	-	1,173,514
Interest on long-term debt	5,475,056	-	-	-
Total governmental activities	71,456,554	10,092,846	13,583,420	1,299,093
Business-type activities:				
Water District II	2,587,345	2,053,513	-	579,359
Water District I	553,781	592,625	-	-
Total business-type activities	3,141,126	2,646,138	-	579,359
Total primary government	\$ 74,597,680	\$ 12,738,984	\$ 13,583,420	\$ 1,878,452
Component units:				
Sampson County Tourism Dev Authority	79,145	10,533	1,439	-
Sampson Regional Medical Ctr. Inc.	57,706,193	56,808,640	-	43,327
Total component unit	\$ 57,785,338	\$ 56,819,173	\$ 1,439	\$ 43,327

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

Exhibit 2
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	\$ (9,441,418)	\$ -	\$ (9,441,418)		
Public safety	(13,152,379)	-	(13,152,379)		
Economic and physical development	(754,596)	-	(754,596)		
Environmental protection	1,239,722	-	1,239,722		
Human services	(5,492,067)	-	(5,492,067)		
Culture and recreation	(1,676,159)	-	(1,676,159)		
Education	(11,729,242)	-	(11,729,242)		
Interest on long-term debt	(5,475,056)	-	(5,475,056)		
Total governmental activities	<u>(46,481,195)</u>	<u>-</u>	<u>(46,481,195)</u>		
Business-type activities:					
Water District II	-	45,527	45,527		
Water District I	-	38,844	38,844		
Total business-type activities	<u>-</u>	<u>84,371</u>	<u>84,371</u>		
Total primary government	<u>\$ (46,481,195)</u>	<u>\$ 84,371</u>	<u>\$ (46,396,824)</u>		
Component units:					
Sampson County Tourism Dev Authority				\$ (67,173)	\$ -
Sampson Regional Medical Ctr. Inc.				-	(854,226)
Total component units				<u>\$ (67,173)</u>	<u>\$ (854,226)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose	37,346,033	-	37,346,033	-	-
Other taxes and fees	10,104,794	-	10,104,794	74,156	-
Investment earnings, unrestricted	4,673	458	5,131	-	36,180
Miscellaneous, unrestricted	86,365	-	86,365	-	(105,441)
Total general revenues excluding transfers	47,541,865	458	47,542,323	74,156	(69,261)
Transfers	-	-	-	-	-
Total general revenues and transfers	47,541,865	458	47,542,323	74,156	(69,261)
Change in net position	1,060,670	84,829	1,145,499	6,983	(923,487)
Net position - beginning, previously reported	30,443,087	13,303,950	43,747,037	71,666	36,456,091
Restatement	(2,342,334)	(37,220)	(2,379,554)	-	-
Net position, beginning, restated	28,100,753	13,266,730	41,367,483	71,666	36,456,091
Net position - ending	<u>\$ 29,161,423</u>	<u>\$ 13,351,559</u>	<u>\$ 42,512,982</u>	<u>\$ 78,649</u>	<u>\$ 35,532,604</u>

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

SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

Exhibit 3
Page 1 of 3

	Major			
	General	Schools Capital Projects	Schools Construction Fund	Airport Expansion Capital Project
Assets:				
Cash and cash equivalents	\$ 16,961,299	\$ -	\$ -	\$ -
Restricted cash	1,259,882	2,133,917	2,103,707	-
Taxes receivable (net)	1,992,882	-	-	-
Accounts receivable	6,546,385	616,991	-	78,641
Due from other funds	367,041	-	-	-
Inventories	21,190	-	-	-
Total Assets	<u>\$ 27,148,679</u>	<u>\$ 2,750,908</u>	<u>\$ 2,103,707</u>	<u>\$ 78,641</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,262,178	\$ -	\$ -	\$ -
Due to general fund	-	-	-	351,479
Total Liabilities	<u>2,262,178</u>	<u>-</u>	<u>-</u>	<u>351,479</u>
Deferred Inflows of Resources:				
Property taxes receivable	1,992,882	-	-	-
Prepaid taxes	51,210	-	-	-
Total Deferred Inflows of Resources	<u>2,044,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Inventories	21,190	-	-	-
Restricted:				
Stabilization by state statute	7,079,044	616,991	-	78,641
Public safety	455,839	-	-	-
Debt service	3,258,291	-	-	-
Education	-	2,133,917	2,103,707	-
Revaluation	804,043	-	-	-
Committed:				
Nonmajor funds	-	-	-	-
Capital projects	1,003,707	-	-	(351,479)
Assigned:				
Subsequent year's expenditures	3,410,094	-	-	-
Unassigned	6,810,201	-	-	-
Total fund balances	<u>22,842,409</u>	<u>2,750,908</u>	<u>2,103,707</u>	<u>(272,838)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,148,679</u>	<u>\$ 2,750,908</u>	<u>\$ 2,103,707</u>	<u>\$ 78,641</u>

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

SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

Exhibit 3
Page 2 of 3

	Non-Major Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and cash equivalents	\$ 1,730,484	\$ 18,691,783
Restricted cash	-	5,497,506
Taxes receivable (net)	114,978	2,107,860
Accounts receivable	91,439	7,333,456
Due from other funds	-	367,041
Inventories	-	21,190
Total Assets	<u>\$ 1,936,901</u>	<u>\$ 34,018,836</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 33,861	\$ 2,296,039
Due to general fund	15,562	367,041
Total Liabilities	<u>49,423</u>	<u>2,663,080</u>
Deferred Inflows of Resources:		
Property taxes receivable	114,978	2,107,860
Prepaid taxes	-	51,210
Total Deferred Inflows of Resources	<u>114,978</u>	<u>2,159,070</u>
Fund balances:		
Nonspendable:		
Inventories	-	21,190
Restricted:		
Stabilization by state statute	91,439	7,866,115
Public safety	805,551	1,261,390
Debt service	-	3,258,291
Education	-	4,237,624
Revaluation	-	804,043
Committed:		
Nonmajor funds	875,510	875,510
Capital projects	-	652,228
Assigned:		
Subsequent year's expenditures	-	3,410,094
Unassigned	-	6,810,201
Total fund balances	<u>1,772,500</u>	<u>29,196,686</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,936,901</u>	<u>\$ 34,018,836</u>

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



SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

Exhibit 3
Page 3 of 3

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

Total Fund Balance, Governmental Funds	29,196,686
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	136,958,317
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds	512,887
Charges related to advance refunding bonds issued.	
Net pension asset.	1,871,938
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,201,688
Deferred inflows of resources for taxes.	2,107,860
Deferred gain related to bonding refunding issue.	(1,118,970)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(132,182,357)
Pension and other post-employment benefits liability	(8,557,409)
Pension deferrals	(4,315,184)
Internal service fund allocation	3,485,967
Net position of governmental activities	<u>\$ 29,161,423</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, 2015

Exhibit 4
Page 1 of 3

		Major		
	General	Schools Capital Projects	Schools Construction Fund	Airport Expansion Capital Project
REVENUES				
Ad Valorem taxes	\$ 35,126,192	\$ -	\$ -	\$ -
Other taxes and licenses	7,812,849	2,291,944	-	-
Intergovernmental Revenues:				
Restricted	14,372,654	-	-	125,579
Permits and fees	723,911	-	-	-
Sales and services	6,535,457	-	-	-
Investment earnings	3,445	339	63	-
Miscellaneous	2,573,574	-	-	-
Total revenues	<u>67,148,082</u>	<u>2,292,283</u>	<u>63</u>	<u>125,579</u>
EXPENDITURES				
Current:				
General government	5,909,915	-	-	-
Public safety	16,409,589	-	-	-
Environmental protection	1,012,130	-	-	-
Economic and physical development	954,377	-	-	111,464
Human services	20,291,889	-	-	-
Culture and recreation	2,059,637	-	-	-
Education	12,874,061	-	28,695	-
Debt service				
Principal	3,987,634	-	-	-
Interest and fees	5,920,759	-	-	-
Bond issuance cost	405,707	-	-	-
Administration	93,231	-	-	-
Total expenditures	<u>69,918,929</u>	<u>-</u>	<u>28,695</u>	<u>111,464</u>
Excess (deficiency) of revenues over expenditures	<u>(2,770,847)</u>	<u>2,292,283</u>	<u>(28,632)</u>	<u>14,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,198,259	-	-	-
Transfers out	(174,876)	(2,198,259)	-	-
Refunding bonds issued	46,462,011	-	-	-
Payment to refunded bond escrow agent	(45,608,412)	-	-	-
Total other financing sources (uses)	<u>2,876,982</u>	<u>(2,198,259)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	106,135	94,024	(28,632)	14,115
Fund balances-beginning	<u>22,736,274</u>	<u>2,656,884</u>	<u>2,132,339</u>	<u>(286,953)</u>
Fund balances-ending	<u>\$ 22,842,409</u>	<u>\$ 2,750,908</u>	<u>\$ 2,103,707</u>	<u>\$ (272,838)</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, 2015

Exhibit 4
Page 2 of 3

	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES		
Ad Valorem taxes	\$ 2,574,139	\$ 37,700,331
Other taxes and licenses	-	10,104,793
Intergovernmental Revenues:		
Restricted	384,280	14,882,513
Permits and fees	351,741	1,075,652
Sales and services	-	6,535,457
Investment earnings	273	4,120
Miscellaneous	120	2,573,694
Total revenues	<u>3,310,553</u>	<u>72,876,560</u>
EXPENDITURES		
Current:		
General government	-	5,909,915
Public safety	2,891,220	19,300,809
Environmental protection	4,573	1,016,703
Economic and physical development	-	1,065,841
Human services	584,002	20,875,891
Culture and recreation	-	2,059,637
Education	-	12,902,756
Debt service		
Principal	-	3,987,634
Interest and fees	-	5,920,759
Bond issuance cost	-	405,707
Administration	-	93,231
Total expenditures	<u>3,479,795</u>	<u>73,538,883</u>
Excess (deficiency) of revenues over expenditures	<u>(169,242)</u>	<u>(662,323)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	174,876	2,373,135
Transfers out	-	(2,373,135)
Refunding bonds issued	-	46,462,011
Payment to refunded bond escrow agent	-	(45,608,412)
Total other financing sources (uses)	<u>174,876</u>	<u>853,599</u>
Net change in fund balance	5,634	191,276
Fund balances-beginning	<u>1,766,866</u>	<u>29,005,410</u>
Fund balances-ending	<u>\$ 1,772,500</u>	<u>\$ 29,196,686</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, 2015

Exhibit 4
Page 3 of 3

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

Net changes in fund balances - total governmental funds	\$ 191,276
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.	(3,710,148)
Cost of capital asset disposed of during the year, not recongized on modified accrual basis	(5,592)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,201,688
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(354,297)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current funancial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and realted items.	3,229,710
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	716,751
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>(208,718)</u>
Total changes in net position of governmental funds	<u>1,060,670</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, 2015

Exhibit 5
Page 1 of 2

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad Valorem taxes	\$ 34,889,297	\$34,889,297	\$35,004,192	\$ 114,895
Other taxes and licenses	7,077,070	7,077,070	7,812,849	735,779
Intergovernmental Revenues:				
Restricted	13,380,909	15,282,311	14,372,654	(909,657)
Permits and fees	737,910	737,910	723,911	(13,999)
Sales and services	6,185,714	6,408,618	6,535,457	126,839
Investment earnings	16,300	16,300	3,162	(13,138)
Miscellaneous	2,399,244	2,409,678	2,573,574	163,896
Total revenues	<u>64,686,444</u>	<u>66,821,184</u>	<u>67,025,799</u>	<u>204,615</u>
Expenditures				
Current:				
General government	6,109,073	6,449,155	5,909,915	539,240
Public safety	16,381,510	16,784,432	16,409,589	374,843
Environmental protection	1,064,213	1,110,705	1,012,130	98,575
Economic and physical dev	1,165,470	1,172,636	954,377	218,259
Human services	19,825,879	21,678,556	20,291,889	1,386,667
Education	12,968,184	13,440,052	12,874,061	565,991
Culture and recreation	2,206,321	2,218,211	2,059,637	158,574
Debt service				
Principal	4,357,528	4,224,038	3,987,634	236,404
Interest and fees	6,122,623	5,977,986	5,920,759	57,227
Bond issuance cost	-	405,707	405,707	-
Administration	99,231	93,232	93,231	1
Contingency	300,000	296,138	-	296,138
Total expenditures	<u>70,600,032</u>	<u>73,850,848</u>	<u>69,918,929</u>	<u>3,931,919</u>
Revenues over (under) expenditures	<u>(5,913,588)</u>	<u>(7,029,664)</u>	<u>(2,893,130)</u>	<u>4,136,534</u>
Other Financing Sources (Uses)				
Transfers in	2,198,799	2,680,897	2,296,259	(384,638)
Transfers out	(174,876)	(174,876)	(174,876)	-
Loan proceeds	598,528	-	-	-
Refunding bonds issued	-	46,462,011	46,462,011	-
Payment to refunded bond escrow agen	-	(45,608,412)	(45,608,412)	-
Total other financing sources (uses)	<u>2,622,451</u>	<u>3,359,620</u>	<u>2,974,982</u>	<u>(384,638)</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, 2015

Exhibit 5
Page 2 of 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,291,137)	(3,670,044)	81,852	3,751,896
Appropriated Fund Balance	<u>3,291,137</u>	<u>3,670,044</u>	<u>-</u>	<u>(3,670,044)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	81,852	<u>\$ 81,852</u>
Fund balance -beginning			<u>20,952,807</u>	
Fund balance - ending			<u>\$21,034,659</u>	

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

Property taxes & Interest income	122,283
Expenditures	-
Transfers to General Fund	(98,000)
Transfer from General Fund	-
Transfer to Other Funds	<u>-</u>
Fund Balance Beginning	<u>1,783,467</u>
Fund Balance Ending(Exhibit 4)	<u>\$22,842,409</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2015

Exhibit 6

	Major			
	Water and Sewer District II	Water and Sewer District I	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,121,201	\$ 1,748,893	\$ 2,870,094	\$ 3,478,249
Accounts receivable (net)	824	239	1,063	74,135
Water fees receivable (net)	248,538	38,055	286,593	-
Inventory	63,467	17,963	81,430	-
Total current assets	1,434,030	1,805,150	3,239,180	3,552,384
Noncurrent assets:				
Pension asset	17,969	8,851	26,820	-
Capital assets:				
Land, improvements, and construction in progress	288,863	16,807	305,670	-
Other capital assets net of depreciation	22,885,213	2,038,633	24,923,846	-
Total capital assets	23,174,076	2,055,440	25,229,516	-
Total assets	24,626,075	3,869,441	28,495,516	3,552,384
DEFERRED OUTFLOWS OF RESOURCE	12,160	6,079	18,239	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	171,221	45,045	216,266	66,417
Compensated absences	18,645	10,876	29,521	-
Notes payable	163,090	20,450	183,540	-
General obligation bonds payable	245,000	26,500	271,500	-
Total Current Liabilities	597,956	102,871	700,827	66,417
Noncurrent liabilities:				
Compensated absences	1,676	979	2,655	-
Other post-employment benefits	80,658	44,369	125,027	-
Notes payable	2,949,265	-	2,949,265	-
Unamortized Premium on Bonds	811,270	-	811,270	-
General obligation bonds payable	9,745,000	762,500	10,507,500	-
Total noncurrent liabilities	13,587,869	807,848	14,395,717	-
Total liabilities	14,185,825	910,719	15,096,544	66,417
DEFERRED INFLOWS OF RESOURCES	43,993	21,659	65,652	-
NET POSITION				
Net Investment in Capital Assets	10,071,721	1,245,990	11,317,711	-
Debt service	8,230	-	8,230	-
Unrestricted	328,466	1,697,152	2,025,618	3,485,967
Total net position	\$ 10,408,417	\$ 2,943,142	\$ 13,351,559	\$ 3,485,967

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, 2015

Exhibit 7

	Major			
	Water and Sewer District II	Water and Sewer District I	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 1,933,152	\$ 561,238	\$ 2,494,390	\$ 6,551,972
Water tap fees	33,950	6,300	40,250	-
Miscellaneous	86,411	25,087	111,498	397,972
Total operating revenues	<u>2,053,513</u>	<u>592,625</u>	<u>2,646,138</u>	<u>6,949,944</u>
OPERATING EXPENSES				
Administration	332,930	95,452	428,382	-
Water Distribution	362,187	190,771	552,958	-
Operations and maintenance	430,078	118,798	548,876	-
Depreciation	708,730	105,748	814,478	-
Claims paid	-	-	-	6,638,900
Total operating expenses	<u>1,833,925</u>	<u>510,769</u>	<u>2,344,694</u>	<u>6,638,900</u>
Operating income (loss)	<u>219,588</u>	<u>81,856</u>	<u>301,444</u>	<u>311,044</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	183	275	458	553
Interest expense	(753,420)	(43,012)	(796,432)	-
Total nonoperating revenues (expenses)	<u>(753,237)</u>	<u>(42,737)</u>	<u>(795,974)</u>	<u>553</u>
Income (loss) before contributions and transfers	(533,649)	39,119	(494,530)	311,597
Capital contributions	579,359	-	579,359	-
Transfer from general fund	-	-	-	-
Change in net position	<u>45,710</u>	<u>39,119</u>	<u>84,829</u>	<u>311,597</u>
Total net position - beginning, as previously reported	10,387,644	2,916,306	13,303,950	3,174,370
Restatement	(24,937)	(12,283)	(37,220)	-
Net position, beginning, restated	<u>10,362,707</u>	<u>2,904,023</u>	<u>13,266,730</u>	<u>3,174,370</u>
Total net position - ending	<u>\$ 10,408,417</u>	<u>\$ 2,943,142</u>	<u>\$ 13,351,559</u>	<u>\$ 3,485,967</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, 2015

Exhibit 8
Page 1 of 2

	Major			
	Water and Sewer District II	Water and Sewer District I	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 1,971,385	\$ 569,621	\$ 2,541,006	\$ 6,648,345
Cash paid for goods and services	(625,859)	(292,165)	(918,024)	(6,766,445)
Cash paid to employees for services	(314,152)	(91,650)	(405,802)	-
Other operating revenues	34,097	15,188	49,285	398,164
Net cash provided (used) by operating activities	1,065,471	200,994	1,266,465	280,064
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	-	-
Net cash provided by noncapital and related financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(709,358)	(29,219)	(738,577)	-
Proceeds on bond refunding	9,990,000	-	9,990,000	-
Premium on refunding bond	814,664	-	814,664	-
Capital contributions-grants	579,359	-	579,359	-
Closing costs on refunding bond	(112,202)	-	(112,202)	-
Principal paid on bond maturities and equipment contracts	(11,011,328)	(45,450)	(11,056,778)	-
Interest paid on bond maturities and equipment contracts	(666,770)	(43,210)	(709,980)	-
Net cash provided (used) by capital and related financing activities	(1,115,635)	(117,879)	(1,233,514)	-
Cash flows from investing activities:				
Interest	183	275	458	553
Net increase (decrease) in cash and cash equivalents	(49,981)	83,390	33,409	280,617
Cash and cash equivalents, July 1	1,171,182	1,665,503	2,836,685	3,197,632
Cash and cash equivalents, June 30	\$ 1,121,201	\$ 1,748,893	\$ 2,870,094	\$ 3,478,249

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, 2015

Exhibit 8
Page 2 of 2

	Major			
	Water and Sewer District II	Water and Sewer District I	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ 219,588	\$ 81,856	\$ 301,444	\$ 311,044
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	708,730	105,748	814,478	-
Pension Expense	1,085	525	1,610	-
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	58,175	(6,745)	51,430	96,373
Inventory	49,719	2,453	52,172	-
Deferred outflows or resources for pension	(12,158)	(6,079)	(18,237)	-
Increase (decrease) in liabilities:				
Accounts payable & accrued liab.	34,005	19,347	53,352	(127,353)
Compensated absences	109	490	599	-
Other post-employment benefits	6,218	3,399	9,617	-
Total adjustments	845,883	119,138	965,021	(30,980)
Net cash provided (used) by operating activities	\$ 1,065,471	\$ 200,994	\$ 1,266,465	\$ 280,064

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, 2015

Exhibit 9

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 283,544	\$ 187,739
Accounts receivable	-	93,431
Total assets	<u>\$ 283,544</u>	<u>\$ 281,170</u>
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
Miscellaneous liabilities	-	281,170
Total liabilities	<u>-</u>	<u>281,170</u>
Net position:		
Assets held in trust for pension benefits	<u>\$ 283,544</u>	<u>\$ -</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2015

Exhibit 10

	<u>Pension Trust Fund</u>
Additions:	
Employer Contributions	\$ 30,000
Investment income	
Interest	<u>53</u>
Total Additions	30,053
Deductions:	
Benefits	<u>31,688</u>
Total Deductions	<u>31,688</u>
Change in net position	(1,635)
Net position - beginning	<u>285,179</u>
Net position - ending	<u><u>\$ 283,544</u></u>



SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

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

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

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

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

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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

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

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

C. Budgetary Data

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

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

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

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

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	Tax Revaluation	\$	804,043
General Fund	Public Safety		455,839
Schools Capital Projects			2,133,917
School Construction Fund			<u>2,103,707</u>
Total Governmental Activities			<u>5,497,506</u>
Total Restricted Cash		\$	<u><u>5,497,506</u></u>

Sampson Regional Medical Center, Inc. has designated investments aggregating \$14,448,332 to be used for future major capital acquisition and/or improvements.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S.105-347 and G.S.159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1(lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

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

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

7. Capital Assets

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

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

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

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

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

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

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

The Authority has no fixed assets.

8. Deferred outflows/inflows of resources

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 meets this criterion – pension related deferrals, and contributions made to the pension plan in the current fiscal year.

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

9. Long-term Obligations

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

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

10. Compensated Absences

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

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(35,263) consists of the following:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 178,755,080
Less accumulated depreciation	<u>41,796,763</u>
Net capital assets	136,958,317
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	512,887
Net pension asset	1,871,938
Contributions to the pension plan in the current fiscal year	1,201,688
Deferred gain on bond refunding	(1,118,970)
Accrued pension expense which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(324,812)
Accrued other post-employment benefit which is recorded on government-wide statement of net assets but not on fund statements because it is not a current financial liability	(8,232,597)
Equity of internal service fund which is used by management to charge the costs of employee health insurance to individual funds is reported in the government-wide statements but not the fund statements	3,485,967
Liabilities for revenue deferred but earned and therefore reported in the funds statements but not the government-wide	2,107,860
Premium on bond refunding	(6,026,795)
Pension related deferrals	(4,315,184)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(122,696,127)
Compensated absences	(1,545,743)
Accrued interest payable	<u>(1,913,692)</u>
Total adjustment	<u>\$ (35,263)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$869,394 consists of the following:

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 1,185,208
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,895,356)
Cost of disposed asset.	(5,592)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(46,462,011)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	49,596,046
Expenses reported on the fund statements that are capitalized on the government-wide statements - refunding cost	405,707
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)	65,777
Amortization of deferred charge on bond refunding.	4,682
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,201,688
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	311,044
Difference in retirement expense between fund statements (modified accrual) and government-wide (full accrual) due to payments from law-enforcement officers special separation allowance pension fund, resulting in reduction of intangible asset	(67,015)
Other postemployment benefits are accrued in the government-wide statements but not the fund statements because they do not use current resources.	(285,383)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	244,592
County's portion of collective pension expense	(100,912)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Decrease in accrued interest on taxes receivable	(22,121)
Amortization of debt premium	25,216
Decrease in deferred inflows of resources - taxes receivable - at end of year	(332,176)
Total adjustment	<u>\$ 869,394</u>

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Position of Individual Funds

The County experienced deficit fund balances in the following funds: Special Revenue Funds: Hazard Mitigation Plan Update \$(3,146); Capital Project Funds: Airport Expansion \$(272,838). The deficits occurred because of the timing of payments. Management intends to appropriate funds as necessary to cover deficit fund balance.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2015, the County's deposits had a carrying amount of \$9,017,281 and a bank balance of \$9,462,358. Of the bank balance, \$1,000,000 was covered by federal depository insurance, \$5,708,135 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2015, Sampson County had \$4,269 cash on hand.

The Hospital's deposits had a carrying amount of \$3,246,362 and a bank balances of \$3,520,818 as of September 30, 2014. Of the bank balances, \$250,000 is covered by federal depository insurance as of September 30, 2014 and the remainder is covered under the Pooling Method.

The Authority's deposits had a carrying amount of \$86,886 and a bank balance of \$86,886 as of June 30, 2015. Of the bank balance, \$86,886 was in interest bearing deposits and were covered by collateral held under the Pooling Method.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

2. Investments

At June 30, 2015, the County's investments consisted of \$21,987,365 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County has no policy on credit risk.

At September 30, 2014, the Hospital's investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Cash	\$3,249,347	\$3,249,347
U.S. Treasury and agency bonds	8,802,718	9,686,568
NC Capital Management Trust	<u>6,302,819</u>	<u>6,303,231</u>
Total:	<u>\$18,354,844</u>	<u>\$19,239,146</u>

The Hospital's investment in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. Investment grade bonds include U.S. Treasury issues with ratings of A or better by Standards & Poor's and corporate bonds guaranteed by the FDIC.

All cash and investments above have maturities of less than one year except for certain U.S. Treasury and agency bonds. U.S. Treasury and agency bonds with maturities greater than one year amounted to \$7,562,793 at September 30, 2014 and they mature between 2014 and 2017.

3. Property Tax – Use Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forest land may be taxed by the County at the present use-value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year</u>			
<u>Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,704,126	\$ 963,073	\$ 4,667,199
2012	3,778,063	642,271	4,420,334
2013	3,414,156	273,132	3,687,288
2014	<u>4,059,335</u>	<u>-</u>	<u>4,059,335</u>
	<u>\$ 14,955,680</u>	<u>\$ 1,878,476</u>	<u>\$ 16,834,156</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

4. Receivables

Receivables at the government-wide level at June 30, 2015, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Other	Total
Governmental Activities:					
General	\$ 975,567	\$ 2,160,882	\$ 5,570,807	\$ 74,135	\$ 8,781,391
Accrued interest	-	512,898	-	-	512,898
Other Governmental	52,305	124,778	734,766	-	911,849
Total receivables	1,027,872	2,798,558	6,305,573	74,135	10,206,138
Allowance for doubtful accounts	-	(177,800)	-	-	(177,800)
Total governmental activities	<u>\$ 1,027,872</u>	<u>\$ 2,620,758</u>	<u>\$ 6,305,573</u>	<u>\$ 74,135</u>	<u>\$ 10,028,338</u>
Business-type Activities					
Water Districts I and II	\$ 408,823	\$ -	\$ -	\$ 1,063	\$ 409,886
Total receivables	408,823	-	-	1,063	409,886
Allowance for doubtful accounts	(122,230)	-	-	-	(122,230)
Total business-type activities	<u>\$ 286,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,063</u>	<u>\$ 287,656</u>

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

Local option sales tax	\$ 2,734,717
State & federal grants	3,570,856
	<u>\$ 6,305,573</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$9,848,000.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,172,038	\$ 166,442	\$ -	\$ 6,338,480
Construction in progress	4,179,936	124,141	1,338,036	2,966,041
Total capital assets not being depreciated	10,351,974	290,583	1,338,036	9,304,521
Capital assets being depreciated:				
Buildings and improvements	149,020,050	937,212	287,284	149,669,978
Equipment	12,843,032	684,810	5,500	13,522,342
Vehicles and motor equipment	6,271,122	610,639	623,522	6,258,239
Total capital assets being depreciated	168,134,204	2,232,661	916,306	169,450,559
Less accumulated depreciation for:				
Buildings and improvements	26,993,621	3,619,967	287,284	30,326,304
Equipment	5,789,058	801,305	5,500	6,584,863
Vehicles and motor equipment	5,029,442	474,084	617,930	4,885,596
Total accumulated depreciation	37,812,121	\$ 4,895,356	\$ 910,714	41,796,763
Total capital assets being depreciated, net	130,322,083			127,653,796
Governmental activity capital assets, net	\$ 140,674,057			\$ 136,958,317

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

General government	\$ 3,923,707
Public safety	806,350
Economic & physical development	31,110
Human services	87,771
Environmental protection	11,462
Cultural and recreational	34,956
Total depreciation expense	\$ 4,895,356

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Business-type activities:				
Water District 2 Capital assets being depreciated:				
Distribution systems	\$ 27,311,103	\$ 2,602,241	\$ -	\$ 29,913,344
Equipment	287,364	-	-	287,364
Vehicles	118,514	29,219	-	147,733
Total capital assets being depreciated	<u>27,716,981</u>	<u>2,631,460</u>	<u>-</u>	<u>30,348,441</u>
Accumulated depreciation distribution	6,595,169	682,779	-	7,277,948
Accumulated depreciation equipment	125,540	14,701	-	140,241
Accumulated depreciation vehicles	33,789	11,250	-	45,039
Total accumulated depreciation	<u>6,754,498</u>	<u>\$ 708,730</u>	<u>\$ -</u>	<u>7,463,228</u>
Water District 2 capital assets, net	<u>20,962,483</u>			<u>22,885,213</u>
Capital assets not being depreciated:				
Land	208,512	\$ -	\$ -	208,512
Construction in progress	<u>2,002,452</u>	<u>680,140</u>	<u>2,602,241</u>	<u>80,351</u>
Water capital assets not depreciated	<u>2,210,964</u>	<u>\$ 680,140</u>	<u>\$ 2,602,241</u>	<u>288,863</u>
Water District 2 net capital assets	<u>\$ 23,173,447</u>			<u>\$ 23,174,076</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	21,076	-	-	21,076
Vehicles	115,483	29,219	-	144,702
Total capital assets being depreciated	<u>4,067,640</u>	<u>29,219</u>	<u>-</u>	<u>4,096,859</u>
Accumulated depreciation distribution	1,899,029	\$ 98,277	\$ -	1,997,306
Accumulated depreciation equipment	20,743	262	-	21,005
Accumulated depreciation vehicles	32,706	7,209	-	39,915
Total accumulated depreciation	<u>1,952,478</u>	<u>\$ 105,748</u>	<u>\$ -</u>	<u>2,058,226</u>
Water District 1 capital assets, net	<u>2,115,162</u>			<u>2,038,633</u>
Capital assets not being depreciated:				
Land	<u>16,807</u>	<u>-</u>	<u>-</u>	<u>16,807</u>
Water District 1 net capital assets	<u>\$ 2,131,969</u>			<u>\$ 2,055,440</u>
Business-type activities capital assets, net	<u>\$ 25,305,416</u>			<u>\$ 25,229,516</u>

Construction commitments

The government has an active construction project as of June 30, 2015. The project is the water district well project. At June 30, 2015, the government's commitments with contractors are as follows:

Project	Contract Amount	Remaining Commitment	Spent to Date
Caldwell Tank (tank at 403 site 67981700)			
Caldwell Tank	\$ 1,302,000	\$ 985,800	\$ 316,200

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

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, 2014, was as follows:

	September 30, 2013	Additions	Retirements	September 30, 2014
Capital assets not being depreciated:				
Land	\$ 1,955,053	\$ -	\$ -	\$ 1,955,053
Construction in progress	197,593	555,450	-	753,043
Total capital assets not being depreciated	2,152,646	555,450	-	2,708,096
Capital assets being depreciated:				
Land improvements	2,121,075	13,160	-	2,134,235
Buildings and improvements	36,156,682	632,434	-	36,789,116
Furniture and equipment	51,775,542	854,517	-	52,630,059
Total capital assets being depreciated	90,053,299	1,500,111	-	91,553,410
Less accumulated depreciation for:				
Land improvements	1,652,111	72,369	-	1,724,480
Buildings and improvements	21,308,614	1,179,873	-	22,488,487
Furniture and equipment	43,692,664	2,340,786	-	46,033,450
Total accumulated depreciation	66,653,389	3,593,028	-	70,246,417
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 25,552,556</u>			<u>\$ 24,015,089</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental activities:				
General	\$ 2,202,653	\$ 125,943	\$ 1,913,692	\$ 4,242,288
Other governmental	31,187	2,673	-	33,860
Total governmental activities	<u>\$ 2,233,840</u>	<u>\$ 128,616</u>	<u>\$ 1,913,692</u>	<u>\$ 4,276,148</u>
Business-type activities:				
Water District II	\$ 138,726	\$ 688	\$ 31,807	\$ 171,221
Water District I	41,562	175	3,308	45,045
Total business-type activities	<u>\$ 180,288</u>	<u>\$ 863</u>	<u>\$ 35,115</u>	<u>\$ 216,266</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

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

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

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, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by

SAMPSON COUNTY, NORTH CAROLINA
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employees during the year. Contributions to the pension plan from the County were \$1,215,792 for the year ended June 30, 2015.

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

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

At June 30, 2015, the County reported an asset of \$1,788,050 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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, 2014, the County's proportion was .303%, which was an increase of .0450% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$107,378. At June 30, 2015, 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	\$ -	\$ 195,376
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,162,544
Changes in proportion and differences between County contributions and proportionate share of contributions	-	18,847
County contributions subsequent to the measurement date	1,215,792	-
Total	<u>\$ 1,215,792</u>	<u>\$ 4,376,767</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

\$1,215,792 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (1,094,326)
2017	\$ (1,094,326)
2018	\$ (1,094,326)
2019	\$ (1,093,789)
2020	-
Thereafter	-
	<u>\$ (4,376,767)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. 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, 2014 are summarized in the following table:

SAMPSON COUNTY, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

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

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

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

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 6,069,421	\$ (1,788,051)	\$ (8,403,789)

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

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

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

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

2. Summary of Significant Account Policies

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

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

3. Contributions

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

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

SAMPSON COUNTY, NORTH CAROLINA
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Annual Pension Cost and Net Pension Obligation for Fiscal Year Ended 6/30/2015

(a) Employer annual required contribution	\$ 105,902
(b) Interest on net pension obligation	12,890
(c) Adjustment to annual required contribution	(21,777)
(d) Annual pension cost	97,015
(e) Employer contributions made for fiscal year 6/30/2015	30,000
(f) Increase in net pension obligation	67,015
(g) Net pension obligation beginning of fiscal year	257,797
(h) Net pension obligation end of fiscal year	\$ 324,812

4. Funding Status and Funding Progress

For the Year Ended June 30	3 Year Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage Of APC Contributed	
2013	\$ 78,536	38.20%	\$ 214,644
2014	73,153	41.01%	257,797
2015	97,015	30.92%	324,812

As of December 31 2014, the most recent actuarial valuation date, the plan was 35.80 percent funded. The actuarial accrued liability for benefits was \$835,739, and the actuarial value of assets was \$299,174, resulting in an unfunded actuarial accrued liability (UAAL) of \$536,565. The covered payroll (annual payroll of active employees covered by the plan) was \$3,395,400, and the ratio of the UAAL to the covered payroll was 15.80 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5 percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 were \$204,440 which consisted of \$169,391 from the County and \$35,049 from the law enforcement officers. The County contributes 2.35% of each non-law enforcement employees' salary who are vested under this plan. Non law

enforcement contributions were \$500,765 which consisted of \$351,610 from the County and \$149,155 from the employees.

d. Deferred Compensation Plan

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

e. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,133 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$110,707 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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

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employers. At June 30, 2014, the County's proportion was .488%, which was a decrease of .06% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(4,854). At June 30, 2015, 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	\$ 1,016	\$ -
Net difference between projected and actual earnings on pension plan investments	-	596
Changes in proportion and differences between County contributions and proportionate share of contributions	-	4,489
County contributions subsequent to the measurement date	4,133	-
Total	<u>\$ 5,149</u>	<u>\$ 5,085</u>

\$4,133 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (1,728)
2017	(1,728)
2018	(465)
2019	(148)
2020	-
Thereafter	-
	<u>\$ (4,069)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%:

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

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

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

	1% Decrease	Discount Rate	1%
	(4.75%)	(5.75%)	Increase
			(6.75%)
County's proportionate share of the net pension liability (asset)	\$ (99,406)	\$ (110,707)	\$ 120,413

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.

f. Other Post-Employment Benefits(OPEB)

Healthcare Benefits

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

Membership of the HCB Plan consisted of the following at June 30, 2015, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	47	3
Terminated plan members entitled to but not yet receiving benefits	0	0
Active Plan Members	204	97
Total	<u>251</u>	<u>100</u>

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

The current ARC rate is 8.11% of annual covered payroll. For the current year, the County contributed \$870,000 or 8% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 3.09% and 2.66% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$16,000. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

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

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

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

Annual required contribution	\$ 1,171,000
Interest on net OPEB obligation	323,000
Adjustment to annual required contribution	<u>(329,000)</u>
Annual OPEB cost (expense)	1,165,000
Contributions made	<u>(870,000)</u>
Increase in net OPEB obligation	295,000
Net OPEB obligation, beginning of year	<u>8,062,624</u>
Net OPEB obligation, end of year	<u>\$ 8,357,624</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 2,078,000	38.11%	\$ 6,724,624
2014	2,185,000	38.76	8,062,624
2015	1,165,000	74.68	8,357,624

Funded Status and Funding Progress. As of June 30, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$13,720,000. The covered payroll (annual payroll of active employees covered by the plan) was \$10,821,000, and the ratio of the UAAL to the covered payroll was 126.79 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10 percent annually. The investment rate included a 2.5 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that

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spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 30 years.

g. Other Employment Benefits

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

For the fiscal year ended June 30, 2015, the County made contributions to the State for death benefits of \$0. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

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

<u>No. Years Contributing</u>	<u>Years Relief</u>	<u>FY Contributions Resume</u>
10 - 20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. Sampson County will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2016.

h. Sampson Regional Medical Center, Inc. Pension Plan

Benefit Plans – The Sampson Regional Medical Center, Inc. Plan (Plan) is a single-employer defined contribution plan. Employees become eligible for the plan after completing one year of employment and 1,000 hours of service. The Hospital may contribute 2% of participant earnings. The Hospital may also make a year end discretionary contribution which shall be determined by the Board of Trustees on an annual basis. The funding in calendar year 2014 for plan year 2013 was \$460,094.

The Hospital also has a tax deferred retirement savings plan. All full time employees of the Hospital and part-time employees who work at least 1,000 hours during the plan year are eligible to participate. The Hospital matches 50% of the first 4% of the compensation deferred by each participant. The Hospital contributed \$621,443 to the Plan for the current year.

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

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

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Prepaid taxes not yet earned(General)	\$ -	\$ 51,210
Taxes receivable, net(General)	-	1,992,882
Taxes receivable, net(Special Revenue)	-	114,978
Deferred gain on refunding of debt	-	1,118,970
Pensions - difference between expected and actual experience		
LGERS	-	195,376
Register of Deeds	1,018	-
Pensions - difference between projected and actual investment earnings		
LGERS	-	4,162,544
Register of Deeds	-	596
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	18,847
Register of Deeds	-	4,489
Contributions to pension plan in 2014-2015 fiscal year	1,219,925	-
Total	\$ <u>1,220,943</u>	\$ <u>7,659,892</u>

5. Risk Management

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

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

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

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

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

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

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

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

	<u>June 30, 2015</u>
Claims payable, beginning of year	\$ 193,770
Add: Claims received	6,638,900
Less: Claims paid	<u>6,766,253</u>
Claims payable, end of year	<u><u>\$ 66,417</u></u>

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

6. Contingent Liabilities

At June 30, 2015, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

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

The County's installment purchase agreements payable at June 30, 2015 are comprised of the following individual issues:

Serviced by the Governmental Funds:

Installment agreement with USDA for the construction of a new Midway High School, secured by the building and land. The total loan is \$3,750,000 and will be repaid in 38 annual installments of \$193,620 including interest at 4%. At June 30, 2015, there were 35 payments remaining.	\$ 3,613,742
Installment agreement with the United States Department of Agriculture (USDA) for the renovation of a previously purchased building into courthouse and office space and renovation of the existing courthouse, secured by building and land. The interest rate is 4.25%. The loan will be repaid in 29 annual installments of \$129,809 including interest at 4.25 percent. At June 30, 2015, there were 19 installments remaining.	1,547,982
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, 2015, there were 31 payments remaining.	9,965,138
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, 2015 there were 32 payments remaining	2,069,524
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, 2015 there were 32 payments remaining	27,609,652
Installment purchase agreement with Bank of America for renovations on Clinton City Board of Education owned facilities. These are Qualified Zone Academy Bonds in the amount of \$2,000,000 secured by the building and land of Clinton High School. The loan will be repaid in 14 annual installments of \$103,572 including interest at 0%. At June 30, 2015 there were 7 payments remaining	1,171,421
Installment agreement with USDA for the construction and renovation of buildings to house Human Services and County Administration, secured by the buildings and land. The total loan is \$9,585,000 and will be repaid in 38 annual installments of \$512,819 including interest at 4.125%. At June 30, 2015 there were 33 payments remaining	8,851,659

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Installment purchase agreement with USDA for the renovation of a County owned building to house the Public Works and Data Processing Departments. This agreement is secured by the building and land. The loan amount is \$862,800 and will be repaid in 28 annual installments of \$53.283 including interest at 4.125%. At June 30, 2015 there were 23 payments remaining	750,042
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, 2015, there were 35 payments remaining.	3,613,742
Installment purchase agreement with Regions Bank for renovations on Sampson County Board of Education owned facilities. These are Qualified Zone Academy Bonds in the amount of \$2,000,000 secured by the buildings and land. The loan will be repaid in 14 annual installments of \$155,667 including interest at 1%. At June 30, 2015 there were 9 payments remaining	1,160,000
Installment purchase agreement with USDA for the renovation of a County owned building to various departments. This agreement is secured by the buildings and land. The loan amount is \$904,846 and will be repaid over a 30 year period. The payments will made annually in the amount of \$59,096 including interest at 4.75%. At June 30, 2015 there were 24 payments remaining.	842,397
Installment agreement with USDA for the construction of a Roseboro Elementary School, secured by the building and land. The total loan is \$12,400,000 and will be repaid in two interest only payments due December 16, 2011 and 2012 of 3.75% then 38 annual installments of \$617,520 including interest at 3.75%. Principal and interest repayment began in fiscal year 2013-2014. At June 30, 2015, there were 36 payments remaining.	12,089,240
Installment purchase propane equipment vehicles. This agreement is secured by the equipment and calls for 36 monthly payments of \$4,117 each including interest. At June 30, 2015 there were 8 payments remaining.	31,588
	<u>\$ 73,316,127</u>

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For Sampson County, the future minimum payments as of June 30, 2015, including \$58,198,489 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ 1,501,910	\$ 2,952,318
2017	1,517,650	2,902,239
2018	1,566,959	2,851,530
2019	1,618,330	2,798,759
2020	1,671,849	2,743,840
2021-2025	8,222,821	12,814,285
2026-2030	9,284,383	11,087,882
2031-2035	11,110,973	9,001,680
2036-2040	12,975,744	6,530,297
2041-2045	15,492,325	3,670,305
2046-2050	7,767,945	823,341
2051	585,238	22,013
Total principal payments	<u>\$73,316,127</u>	
Total interest payments		<u>\$ 58,198,489</u>

Serviced by the Water and Sewer Districts.

Installment agreements with USDA for the construction of water wells, secured by the equipment and land. The total of the loans is \$1,792,000 and will be repaid in 38 annual installments of \$82,293 including interest at 2.75% & 3.5%. Principal and interest repayment will begin in fiscal year 2015-2016. At June 30, 2015, there were 37 payments remaining.

\$ 1,768,677

For Sampson County, the future minimum payments as of June 30, 2015, including \$1,355,339 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	\$ 24,084	\$ 58,209
2017	24,871	57,422
2018	25,684	56,609
2019	26,523	55,770
2020	27,390	54,903
2021-2025	150,996	260,469
2026-2030	177,407	234,058
2031-2035	208,495	202,970
2036-2040	245,097	166,368
2041-2045	288,201	123,264
2046-2050	338,974	72,491
2051-2053	230,955	12,806
Total principal payments	<u>\$ 1,768,677</u>	
Total interest payments		<u>\$ 1,355,339</u>

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b. General Obligation Indebtedness

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

The Water and Sewer District's general obligation bonds payable at June 30, 2015 are comprised of the following individual issues which are serviced by the Water and Sewer Districts:

\$1,093,000 Water and Sewer bonds issued on August 7, 1995, due in annual installments of \$11,500 to \$46,000 Through June 1, 2035 with the first installment due June 1, 1998; 5.125 percent interest rate. \$ 789,000

\$9,990,000 Refunding, Series 2015 General Obligation Bonds due in semi-annual installments of \$170,981 to \$558,469 through June 1, 2044 with the first installment due December 1, 2015; variable percent interest rate 9,990,000
\$ 10,779,000

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$7,372,405 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	\$ 271,500	\$ 458,119
2017	282,500	448,409
2018	289,000	441,900
2019	290,500	435,214
2020	307,000	423,251
2021-2025	1,711,500	1,917,885
2026-2030	2,047,000	1,555,289
2031-2035	2,325,000	1,094,706
2036-2040	2,180,000	508,094
2041-2044	<u>1,075,000</u>	<u>89,538</u>
Total principal payments	\$ 10,779,000	
Unamortized Premium	<u>811,270</u>	
Net Carrying Value	<u>\$ 11,590,270</u>	
Total interest payments		<u>\$ 7,372,405</u>

c. Refunding Bonds

On April 7, 2010 the Sampson Area Development Corporation amended the Installment Payment Revenue Bonds dated January 15, 1999, of which \$15,675,000 was currently outstanding, to refund that bond issue that financed the construction of schools in Sampson County. The

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

installment purchase of \$15,560,000 was issued pursuant to a deed of trust that requires that legal title remain with the Corporation as long as the debt is outstanding. The Corporation has entered into a lease with the Sampson County and Clinton City Boards of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Boards of Education. The lease calls for \$0 lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education.

The installment purchase was executed on April 7, 2010 to the outstanding amount of the January, 1999 issue. The transactions calls for 15 annual principal payments of \$985,000 to \$1,280,000 and thirty semiannual interest payments, due on December 1 and June 1, at interest rates varying from 2.00 percent to 5.25 percent. These refunding bonds which mature through June 1, 2024 are reported in the general fund because they are being repaid from general fund revenues. Balance outstanding at June 30, 2015 is \$8,970,000.

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$2,145,063 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ 1,020,000	\$ 415,675
2017	1,020,000	364,675
2018	1,010,000	323,875
2019	1,000,000	283,475
2020	990,000	243,475
2021-2024	3,930,000	513,888
Total principal payments	<u>\$ 8,970,000</u>	
Total interest payments		<u>\$ 2,145,063</u>

d. Revenue Bonds

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$499,016, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 941,667	\$ 123,547
2016	941,667	101,326
2017	941,667	79,106
2018	941,667	56,886
2019	941,667	34,666
2020-2024	1,397,220	80,962
2025-2029	1,191,667	22,523
Total principal payments	<u>\$ 7,297,222</u>	
Total interest payments		<u>\$ 499,016</u>

e. State Clean Water Bond Loan

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

\$20,450

Debt service requirements to maturity, including interest of \$281 are as follows:

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

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

\$ 417,362

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

926,316
\$1,343,678

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Debt service requirements to maturity, including interest of \$261,636 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	\$ 139,005	\$ 48,935
2017	139,005	44,161
2018	139,005	39,107
2019	139,005	33,217
2020	139,005	28,302
2021-2025	648,653	67,914
Total principal payments	<u>\$ 1,343,678</u>	
Total interest payments		<u>\$ 261,636</u>

f. Limited Obligation Bonds

On June 3, 2015 County issued Limited Obligation Bonds ("LOBs") to purchase these certificates. When debt service is due, the county will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. The Limited Obligation 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, 2015, the balance of the bonds was \$40,410,000.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ -	\$ 1,871,874
2017	-	1,882,331
2018	1,540,000	1,851,531
2019	1,520,000	1,790,331
2020	1,510,000	1,729,731
2021-2025	8,435,000	7,614,331
2026-2030	12,555,000	4,984,919
2031-2035	12,405,000	1,977,353
2036	2,445,000	61,126
Total principal payments	\$ 40,410,000	
Unamortized Premium	6,026,795	
Net Carrying value	<u>\$ 46,436,795</u>	
Total interest payments		<u>\$ 23,763,527</u>

g. Current Refunding

On May 28, 2015, the water district issued \$9,990,000 of general obligation current refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$10,849,000 of general obligation bonds. 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. The reacquisition price exceeded the net carrying amount of the old debt by \$497,845. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 29 years by \$1,542,430 and resulted in an economic gain of \$1,709,571.

h. Advance Refunding

On June 3, 2015, the general fund issued \$40,410,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$45,610,000 of certificate of participation loans. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount exceeded the reacquisition price new debt by \$1,456,003. This amount is being added to the new debt and amortized over the life of the new debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 21 years by \$4,795,398 and resulted in an economic gain of \$3,149,483.

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, 2015, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$40,355,000.

j. Debt Related to Capital Activities

Of the total Governmental Activities debt listed, \$11,301,421 relates to assets the County does not hold title.

Sampson County had a legal debt margin of \$213,814,562 at June 30, 2015.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

k. 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, 2015:

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

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

	Balance July 1,	Increases	Decreases	Balance June 30,	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 74,697,173	\$ -	\$ 1,381,046	\$ 73,316,127	\$ 1,501,910
Revenue bonds	10,000,000	-	1,030,000	8,970,000	1,020,000
Certificates of Participation	47,185,000	-	47,185,000	-	-
Limited Obligation Bonds	-	40,410,000	-	40,410,000	-
Unamortized premium on COPs	1,860,122	-	1,860,122	-	-
Unamortized premium on LOBs	-	6,052,011	25,216	6,026,795	-
Unfunded pension liability	257,797	97,015	30,000	324,812	-
Net Pension Liability(LEGRS)	3,597,529	-	3,597,529	-	-
Other post-employment benefits	7,947,214	1,155,383	870,000	8,232,597	-
Compensated absences	1,790,335	1,173,420	1,418,012	1,545,743	1,150,000
Total governmental activities	<u>\$ 147,335,170</u>	<u>\$ 48,887,829</u>	<u>\$ 57,396,925</u>	<u>\$ 138,826,074</u>	<u>\$ 3,671,910</u>
Business-type activities:					
General obligation debt	\$ 11,663,000	\$ 9,990,000	\$ 10,874,000	\$ 10,779,000	\$ 271,500
Installment purchases	1,792,000	-	23,323	1,768,677	24,085
State Clean Water bonds	1,523,583	-	159,455	1,364,128	159,455
Unamortized premium on GOs	-	814,664	3,394	811,270	-
Net Pension Liability(LEGRS)	54,785	-	54,785	-	-
Other post-employment benefits	115,410	9,617	-	125,027	-
Compensated absences	32,775	19,667	20,266	32,176	29,521
Total business-type activities	<u>\$ 15,181,553</u>	<u>\$ 10,833,948</u>	<u>\$ 11,135,223</u>	<u>\$ 14,880,278</u>	<u>\$ 484,561</u>
Discretely presented component units:					
Revenue bonds	\$ 8,238,888	\$ -	\$ 941,666	\$ 7,297,222	\$ 941,667
Capital Leases	716,014	-	463,483	252,531	205,197
Compensated absences	2,237,400	-	267,587	1,969,813	1,969,813
Total discretely presented component units:	<u>\$ 11,192,302</u>	<u>\$ -</u>	<u>\$ 1,672,736</u>	<u>\$ 9,519,566</u>	<u>\$ 3,116,677</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2015, consists of the following:

From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	<u>174,876</u>
Total Transfers out from the General Fund	<u>174,876</u>
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	2,198,259
From the County Capital Project fund to the General Fund to pay software upgrade costs at Tax Office	<u>98,000</u>
Total Transfers in to the General Fund	<u>2,296,259</u>
Total	<u><u>\$ 2,471,135</u></u>

Interfund balances at June 30, 2015, consists of the following:

Due to the General fund from:

Airport Construction Capital Project Fund	\$ 351,479
Nonmajor Governmental Funds:	
Community Development Grant SFR-14 Special Revenue Fund	11,614
Hazard Mitigation Plan Update Special Revenue Fund	<u>3,948</u>
Total nonmajor (other) governmental funds	<u>15,562</u>
Total all funds	<u><u>\$ 367,041</u></u>

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

D. Fund Balance

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

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

Total Fund Balance - General Fund	\$22,842,409
Less:	
Inventories	21,190
Stabilization by State Statute	7,079,044
Public Safety	455,839
Debt Service	3,258,291
Revaluation	804,043
Capital Projects	1,003,707
Appropriated Fund Balance for Next Year's Budget	3,410,094
Remaining Fund Balance	6,810,201

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

Encumbrances	General Fund	Other Fund
	\$165,618	\$0

IV. Related Organization

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

V. Joint Ventures

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

The County has an ongoing financial responsibility for the joint venture because the center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the center, so no equity interest has been

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

reflected in the financial statements at June 30, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$274,678 to the center to supplement its activities. Complete financial statements for the center may be obtained from the center's offices in Beulaville, North Carolina.

The County, in conjunction with the State of North Carolina and the Sampson County Board of Education participates in a joint venture to operate the Sampson Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the Community College's student government association serves as a non-voting, ex officio member of the board of trustees. The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,359,433 and \$347,089 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. 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, 2015. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

VI. Benefit Payments Issued by the State

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

	Federal	State
State/County Spec Assist	\$ -	\$ 587,768
Temporary Assistance to Needy Families	263,728	-
Adoption Assistance	206,920	53,672
Medicaid	66,225,151	36,469,567
Refugee Assistance	2,992	-
Energy Assistance	432,300	-
Program for Women, Infants & Children	1,731,963	-
Title IV-E Foster Care	510,213	163,604
Totals	<u>\$ 69,373,267</u>	<u>\$ 37,274,611</u>

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VIII. Related Party Transactions

The County appoints the board members of the TDA based on citizens who represent lodging providers within the county. The legislation that created the TDA gives the County the authority to levy and collect an occupancy tax and remit to the TDA. For the year, \$73,665 was collected, \$73,665 was remitted to the Authority, and \$ 0 is remaining to be distributed to the Authority. The County finance officer also serves as the finance officer of the TDA.

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

IX. Subsequent Events

Management has evaluated subsequent events through February 11, 2016, the date which the financial statements were available for issue.

XIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$2,342,334 and \$37,220, respectively.



REQUIRED SUPPLEMENTAL FINANCIAL DATA



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

Exhibit A-1

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ 237,323	\$ 490,969	\$ 253,646	48.34 %	\$ 2,795,847	9.07 %
12/31/2009	259,295	510,161	250,866	50.83	3,203,717	7.83
12/31/2010	293,392	644,370	350,978	45.53	3,032,769	11.57
12/31/2011	306,403	712,895	406,492	42.98	3,177,658	12.79
12/31/2012	336,592	705,747	369,155	47.69	3,243,504	11.38
12/31/2013	306,120	835,655	529,535	36.63	3,329,568	15.90
12/31/2014	299,174	835,739	536,565	35.80	3,395,400	15.80

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2013	\$ 78,536	38.20 %
2014	73,153	41.01
2015	97,015	30.92

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

Exhibit A-2

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/09	\$ -	\$ 11,510,000	\$ 11,510,000	- %	\$ 17,990,691	63.98 %
6/30/11	-	15,224,000	15,224,000	-	18,983,789	80.19
6/30/13	-	17,523,000	17,523,000	-	16,887,916	103.76
6/30/15	-	13,720,000	13,720,000	-	10,821,000	126.79

Schedule of Employer Contributions

Year Ended June 30	Annual OPEB Cost	Percentage Contributed
2009	\$ 1,677,000	14.52 %
2010	1,677,000	14.37
2011	1,825,000	31.40
2012	1,924,000	31.50
2013	2,078,000	38.10
2014	2,185,000	38.80
2015	1,165,000	74.68

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

Last Two Fiscal Years *

Exhibit A-3

	2015	2014
County's proportion of the net pension liability (asset) %	0.303%	0.303%
County's proportionate share of the net pension liability (asset) \$	\$ (1,788,051)	\$ 3,652,314
County's covered-employee payroll	\$ 17,033,631	\$ 16,791,093
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(10.50%)	21.75%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

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

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
Last 2 Fiscal Years

Exhibit A-4

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

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND
Last Two Fiscal Years * **Exhibit A-5**

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.488%	0.458%
County's proportionate share of the net pension liability (asset) \$	\$ (110,707)	\$ (97,795)
County's covered-employee payroll	\$ 58,464	\$ 56,407
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(189.36%)	(173.37%)
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS
REGISTERS OF DEEDS' SUPPLEMENTAL PENSION FUND
Last 2 Fiscal Years

Exhibit A-6

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



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
Page 1 of 14

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes:			
Ad valorem	\$	\$ 34,642,381	\$
Penalties and interest		361,811	
Total	<u>34,889,297</u>	<u>35,004,192</u>	<u>114,895</u>
Sales Tax:			
One cent		3,564,018	
One half cent article 40		2,354,337	
One half cent article 42		855,295	
One quarter cent article 46		1,039,199	
Total	<u>7,077,070</u>	<u>7,812,849</u>	<u>735,779</u>
Restricted:			
State grants		13,982,616	
Federal grants		140,183	
Court facility fees		152,344	
Local grants		97,511	
Total	<u>15,282,311</u>	<u>14,372,654</u>	<u>(909,657)</u>
Permits and Fees:			
Register of deeds		319,742	
Inspection		326,009	
Local subdivision fees		24,002	
Franchise		54,158	
Total	<u>737,910</u>	<u>723,911</u>	<u>(13,999)</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sales and Services:			
Tax Collection Fees:			
Town of Turkey		409	
Town of Salemburg		26	
Town of Roseboro		81	
Town of Newton Grove		17	
Town of Garland		3,615	
Town of Autryville		7	
Town of Harrells		564	
City of Clinton		54,172	
Tax collection		159,963	
Jail fees		1,533,431	
Sheriff fees		821,824	
Health fees		1,062,848	
Ambulance fees		2,360,771	
Aging services fees		537,729	
Total	<u>6,408,618</u>	<u>6,535,457</u>	<u>126,839</u>
Investment Earnings	<u>16,300</u>	<u>3,162</u>	<u>(13,138)</u>
Miscellaneous:			
Board of elections		237	
Short-term vehicle lease		14,815	
Recreation		42,369	
Agri-Exposition center		182,892	
Rent		2,070,625	
Other		262,636	
Total	<u>2,409,678</u>	<u>2,573,574</u>	<u>163,896</u>
Total revenues	<u>66,821,184</u>	<u>67,025,799</u>	<u>204,615</u>
Expenditures			
General Government			
Governing Body			
Salaries and employee benefits		110,928	
Operations and maintenance		52,076	
Total	<u>166,608</u>	<u>163,004</u>	<u>3,604</u>
Administration			
Salaries and employee benefits		313,136	
Operations and maintenance		36,639	
Total	<u>387,265</u>	<u>349,775</u>	<u>37,490</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Airport			
Operations and maintenance		61,649	
Total	72,073	61,649	10,424
Finance			
Salaries and employee benefits		676,171	
Operations and maintenance		642,841	
Total	1,410,864	1,319,012	91,852
Data Processing			
Salaries and employee benefits		259,320	
Operations and maintenance		274,189	
Capital outlay		5,275	
Total	602,898	538,784	64,114
Communications Tower			
Operations and maintenance		18,646	
Capital outlay		-	
Total	24,000	18,646	5,354
Tax Administration			
Salaries and employee benefits		871,476	
Operations and maintenance		410,615	
Total	1,290,889	1,282,091	8,798
Legal			
Professional services		18,999	
Total	45,000	18,999	26,001
Courts			
Operations and maintenance		13,050	
Capital outlay		31,871	
Total	141,503	44,921	96,582

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Salaries and employee benefits		95,176	
Operations and maintenance		165,131	
Total	320,216	260,307	59,909
Register of Deeds			
Salaries and employee benefits		392,206	
Operations and maintenance		85,111	
Total	493,587	477,317	16,270
Public Buildings			
Salaries and employee benefits		477,637	
Operations and maintenance		897,773	
Capital outlay		-	
Total	1,494,252	1,375,410	118,842
Total General Government	6,449,155	5,909,915	539,240
Public Safety			
Sheriff			
Salaries and employee benefits		4,918,667	
Operations and maintenance		1,477,647	
Capital outlay		375,081	
Total	6,834,719	6,771,395	63,324
Jail			
Salaries and employee benefits		2,004,210	
Operations and maintenance		1,196,981	
Capital outlay		78,740	
Total	3,530,257	3,279,931	250,326
Communications			
Salaries and employee benefits		898,057	
Operations and maintenance		72,572	
Capital outlay		38,032	
Total	1,017,725	1,008,661	9,064

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Emergency Management			
Salaries and employee benefits		344,561	
Operations and maintenance		127,156	
Capital outlay		-	
Total	479,563	471,717	7,846
Volunteer Fire Departments			
Assistance to County fire departments	256,461	252,121	4,340
Inspections			
Salaries and employee benefits		338,223	
Operations and maintenance		40,421	
Capital outlay		-	
Total	401,960	378,644	23,316
Coroner			
Professional services	63,600	63,350	250
Rescue			
Salaries and employee benefits		2,906,760	
Assistance to County rescue units		211,716	
Operations and maintenance		675,649	
Capital outlay		86,736	
Total	3,880,861	3,880,861	-
Dive Team			
Contracted services	14,416	14,416	-
Animal Control			
Salaries and employee benefits		174,748	
Operations and maintenance		113,745	
Total	304,870	288,493	16,377
Total Public Safety	16,784,432	16,409,589	374,843

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Environmental Protection			
Solid Waste			
Contracted services		774,458	
Operations and maintenance		12,748	
Total	<u>821,055</u>	<u>787,206</u>	<u>33,849</u>
Forestry			
State forestry program	<u>138,534</u>	<u>134,074</u>	<u>4,460</u>
4-H Programs	<u>15,913</u>	<u>10,505</u>	<u>5,408</u>
Horticulture Project	<u>2,423</u>	<u>40</u>	<u>2,383</u>
Master Gardener Program	<u>12,980</u>	<u>4,352</u>	<u>8,628</u>
Lagoon Management	<u>9,929</u>	<u>4,157</u>	<u>5,772</u>
Senior Health Information Program	<u>5,041</u>	<u>3,719</u>	<u>1,322</u>
Cooperative Extension Seminars	<u>1,320</u>	<u>-</u>	<u>1,320</u>
Environmental Defense Fund Project			
Salaries and employee benefits		-	
Operations and maintenance		1,152	
Capital Outlay		23,798	
Total	<u>60,026</u>	<u>24,950</u>	<u>35,076</u>
4-H Prevention Program			
Salaries and employee benefits		34,088	
Operations and maintenance		9,039	
Total	<u>43,484</u>	<u>43,127</u>	<u>357</u>
Total Environmental Protection	<u>1,110,705</u>	<u>1,012,130</u>	<u>98,575</u>
Economic and Physical Development			
Planning and Zoning			
Contracted services		157,600	
Total	<u>157,600</u>	<u>157,600</u>	<u>-</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Industrial Development			
Salaries and employee benefits		150,321	
Operations and maintenance		101,382	
Total	<u>402,871</u>	<u>251,703</u>	<u>151,168</u>
Industrial Utility			
Operations and maintenance		10,354	
Total	<u>10,432</u>	<u>10,354</u>	<u>78</u>
N.C. Cooperative Extension Service			
Salaries and employee benefits		262,990	
Operations and maintenance		52,572	
Total	<u>374,389</u>	<u>315,562</u>	<u>58,827</u>
Soil Conservation			
Salaries and employee benefits		211,817	
Operations and maintenance		7,341	
Total	<u>227,344</u>	<u>219,158</u>	<u>8,186</u>
Total Economic and Physical Development	<u>1,172,636</u>	<u>954,377</u>	<u>218,259</u>
Human Services			
Mental Health Administration			
Eastpointe Mental Health	<u>274,678</u>	<u>274,678</u>	<u>-</u>
Veterans			
Salaries and employee benefits		101,672	
Operations and maintenance		17,674	
Total	<u>131,980</u>	<u>119,346</u>	<u>12,634</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Youth Needs Task Force			
Salaries and employee benefits		46,024	
Programs		48,963	
Total	172,488	94,987	77,501
Health			
Administration			
Salaries and employee benefits		24,202	
Operations and maintenance		36,114	
Capital outlay		55,498	
Total	133,292	115,814	17,478
Diabetes Self Management			
Salaries and employee benefits		13,987	
Operations and maintenance		6,864	
Total	57,570	20,851	36,719
School Nurse Initiatiave			
Contracted services	400,000	400,000	-
Tuberculosis - CDC			
Salaries and employee benefits		23,510	
Operations and maintenance		5,884	
Total	41,103	29,394	11,709
Tuberculosis Medical Services			
Professional services	2,271	2,271	-
Communicable Disease			
Salaries and employee benefits		165,497	
Operations and maintenance		30,260	
Total	216,486	195,757	20,729

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Adult Services			
Salaries and employee benefits		45,331	
Operations and maintenance		55,516	
Total	113,000	100,847	12,153
Health Promotion			
Salaries and employee benefits		39,769	
Operations and maintenance		2,555	
Total	46,378	42,324	4,054
Breast and Cervical Cancer			
Salaries and employee benefits		16,474	
Operations and maintenance		11,389	
Total	29,428	27,863	1,565
Healthy Carolinians			
Operations and maintenance	5,917	3,424	2,493
Immunization			
Salaries and employee benefits		65,186	
Operations and maintenance		63,854	
Capital outlay		-	
Total	132,219	129,040	3,179
Maternal Health & Outreach			
Salaries and employee benefits		388,750	
Operations and maintenance		101,460	
Capital outlay		-	
Total	548,651	490,210	58,441
Family Planning			
Salaries and employee benefits		233,187	
Operations and maintenance		91,054	
Total	336,399	324,241	12,158
WIC			
Salaries and employee benefits		369,168	
Operations and maintenance		32,547	
Total	402,749	401,715	1,034

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Child Services Coordination			
Salaries and employee benefits		173,074	
Operations and maintenance		94,428	
Total	311,307	267,502	43,805
Pregnancy Care Management			
Salaries and employee benefits		166,786	
Operations and maintenance		36,901	
Total	235,491	203,687	31,804
Child Health			
Salaries and employee benefits		78,072	
Operations and maintenance		17,405	
Total	110,344	95,477	14,867
Environmental Health			
Salaries and employee benefits		389,605	
Operations and maintenance		30,845	
Capital outlay		-	
Total	421,027	420,450	577
Food and Lodging			
Travel	11,303	4,062	7,241
State Bio-Terrorism			
Salaries and employee benefits		44,004	
Operations and maintenance		3,039	
Total	47,806	47,043	763
Medication Assistance Program			
Salaries and employee benefits		-	
Operations and maintenance		1,173	
Total	27,000	1,173	25,827
Total Health	3,629,741	3,323,145	306,596

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	Final Budget	Actual	Variance Positive (Negative)
Social Services			
Administration			
Salaries and employee benefits		6,639,851	
Operations and maintenance		2,013,195	
Capital outlay		162,699	
Total	9,028,584	8,815,745	212,839
Assistance			
Food stamp issuance		17,637	
WFBG programs		955	
Medicaid transportation		1,143,357	
Daycare		2,208,201	
Smart Start Daycare		-	
Medicaid		33,624	
AA-AD-AB rest homes		534,569	
Aid to the blind		4,806	
Crisis intervention program		269,867	
In-Home services		-	
Foster care		1,288,968	
Adoption assistance		81,293	
Low income energy assistance		432,300	
Other programs		38,694	
Total	6,737,073	6,054,271	682,802
Total Social Services	15,765,657	14,870,016	895,641
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		150,939	
Operations and maintenance		59,090	
Total	210,289	210,029	260
Transportation			
Salaries and employee benefits		26,023	
Total	26,160	26,023	137
Personal Care Block Grant			
Salaries and employee benefits		132,326	
Operations and maintenance		307,489	
Total	475,441	439,815	35,626

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Home Repairs			
Salaries and employee benefits		62,893	
Operations and maintenance		85,879	
Total	<u>167,052</u>	<u>148,772</u>	<u>18,280</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		88,929	
Operations and maintenance		9,030	
Total	<u>93,743</u>	<u>97,959</u>	<u>(4,216)</u>
Adult Daycare			
Salaries and employee benefits		163,917	
Operations and maintenance		87,427	
Total	<u>265,167</u>	<u>251,344</u>	<u>13,823</u>
Information/Case Assistance			
Salaries and employee benefits		45,655	
Operations and maintenance		3,398	
Total	<u>49,301</u>	<u>49,053</u>	<u>248</u>
Nutrition Program			
Salaries and employee benefits		110,786	
Operations and maintenance		251,126	
Total	<u>381,840</u>	<u>361,912</u>	<u>19,928</u>
Family Caregiver Support			
Salaries and employee benefits		14,646	
Operations and maintenance		10,164	
Total	<u>35,019</u>	<u>24,810</u>	<u>10,209</u>
Total Aging and In-Home Services	<u>1,704,012</u>	<u>1,609,717</u>	<u>94,295</u>
Total Human Services	<u>21,678,556</u>	<u>20,291,889</u>	<u>1,386,667</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education		7,513,440	
Clinton City Board of Education		2,655,840	
Sampson Community College		1,359,433	
Capital Outlay			
Sampson County Board of Education		602,262	
Clinton City Board of Education		395,997	
Sampson Community College		347,089	
Total Education	<u>13,440,052</u>	<u>12,874,061</u>	<u>565,991</u>
Culture and Recreation			
Library			
Salaries and employee benefits		599,047	
Operations and maintenance		221,120	
Capital outlay		24,026	
Total	<u>866,555</u>	<u>844,193</u>	<u>22,362</u>
Special Appropriations			
Special projects	<u>68,393</u>	<u>67,273</u>	<u>1,120</u>
Recreation			
Salaries and employee benefits		414,653	
Operations and maintenance		84,942	
Programs		109,920	
Capital outlay		-	
Total Recreation	<u>657,252</u>	<u>609,515</u>	<u>47,737</u>
Agri-Exposition Center			
Salaries and employee benefits		121,497	
Operations and maintenance		393,867	
Special events		23,292	
Total	<u>626,011</u>	<u>538,656</u>	<u>87,355</u>
Total Culture and Recreation	<u>2,218,211</u>	<u>2,059,637</u>	<u>158,574</u>
Debt Service			
Principal		3,987,634	
Interest and fees		5,920,759	
Bond issuance cost		405,707	
Administration		93,231	
Total Debt Service	<u>10,700,963</u>	<u>10,407,331</u>	<u>293,632</u>

SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit B-1
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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Contingency	<u>296,138</u>	<u>-</u>	<u>296,138</u>
Total expenditures	<u>73,850,848</u>	<u>69,918,929</u>	<u>3,931,919</u>
Excess (deficiency) of revenues over expenditures	<u>(7,029,664)</u>	<u>(2,893,130)</u>	<u>4,136,534</u>
Other financing sources (uses)			
Transfers in	2,680,897	2,296,259	(384,638)
Transfers out	(174,876)	(174,876)	-
Refunding bonds issued	46,462,011	46,462,011	-
Payment to refunded bond escrow agent	<u>(45,608,412)</u>	<u>(45,608,412)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,359,620</u>	<u>2,974,982</u>	<u>(384,638)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(3,670,044)	81,852	3,751,896
Appropriated Fund Balance	<u>3,670,044</u>	<u>-</u>	<u>(3,670,044)</u>
Net change in fund balance	<u>\$ -</u>	<u>81,852</u>	<u>\$ 81,852</u>
Fund balance - beginning		<u>20,952,807</u>	
Fund balance - ending		<u>\$ 21,034,659</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, 2015**

Exhibit B-2

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings:			
Library reserve	\$ -	\$ 5	\$ 5
Airport reserve	-	72	72
Livestock arena reserve	-	9	9
Schools building reserve	-	34	34
County building reserve	-	29	29
Water line repairs	-	7	7
Total revenues	-	156	156
Other Financing Sources (Uses)			
Transfers in (out)			
To Airport Capital Projects	(7,816)	-	7,816
To General fund	(110,230)	(98,000)	12,230
From General Fund for Airport Committed	-	-	-
From General Fund for County School Bldg Committed	-	-	-
From General Fund for City School Bldg Committed	-	-	-
From General Fund for SCC Bldg Committed	-	-	-
From General Fund for County Bldg Committed	-	-	-
Total other financing sources (uses)	(118,046)	(98,000)	20,046
Excess (deficiency) of revenues over expenditures	(118,046)	(97,844)	20,202
Appropriated Fund Balance	118,046	-	(118,046)
Net change in fund balance	\$ -	(97,844)	\$ (97,844)
Fund balance - beginning		1,101,551	
Fund balance - ending		<u>\$ 1,003,707</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, 2015

Exhibit B-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad-valorem taxes	\$ -	\$ 122,000	\$ 122,000
Investment earnings	-	127	127
Total revenues	<u>122,000</u>	<u>122,127</u>	<u>122,127</u>
Expenditures			
Real property appraisals	<u>122,000</u>	<u>-</u>	<u>122,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>122,127</u>	<u>244,127</u>
Other Financing Sources			
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	-	122,127	122,127
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>122,127</u>	<u>\$ 122,127</u>
Fund balance - beginning		<u>681,916</u>	
Fund balance - ending		<u>\$ 804,043</u>	

SAMPSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL-SCHOOLS CAPITAL PROJECT FUND

Exhibit B-4

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues			
Other taxes and licenses	\$ 2,057,939	\$ 2,291,944	\$ 234,005
Investment earnings	-	339	339
Total revenues	<u>2,057,939</u>	<u>2,292,283</u>	<u>234,344</u>
Other Financing Sources (Uses)			
Transfers (out)			
To General Fund for:			
County schools capital outlay	(908,227)	(602,262)	305,965
City schools capital outlay	(462,440)	(395,997)	66,443
Debt service	<u>(1,200,000)</u>	<u>(1,200,000)</u>	-
Total other financing uses	<u>(2,570,667)</u>	<u>(2,198,259)</u>	<u>372,408</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(512,728)</u>	<u>94,024</u>	<u>606,752</u>
Appropriated Fund Balance	<u>512,728</u>	<u>-</u>	<u>(512,728)</u>
Net change in fund balance	<u>\$ -</u>	<u>94,024</u>	<u>\$ 94,024</u>
Fund balance - beginning		<u>2,656,884</u>	
Fund balance - ending		<u>\$ 2,750,908</u>	

SAMPSON COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-SCHOOLS & COMMUNITY FACILITIES CONSTRUCTION -
CAPITAL PROJECT FUND**

Exhibit B-5

From Inception and for the Fiscal Year Ended June 30, 2015

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal and Local Grants:					
USDA Rural Development	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	24,000	150,230	63	150,293	126,293
Donations	-	-	-	-	-
Sales tax refund	-	279,498	-	279,498	279,498
Total revenues	<u>24,000</u>	<u>429,728</u>	<u>63</u>	<u>429,791</u>	<u>405,791</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	1,992,192	695	1,992,887	7,113
Other costs	-	-	-	-	-
Other construction	-	-	-	-	-
Community Facilities	<u>2,536,536</u>	<u>1,177,827</u>	<u>28,000</u>	<u>1,205,827</u>	<u>1,330,709</u>
Total expenditures	<u>6,560,536</u>	<u>5,174,326</u>	<u>28,695</u>	<u>5,203,021</u>	<u>1,357,515</u>
Excess (deficiency) of revenues over expenditures	<u>(6,536,536)</u>	<u>(4,744,598)</u>	<u>(28,632)</u>	<u>(4,773,230)</u>	<u>1,763,306</u>
Other Financing Sources (Uses)					
Transfers in (out)					
To General Fund for:					
Debt payment	-	-	-	-	-
From School capital reserve	-	340,401	-	340,401	340,401
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
COPS debt issuance costs	-	-	-	-	-
Loan proceeds	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>
Total other financing uses	<u>6,536,536</u>	<u>6,876,937</u>	<u>-</u>	<u>6,876,937</u>	<u>340,401</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>2,132,339</u>	<u>(28,632)</u>	<u>2,103,707</u>	<u>2,103,707</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,132,339</u>	<u>(28,632)</u>	<u>\$ 2,103,707</u>	<u>\$ 2,103,707</u>
Fund balance - beginning			<u>2,132,339</u>		
Fund balance - ending			<u>\$ 2,103,707</u>		

SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2015

Exhibit B-6

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 4,079,854	\$ 3,352,309	\$ 125,579	\$ 3,477,888	\$ (601,966)
City of Clinton	226,659	152,904	-	152,904	(73,755)
Total revenues	<u>4,306,513</u>	<u>3,505,213</u>	<u>125,579</u>	<u>3,630,792</u>	<u>(675,721)</u>
Expenditures					
Economic Development					
Professional services	1,235,114	1,039,944	38,622	1,078,566	156,548
Capital outlay	58,520	58,520	-	58,520	-
Construction costs	2,838,471	2,528,831	72,842	2,601,673	236,798
Land	401,067	340,027	-	340,027	61,040
Total expenditures	<u>4,533,172</u>	<u>3,967,322</u>	<u>111,464</u>	<u>4,078,786</u>	<u>454,386</u>
Excess (deficiency) of revenues over expenditures	<u>(226,659)</u>	<u>(462,109)</u>	<u>14,115</u>	<u>(447,994)</u>	<u>(221,335)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	226,659	175,156	-	175,156	(51,503)
Total other financing sources	<u>226,659</u>	<u>175,156</u>	<u>-</u>	<u>175,156</u>	<u>(51,503)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (286,953)</u>	14,115	<u>\$ (272,838)</u>	<u>\$ (272,838)</u>
Fund balance - beginning			(286,953)		
Fund balance - ending			<u>\$ (272,838)</u>		

SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

Exhibit C-1
Page 1 of 4

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
ASSETS				
Cash and cash equivalents	\$ 758,769	\$ 19,385	\$ 1,401	\$ 805,551
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	114,978
Other receivables	24,138	14,883	-	28,167
TOTAL ASSETS	\$ 782,907	\$ 34,268	\$ 1,401	\$ 948,696
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 13,357	\$ 8,999	\$ -	\$ -
Due to General Fund	-	-	-	-
Total Liabilities	13,357	8,999	-	-
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	114,978
Total Deferred Inflows of Resources	-	-	-	114,978
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	24,138	14,883	-	28,167
Public safety	-	-	-	805,551
Assigned				
General government	-	-	-	-
Public safety	745,412	-	-	-
Environmental protection	-	-	-	-
Human services	-	10,386	1,401	-
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	769,550	25,269	1,401	833,718
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 782,907	\$ 34,268	\$ 1,401	\$ 948,696

SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

Exhibit C-1
Page 2 of 4

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
ASSETS				
Cash and cash equivalents	\$ 63,616	\$ -	\$ -	\$ 8,763
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	-
Other receivables	330	10,807	13,114	-
TOTAL ASSETS	\$ 63,946	\$ 10,807	\$ 13,114	\$ 8,763
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 10,005	\$ 1,500	\$ -
Due to General Fund	-	3,948	11,614	-
Total Liabilities	-	13,953	13,114	-
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	330	10,807	13,114	-
Public safety	-	-	-	-
Assigned				
General government	-	-	-	-
Public safety	-	(13,953)	-	-
Environmental protection	63,616	-	-	-
Human services	-	-	(13,114)	8,763
Culture and recreation	-	-	-	-
Capital expansion	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	63,946	(3,146)	-	8,763
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,946	\$ 10,807	\$ 13,114	\$ 8,763

SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

Exhibit C-1
Page 3 of 4

	<u>Special Revenue Funds</u>		
	<u>Homeland Security Equipment</u>	<u>Employment and Training</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS			
Cash and cash equivalents	\$ 24,875	\$ 11,020	\$ 1,693,380
Restricted cash	-	-	-
Taxes receivable (net)	-	-	114,978
Other receivables	-	-	91,439
TOTAL ASSETS	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ 1,899,797</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 33,861
Due to General Fund	-	-	15,562
Total Liabilities	<u>-</u>	<u>-</u>	<u>49,423</u>
Deferred Inflows of Resources:			
Property taxes receivable	-	-	114,978
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>114,978</u>
Fund Balances (Deficits):			
Restricted			-
Stabilization by state statute	-	-	91,439
Public safety	-	-	805,551
Assigned			
General government	-	11,020	11,020
Public safety	24,875	-	756,334
Environmental protection	-	-	63,616
Human services	-	-	7,436
Culture and recreation	-	-	-
Capital expansion	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>24,875</u>	<u>11,020</u>	<u>1,735,396</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ 1,899,797</u>

SAMPSON COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

Exhibit C-1
Page 4 of 4

	Capital Project Funds			
	Courthouse Annex Renovation	County Bldgs Construction & Renovation	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,730,484
Restricted cash	-	-	-	-
Taxes receivable (net)	-	-	-	114,978
Other receivables	-	-	-	91,439
TOTAL ASSETS	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,936,901
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 33,861
Due to General Fund	-	-	-	15,562
Total Liabilities	-	-	-	49,423
Deferred Inflows of Resources:				
Property taxes receivable	-	-	-	114,978
Total Deferred Inflows of Resources	-	-	-	114,978
Fund Balances (Deficits):				
Restricted				
Stabilization by state statute	-	-	-	91,439
Public safety	-	-	-	805,551
Assigned				
General government	-	-	-	11,020
Public safety	-	-	-	756,334
Environmental protection	-	-	-	63,616
Human services	-	-	-	7,436
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	1,772,500
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,936,901

SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

Exhibit C-2
Page 1 of 4

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	Fire Districts
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,574,139
Sales taxes	-	-	-	-
State, federal and local grants	-	292,630	-	-
Fees	289,653	62,088	-	-
Investment earnings	132	3	-	128
Miscellaneous	-	10	-	-
Total revenues	<u>289,785</u>	<u>354,731</u>	<u>-</u>	<u>2,574,267</u>
Expenditures				
General government	-	-	-	-
Public safety	347,770	-	-	2,543,450
Environmental protection	-	-	-	-
Human services	-	522,225	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>347,770</u>	<u>522,225</u>	<u>-</u>	<u>2,543,450</u>
Excess (deficiency) of revenues over expenditures	<u>(57,985)</u>	<u>(167,494)</u>	<u>-</u>	<u>30,817</u>
Other Financing Sources (Uses)				
Transfers in	-	174,876	-	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>174,876</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(57,985)	7,382	-	30,817
Fund balances - beginning	<u>827,535</u>	<u>17,887</u>	<u>1,401</u>	<u>802,901</u>
Fund balances - ending	<u>\$ 769,550</u>	<u>\$ 25,269</u>	<u>\$ 1,401</u>	<u>\$ 833,718</u>

SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

Exhibit C-2
Page 2 of 4

	Special Revenue Funds			
	Soil and Water District	Hazard Mitigation Plan Update	Community Development SFR-14	Urgent Home Repair Project
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	5,041	35,995	13,114	37,500
Fees	-	-	-	-
Investment earnings	10	-	-	-
Miscellaneous	110	-	-	-
Total revenues	<u>5,161</u>	<u>35,995</u>	<u>13,114</u>	<u>37,500</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	4,573	-	-	-
Human services	-	39,141	13,114	9,522
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>4,573</u>	<u>39,141</u>	<u>13,114</u>	<u>9,522</u>
Excess (deficiency) of revenues over expenditures	<u>588</u>	<u>(3,146)</u>	<u>-</u>	<u>27,978</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	588	(3,146)	-	27,978
Fund balances - beginning	63,358	-	-	(19,215)
Fund balances - ending	<u>\$ 63,946</u>	<u>\$ (3,146)</u>	<u>\$ -</u>	<u>\$ 8,763</u>

SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

Exhibit C-2
Page 3 of 4

	<u>Special Revenue Funds</u>		
	<u>Homeland</u>	<u>Employment</u>	Total Nonmajor
	<u>Security</u>	<u>and Training</u>	Special
	<u>Equipment</u>		<u>Revenue Funds</u>
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ 2,574,139
Sales taxes	-	-	-
State, federal and local grants	-	-	384,280
Fees	-	-	351,741
Investment earnings	-	-	273
Miscellaneous	-	-	120
Total revenues	-	-	3,310,553
Expenditures			
General government	-	-	-
Public safety	-	-	2,891,220
Environmental protection	-	-	4,573
Human services	-	-	584,002
Culture and recreation	-	-	-
Capital Expansion	-	-	-
Total Expenditures	-	-	3,479,795
Excess (deficiency) of revenues over expenditures	-	-	(169,242)
Other Financing Sources (Uses)			
Transfers in	-	-	174,876
Transfers out	-	-	-
Installment purchase debt issued	-	-	-
Total other financing sources (uses)	-	-	174,876
Net change in fund balances	-	-	5,634
Fund balances - beginning	24,875	11,020	1,729,762
Fund balances - ending	<u>\$ 24,875</u>	<u>\$ 11,020</u>	<u>\$ 1,735,396</u>

SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

Exhibit C-2
Page 5 of 5

	Capital Project Funds			
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,574,139
Sales taxes	-	-	-	-
State, federal and local grants	-	-	-	384,280
Fees	-	-	-	351,741
Investment earnings	-	-	-	273
Miscellaneous	-	-	-	120
Total revenues	-	-	-	3,310,553
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	2,891,220
Environmental protection	-	-	-	4,573
Human services	-	-	-	584,002
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	-	-	-	3,479,795
Excess (deficiency) of revenues over expenditures	-	-	-	(169,242)
Other Financing Sources (Uses)				
Transfers in	-	-	-	174,876
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	-	-	-	174,876
Net change in fund balances	-	-	-	5,634
Fund balances - beginning	29,104	8,000	37,104	1,766,866
Fund balances - ending	\$ 29,104	\$ 8,000	\$ 37,104	\$ 1,772,500

**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, 2015**

Exhibit C-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
NC 911 PSAP fees	\$ 289,653	\$ 289,653	\$ -
Investment earnings	-	132	132
Total revenues	<u>289,653</u>	<u>289,785</u>	<u>132</u>
Expenditures			
Operations and maintenance	10,550	12,499	(1,949)
Telephone and postage	116,004	102,040	13,964
Contracted services	72,396	41,243	31,153
Capital outlay	<u>206,471</u>	<u>191,988</u>	<u>14,483</u>
Total expenditures	<u>405,421</u>	<u>347,770</u>	<u>57,651</u>
Excess (deficiency) of revenues over expenditures	<u>(115,768)</u>	<u>(57,985)</u>	<u>57,783</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	(115,768)	(57,985)	57,783
Appropriated Fund Balance	<u>115,768</u>	-	<u>(115,768)</u>
Net change in fund balance	<u>\$ -</u>	<u>(57,985)</u>	<u>\$ (57,985)</u>
Fund balance - beginning		<u>827,535</u>	
Fund balance - ending		<u>\$ 769,550</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, 2015

Exhibit C-4

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Grants:			
Transportation-capital improvements	\$ 6,553	\$ -	\$ (6,553)
Transportation-riders	180,568	150,266	(30,302)
Development funds	133,880	125,071	(8,809)
Workfirst	18,920	17,293	(1,627)
Mileage fees	76,000	62,088	(13,912)
Miscellaneous	-	10	10
Investment earnings	-	3	3
Total revenues	<u>415,921</u>	<u>354,731</u>	<u>(61,190)</u>
Expenditures			
Salaries and employee benefits	431,040	380,518	50,522
Gas, oil, and tires	70,189	55,761	14,428
Maintenance and repairs	28,233	25,450	2,783
Operations	51,432	50,593	839
Insurance and bonds	9,903	9,903	-
Capital outlay	-	-	-
Total expenditures	<u>590,797</u>	<u>522,225</u>	<u>68,572</u>
Excess (deficiency) of revenues over expenditures	<u>(174,876)</u>	<u>(167,494)</u>	<u>7,382</u>
Other Financing Sources (Uses)			
Transfers:			
From General fund	<u>174,876</u>	<u>174,876</u>	<u>-</u>
Total other financing sources (uses)	<u>174,876</u>	<u>174,876</u>	<u>-</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	-	7,382	7,382
Appropriated Fund Balance	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>7,382</u>	<u>\$ 7,382</u>
Fund balance - beginning		<u>17,887</u>	
Fund balance - ending		<u>\$ 25,269</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, 2015

Exhibit C-5

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

SAMPSON COUNTY, NORTH CAROLINA
FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Exhibit C-6

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad Valorem Taxes:			
Current year	\$ 2,385,800	\$ 2,487,574	\$ 101,774
Prior year	105,150	84,190	(20,960)
Interest		2,375	2,375
Investment earnings	-	128	128
Total revenues	<u>2,490,950</u>	<u>2,574,267</u>	<u>83,317</u>
Expenditures			
Fire protection	<u>2,543,450</u>	<u>2,543,450</u>	<u>-</u>
Total expenditures	<u>2,543,450</u>	<u>2,543,450</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(52,500)</u>	<u>30,817</u>	<u>83,317</u>
Appropriated Fund Balance	<u>52,500</u>	<u>-</u>	<u>(52,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>30,817</u>	<u>\$ 30,817</u>
Fund balance - beginning		<u>802,901</u>	
Fund balance - ending		<u>\$ 833,718</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, 2015

Exhibit C-6,
Continued

<u>District</u>	<u>Ad Valorem Taxes & Investment Earnings</u>	<u>Fire Protection Transfers to Districts</u>	<u>Revenues Over (Under) Expenditures</u>	<u>Fund Balance June 30, 2014</u>	<u>Fund Balance June 30, 2015</u>
Coharie	\$ 144,567	\$ 142,600	\$ 1,967	\$ 63,589	\$ 65,556
Franklin	138,821	133,000	5,821	45,567	51,388
Godwin-Falcon	25,792	26,500	(708)	9,178	8,470
Halls	134,808	128,600	6,208	23,697	29,905
Herring	136,020	131,100	4,920	38,105	43,025
Honeycutt-Salemburg	166,799	160,300	6,499	58,146	64,645
Newton Grove	77,515	76,000	1,515	19,500	21,015
Piney Grove	80,977	79,800	1,177	18,317	19,494
Plain View	246,987	232,100	14,887	110,100	124,987
Spivey's Corner	152,836	140,150	12,686	32,587	45,273
Turkey	138,199	136,700	1,499	41,772	43,271
Vanns Crossroads	77,470	73,500	3,970	13,731	17,701
Clinton	454,346	490,000	(35,654)	120,558	84,904
Clement	197,224	182,700	14,524	61,471	75,995
Autryville	113,441	127,900	(14,459)	34,212	19,753
Garland	119,487	116,800	2,687	47,130	49,817
Taylors Bridge	156,051	153,800	2,251	64,901	67,152
Goshen	12,927	11,900	1,027	340	1,367
	<u>\$ 2,574,267</u>	<u>\$ 2,543,450</u>	<u>\$ 30,817</u>	<u>\$ 802,901</u>	<u>\$ 833,718</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, 2015

Exhibit C-7

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Grant	\$ 3,600	\$ 5,041	\$ 1,441
Miscellaneous	750	110	(640)
Investment earnings	-	10	10
Total revenues	<u>4,350</u>	<u>5,161</u>	<u>811</u>
Expenditures			
Travel	1,975	1,648	327
Operations and maintenance	<u>2,925</u>	<u>2,925</u>	-
Total expenditures	<u>4,900</u>	<u>4,573</u>	<u>327</u>
Excess (deficiency) of revenues over expenditures	<u>(550)</u>	<u>588</u>	<u>484</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	(550)	588	1,138
Appropriated Fund Balance	<u>550</u>	<u>-</u>	<u>(550)</u>
Net change in fund balance	<u>\$ -</u>	<u>588</u>	<u>\$ 588</u>
Fund balance - beginning		<u>63,358</u>	
Fund balance - ending		<u>\$ 63,946</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, 2015**

Exhibit C-8

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 60,000	\$ -	\$ 35,995	\$ 35,995	\$ (24,005)
Miscellaneous	-	-	-	-	-
Total revenue	60,000	-	35,995	35,995	(24,005)
Expenditures					
Supplies	8,000	-	22	22	7,978
Travel	1,500	-	-	-	1,500
Printing	6,500	-	174	174	6,326
Contract services	44,000	-	38,945	38,945	5,055
Total expenditures	60,000	-	39,141	39,141	20,859
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	(3,146)	\$ (3,146)	\$ (3,146)
Fund balance - beginning			-		
Fund balance - ending			\$ (3,146)		

**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, 2015**

Exhibit C-9

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance Positive (Negative)
Revenues					
State and local grants	\$ 170,000	\$ -	\$ 13,114	\$ 13,114	\$ (156,886)
Total revenue	<u>170,000</u>	<u>-</u>	<u>13,114</u>	<u>13,114</u>	<u>(156,886)</u>
Expenditures					
Administration	35,000	-	13,114	13,114	21,886
Housing rehabilitation	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,000</u>
Total expenditures	<u>170,000</u>	<u>-</u>	<u>13,114</u>	<u>13,114</u>	<u>156,886</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u><u>\$ -</u></u>		

**SAMPSON COUNTY, NORTH CAROLINA
URGENT HOME REPAIR GRANT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2015**

Exhibit C-10

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 350,000	\$ 237,500	\$ 37,500	\$ 275,000	\$ (75,000)
Interest earned	390	826	-	826	436
Total revenue	<u>350,390</u>	<u>238,326</u>	<u>37,500</u>	<u>275,826</u>	<u>(74,564)</u>
Expenditures					
Salaries and employee benefits	5,609	5,609	-	5,609	-
Building materials	58,470	44,573	5,051	49,624	8,846
Department supplies	71,970	7,587	-	7,587	64,383
Contracted services	<u>214,341</u>	<u>199,772</u>	<u>4,471</u>	<u>204,243</u>	<u>10,098</u>
Total expenditures	<u>350,390</u>	<u>257,541</u>	<u>9,522</u>	<u>267,063</u>	<u>83,327</u>
Excess (deficiency) of revenues over expenditures					
	<u>\$ -</u>	<u>\$ (19,215)</u>	27,978	<u>\$ 8,763</u>	<u>\$ 8,763</u>
Fund balance - beginning					
			<u>(19,215)</u>		
Fund balance - ending			\$ 8,763		

**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, 2015**

Exhibit C-11

	Project	Actual		Inception	Variance
	Authorization	Prior Years	Current Year	to Date	Positive (Negative)
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, 2015**

Exhibit C-12

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
State and local grants	\$ -	\$ -	\$ -
Interest earned	-	-	-
Total revenue	-	-	-
Expenditures			
Salaries and employee benefits	-	-	-
Building materials	-	-	-
Department supplies	-	-	-
Contracted services	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning		11,020	
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, 2015

Exhibit C-13

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



SAMPSON COUNTY, NORTH CAROLINA
COUNTY BUILDINGS CONSTRUCTION AND RENOVATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2015

Exhibit C-14

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

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER FUND - DISTRICT II
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2015**

Exhibit D-1

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,933,152	\$
Penalties		34,097	
Tap fees		33,950	
Miscellaneous		52,314	
Total Operating Revenues	<u>2,101,312</u>	<u>2,053,513</u>	<u>(47,799)</u>
Nonoperating Revenues:			
Interest earnings		184	
Total Nonoperating Revenues	<u>-</u>	<u>184</u>	<u>184</u>
Total Revenues	<u>2,101,312</u>	<u>2,053,697</u>	<u>(47,615)</u>
Expenditures:			
Salaries and employee benefits		320,239	
Bulk water purchases		362,187	
Travel		1,911	
Contracted services		150,336	
Operations and maintenance		396,395	
Capital outlay		29,219	
Bond issuance cost		173,665	
Debt service principal		11,011,328	
Debt service interest		504,399	
Total Expenditures	<u>12,963,845</u>	<u>12,949,679</u>	<u>14,166</u>
Revenues Over (Under) Expenditures	<u>(10,862,533)</u>	<u>(10,895,982)</u>	<u>(33,449)</u>
Other Financing Sources:			
Transfer from general fund	26,600	-	(26,600)
Bond proceeds	<u>10,819,000</u>	<u>9,990,000</u>	<u>(829,000)</u>
Total other financing sources	<u>10,845,600</u>	<u>9,990,000</u>	<u>(855,600)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(16,933)</u>	<u>(905,982)</u>	<u>(889,049)</u>
Appropriated Fund Balance	<u>16,933</u>	<u>-</u>	<u>(16,933)</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (905,982)</u>	<u>\$ (905,982)</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, 2015**

**Exhibit D-1
continued**

Reconciliation from budgetary basis (modified accrual) to full accrual	
Revenues and Other Financing Sources	
Over (Under) Expenditures	<u>\$ (905,982)</u>
Reconciling Items:	
Debt principal	11,011,328
Loan proceeds	(9,990,000)
Other post-employment benefits	(6,218)
Pension expense	(1,085)
Deferred outflows of resources for contributions made	
to pension plan in current fiscal year	12,158
Compensated absences	109
Accrued interest	22,158
Bad debt expense	-
Depreciation	(708,730)
Capital outlay	29,219
Capital contributions in capital projects	579,359
Amortization of Bond Premiums	3,394
Total reconciling items	<u>951,692</u>
Change in net position	<u>\$ 45,710</u>

SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2015

Exhibit D-2

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
State Federal and Local Grants:					
USDA Rural Development	\$ 834,850	\$ 255,641	\$ 579,359	\$ 835,000	\$ 150
Sales Tax Refund	52,300	116,460	-	116,460	64,160
Investment earnings	-	-	-	-	-
Total Revenues	<u>887,150</u>	<u>372,101</u>	<u>579,359</u>	<u>951,460</u>	<u>64,310</u>
Expenditures:					
Engineering	349,927	284,991	64,936	349,927	-
Other professional services	14,984	13,359	1,625	14,984	-
Land	77,435	76,908	527	77,435	-
Construction	2,169,466	1,637,298	532,168	2,169,466	-
Capitalized interest	58,970	58,970	-	58,970	-
Legal	8,368	7,835	533	8,368	-
Total Expenditures	<u>2,679,150</u>	<u>2,079,361</u>	<u>599,789</u>	<u>2,679,150</u>	<u>-</u>
Revenues Over (Under) Expenditures	(1,792,000)	(1,707,260)	(20,430)	(1,727,690)	64,310
Other Financing Sources:					
Bonds issued	-	-	-	-	-
Installment purchase debt proceeds	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>-</u>
	<u>1,792,000</u>	<u>1,792,000</u>	<u>-</u>	<u>1,792,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 84,740</u>	<u>\$ (20,430)</u>	<u>\$ 64,310</u>	<u>\$ 64,310</u>

SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER LINE CONSTRUCTION FUND-403 INFRASTRUCTURE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2015

Exhibit D-3

	Project	Actual		Inception	Variance
	Authorization	Prior Years	Current Year	to Date	Positive (Negative)
Revenues:					
State Federal and Local Grants:					
NC Department of Commerce	\$ 781,000	\$ -	\$ -	\$ -	\$ (781,000)
DOC Economic Development Div.	292,425	-	-	-	(292,425)
Golden Leaf Funding	450,000	-	-	-	(450,000)
Total Revenues	<u>1,523,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,523,425)</u>
Expenditures:					
Engineering	111,140	-	72,912	72,912	38,228
Other professional services	10,000	-	5,414	5,414	4,586
Land	7,860	-	-	-	7,860
Construction	1,302,000	-	731	731	1,301,269
Contingency	125,200	-	-	-	125,200
Legal	6,300	-	1,294	1,294	5,006
Total Expenditures	<u>1,562,500</u>	<u>-</u>	<u>80,351</u>	<u>80,351</u>	<u>1,482,149</u>
Revenues Over (Under) Expenditures	(39,075)	-	(80,351)	(80,351)	(41,276)
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>\$ -</u>	<u>\$ (80,351)</u>	<u>\$ (80,351)</u>	<u>\$ (80,351)</u>

**SAMPSON COUNTY, NORTH CAROLINA
WATER AND SEWER FUND - DISTRICT I
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2015**

Exhibit D-4

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 561,238	\$
Penalties		9,899	
Tap fees		6,300	
Miscellaneous		15,188	
Total Operating Revenues	<u>531,994</u>	<u>592,625</u>	<u>60,631</u>
Nonoperating Revenues:			
Interest earnings		275	
Total Nonoperating Revenues	<u>-</u>	<u>275</u>	<u>275</u>
Total Revenues	<u>531,994</u>	<u>592,900</u>	<u>60,906</u>
Expenditures:			
Salaries and employee benefits		94,515	
Bulk water purchases		190,771	
Travel		555	
Contracted services		43,646	
Operations and maintenance		78,179	
Capital outlay		29,219	
Debt service principal		45,450	
Debt service interest		43,210	
Total Expenditures	<u>531,994</u>	<u>525,545</u>	<u>6,449</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>67,355</u>	<u>67,355</u>
Other Financing Sources:			
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>-</u>	<u>67,355</u>	<u>67,355</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 67,355</u>	<u>\$ 67,355</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 67,355</u>	
Reconciling Items:			
Debt principal		45,450	
Pension Expense		(525)	
Contributions made to the pension plan in the current year		6,079	
Other post-employment benefits		(3,399)	
Bad debt expense		-	
Depreciation		(105,748)	
Compensated absences		490	
Capital outlay		29,219	
Accrued interest		198	
Total reconciling items		<u>(28,236)</u>	
Change in net position		<u>\$ 39,119</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, 2015

Exhibit D-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 6,551,972	\$
Miscellaneous		397,972	
Total Operating Revenues	<u>6,666,114</u>	<u>6,949,944</u>	<u>283,830</u>
Nonoperating Revenues:			
Interest earnings		553	
Total Nonoperating Revenues	<u>-</u>	<u>553</u>	<u>553</u>
Total Revenues	<u>6,666,114</u>	<u>6,950,497</u>	<u>284,383</u>
Expenditures:			
Insurance claims paid		6,638,900	
Total Expenditures	<u>7,142,000</u>	<u>6,638,900</u>	<u>503,100</u>
Revenues Over (Under) Expenditures	<u>(475,886)</u>	<u>311,597</u>	<u>787,483</u>
Appropriated Fund Balance	<u>475,886</u>	<u>-</u>	<u>(475,886)</u>
Revenues, Other Financing Sources, and			
Appropriated Fund Balance			
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 311,597</u>	<u>\$ 311,597</u>
Reconciliation from Financial Plan Basis			
(Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ 311,597</u>	
Reconciling Items:			
Change in net position		<u>\$ 311,597</u>	

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Exhibit E-1
Page 1 of 2

	Social Services Funds	4-H Funds	Miscellaneous	Property Tax Collection Funds	Motor Vehicle Tax Funds
ASSETS					
Cash and cash equivalents	\$ 57,148	\$ -	\$ 95,466	\$ -	\$ -
Accounts receivable	-	-	-	53,343	40,088
TOTAL ASSETS	\$ 57,148	\$ -	\$ 95,466	\$ 53,343	\$ 40,088
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous liabilities	57,148	-	95,466	53,343	40,088
TOTAL LIABILITIES	\$ 57,148	\$ -	\$ 95,466	\$ 53,343	\$ 40,088

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Exhibit E-1
Page 2 of 2

	<u>Fines and Forfeitures</u>	<u>Detention Center Trust</u>	<u>Total June 30, 2015</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 35,125	\$ 187,739
Accounts receivable	-	-	93,431
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 35,125</u>	<u>\$ 281,170</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Miscellaneous liabilities	-	35,125	281,170
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 35,125</u>	<u>\$ 281,170</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

Exhibit E-2
Page 1 of 2

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>Social Services Funds</u>				
Assets:				
Cash and cash equivalents	\$ 135,797	\$ 937,033	\$ 1,015,682	\$ 57,148
	<u>135,797</u>	<u>937,033</u>	<u>1,015,682</u>	<u>57,148</u>
Liabilities:				
Accounts payable	-	506,028	506,028	-
Miscellaneous liabilities	135,797	445,317	523,966	57,148
	<u>\$ 135,797</u>	<u>\$ 951,345</u>	<u>\$ 1,029,994</u>	<u>\$ 57,148</u>
<u>4-H Funds</u>				
Assets:				
Cash and cash equivalents	\$ 5,835	\$ 17,992	\$ 23,827	\$ -
	<u>5,835</u>	<u>17,992</u>	<u>23,827</u>	<u>-</u>
Liabilities:				
Accounts payable	829	-	829	-
Miscellaneous liabilities	5,006	17,992	22,998	-
	<u>\$ 5,835</u>	<u>\$ 17,992</u>	<u>\$ 23,827</u>	<u>\$ -</u>
<u>Miscellaneous Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 120,011	\$ 7,365	\$ 31,910	\$ 95,466
	<u>120,011</u>	<u>7,365</u>	<u>31,910</u>	<u>95,466</u>
Liabilities:				
Accounts payable	36	-	36	-
Miscellaneous liabilities	119,975	7,365	31,874	95,466
	<u>\$ 120,011</u>	<u>\$ 7,365</u>	<u>\$ 31,910</u>	<u>\$ 95,466</u>
<u>Tax Collection Funds</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,990,114	\$ 2,990,114	\$ -
Accounts receivable	-	53,343	-	53,343
	<u>-</u>	<u>3,043,457</u>	<u>2,990,114</u>	<u>53,343</u>
Liabilities:				
Accounts payable	-	-	-	-
Miscellaneous liabilities	-	3,043,457	2,990,114	53,343
	<u>\$ -</u>	<u>\$ 3,043,457</u>	<u>\$ 2,990,114</u>	<u>\$ 53,343</u>
<u>Motor Vehicle Tax Funds</u>				
Assets:				
Cash and cash equivalents	\$ 25,188	\$ 452,323	\$ 477,511	\$ -
Accounts receivable	33,133	40,088	33,133	40,088
	<u>58,321</u>	<u>492,411</u>	<u>510,644</u>	<u>40,088</u>
Liabilities:				
Accounts payable	\$ 25,299	\$ 492,411	\$ 517,710	\$ -
Miscellaneous liabilities	33,022	40,088	33,022	40,088
	<u>\$ 58,321</u>	<u>\$ 532,499</u>	<u>\$ 550,732</u>	<u>\$ 40,088</u>

SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2015

Exhibit E-2
Page 2 of 2

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
<u>Fines and Forfeitures</u>				
Assets:				
Cash and cash equivalents	\$ -	\$ 297,367	\$ 297,367	\$ -
Accounts receivable	-	-	-	-
	<u>-</u>	<u>297,367</u>	<u>297,367</u>	<u>-</u>
Liabilities:				
Accounts payable	-	297,367	297,367	-
	<u>\$ -</u>	<u>\$ 297,367</u>	<u>\$ 297,367</u>	<u>\$ -</u>
<u>Detention Center Trust</u>				
Assets:				
Cash and cash equivalents	\$ 28,842	\$ 265,621	\$ 259,338	\$ 35,125
	<u>28,842</u>	<u>265,621</u>	<u>259,338</u>	<u>35,125</u>
Liabilities:				
Miscellaneous liabilities	28,842	250,095	243,812	35,125
	<u>\$ 28,842</u>	<u>\$ 250,095</u>	<u>\$ 243,812</u>	<u>\$ 35,125</u>

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
<u>Total of all Agency Funds</u>				
Assets:				
Cash and cash equivalents	\$ 315,673	\$ 4,967,815	\$ 5,095,749	\$ 187,739
Accounts receivable	33,133	93,431	33,133	93,431
	<u>348,806</u>	<u>5,061,246</u>	<u>5,128,882</u>	<u>281,170</u>
Liabilities:				
Accounts payable	26,164	1,295,806	1,321,970	-
Miscellaneous liabilities	322,642	3,804,314	3,845,786	281,170
	<u>\$ 348,806</u>	<u>\$ 5,100,120</u>	<u>\$ 5,167,756</u>	<u>\$ 281,170</u>



ADDITIONAL FINANCIAL DATA



SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2015

Exhibit F-1

	Uncollected Balance July 1, 2014	Additions	Collections and Credits	Uncollected Balance June 30, 2015
County-wide:				
General County	<u>\$ 2,464,955</u>	<u>\$ 35,175,082</u>	<u>\$ 35,479,155</u>	<u>\$ 2,160,882</u>
Fire Districts:				
Plain View	15,420	247,934	251,814	11,540
Spivey's Corner	5,795	164,738	165,923	4,610
Halls	8,822	134,975	137,653	6,144
Franklin	10,843	140,989	141,664	10,168
Turkey	7,658	141,981	142,542	7,097
Vanns	4,258	76,855	78,716	2,397
Godwin-Falcon	860	25,581	25,847	594
Coharie	11,686	147,776	148,230	11,232
Herring	8,036	137,731	139,073	6,694
Honeycutt-Salemburg	11,918	170,141	171,839	10,220
Piney Grove	3,385	82,535	83,230	2,690
Newton Grove	5,075	78,459	79,774	3,760
Clinton	25,224	460,157	464,749	20,632
Clement	11,170	198,359	201,292	8,237
Autryville	6,989	113,861	116,033	4,817
Garland	8,981	119,782	120,523	8,240
Taylor's Bridge	5,411	150,946	151,902	4,455
Goshen	674	14,013	13,908	779
Taylor's Bridge Service	676	9,182	9,386	472
	<u>152,881</u>	<u>2,615,995</u>	<u>2,644,098</u>	<u>124,778</u>
Less Allowance for Uncollectable Ad Valorem Taxes	<u>177,800</u>	<u>-</u>	<u>-</u>	<u>177,800</u>
Ad Valorem Taxes Receivable (net)	<u>\$ 2,440,036</u>	<u>\$ 37,791,077</u>	<u>\$ 38,123,253</u>	<u>\$ 2,107,860</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$ 34,642,381		
Taxes Ad Valorem Revaluation Fund		122,000		
Penalties and interest		361,811		
Taxes Ad Valorem Fire Districts		2,571,764		
Discounts, adjustments and releases		375,465		
Amounts written off per statute of limitations		49,832		
Total Collections and Credits		<u>\$ 38,123,253</u>		

SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2015

Exhibit F-2
Page 1 of 2

	County Wide			Total Levy	
	Property Valuation	Tax Rate Per \$100 of Value	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year rate	\$ 4,067,137,711	.830	\$ 33,757,243	\$ 29,647,202	\$ 4,110,041
Discoveries:	170,758,916	.830	1,417,299	1,417,299	-
Abatements:					
Real, personal, & business property	(31,513,012)	.830	(261,558)	(261,558)	-
Motor vehicles at current year rate	-	.830	-	-	-
Total Property Valuation	<u>4,206,383,615</u>		<u>(261,558)</u>	<u>(261,558)</u>	<u>-</u>
Net Levy			34,912,984	30,802,943	4,110,041
Uncollected taxes at June 30, 2015			<u>952,302</u>	<u>952,133</u>	<u>169</u>
Current year taxes collected			<u>33,960,682</u>	<u>29,850,810</u>	<u>4,109,872</u>
Current levy collection percentage			<u>97.27%</u>	<u>96.91%</u>	<u>100.00%</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2015**

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

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)	100 %
Real property	\$ 3,217,755,961
Personal property	848,190,576
Public service companies (2)	<u>140,437,078</u>
Total assessed valuation	\$ 4,206,383,615
Tax rate per \$100	<u>0.830</u>
Levy (includes discoveries, releases and abatements) (3)	\$ 34,912,984

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>2,533,316</u>
---------------------------	---------------------

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

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

Exhibit F-3

For the Fiscal Year Ended June 30, 2015

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2014 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods, Inc.	Meat Packing	\$ 80,130,165	1.90 %
Progress Energy Carolina	Utility	57,431,233	1.37
Prestage Farms, Inc.	Swine/Poultry Grower	49,358,608	1.17
South River Electric Membership Corp.	Utility	33,261,207	0.79
Butterball, Inc.	Swine/Poultry Grower	15,619,667	0.37
Four County EMC	Utility	14,398,054	0.34
Dubose Strapping, Inc	Manufacturing	14,111,051	0.34
Carolina Telephone	Utility	12,141,680	0.29
Schindler Elevator Corp.	Escalator Manufacturer	11,238,870	0.27
USCOC of Greater NC LLC	Cellular Provider	9,651,987	0.23
		<u>\$ 297,342,522</u>	<u>7.07 %</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2015**

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

	<u>Total Property Valuation</u>	<u>Rate Per \$100 of Value</u>	<u>Amount of Levy</u>	<u>Discoveries</u>	<u>Abatements</u>
County-Wide					
Real, Personal, and Business Property	\$ 3,711,197,952	.830	\$ 29,647,202	\$ 1,417,299	\$ 261,558
Registered Motor Vehicles	495,185,663	.830	4,110,041	-	-
	<u>4,206,383,615</u>		<u>33,757,243</u>	<u>1,417,299</u>	<u>261,558</u>
Fire Districts:					
Plain View	274,976,667	.090	242,623	5,317	461
Spivey's Corner	154,007,000	.100	156,875	7,866	10,734
Halls	192,300,000	.070	129,999	4,979	368
Franklin	187,629,333	.075	136,556	4,438	272
Turkey	200,095,714	.070	137,923	4,069	1,925
Vanns	76,714,000	.100	74,004	2,852	142
Godwin-Falcon	25,529,000	.100	24,410	1,172	53
Coharie	172,976,471	.085	141,945	5,843	758
Herring	161,252,941	.085	134,394	3,356	685
Honeycutt-Salemburg	168,785,000	.100	164,408	5,752	1,375
Piney Grove	108,889,333	.075	78,889	3,649	871
Newton Grove	119,984,615	.065	76,484	1,977	471
Clinton	482,664,211	.095	447,648	12,545	1,662
Clement	219,564,444	.090	194,415	3,948	755
Autryville	119,242,105	.095	108,328	5,568	616
Garland	119,323,000	.100	116,473	3,313	463
Taylor's Bridge	214,471,429	.070	145,287	5,661	818
Goshen	19,607,143	.070	14,010	-	285
Taylor's Bridge Service	26,237,143	.035	8,645	538	-
			<u>2,533,316</u>	<u>82,843</u>	<u>22,714</u>
Grand Total			<u>\$ 36,290,559</u>	<u>\$ 1,500,142</u>	<u>\$ 284,272</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2015**

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

	<u>Net Tax Levy for Year</u>	<u>Uncollected Taxes</u>	<u>Current Year Collected</u>	<u>Percent Collected</u>	
County-Wide					
Real, Personal, and Business Property	\$ 30,802,943	\$ 952,133	\$ 29,850,810	96.91	%
Registered Motor Vehicles	<u>4,110,041</u>	<u>169</u>	<u>4,109,872</u>	<u>100.00</u>	
	<u>34,912,984</u>	<u>952,302</u>	<u>33,960,682</u>	<u>97.27</u>	
Fire Districts:					
Plain View	247,479	6,580	240,899	97.34	
Spivey's Corner	154,007	2,902	151,105	98.12	
Halls	134,610	3,638	130,972	97.30	
Franklin	140,722	6,165	134,557	95.62	
Turkey	140,067	4,750	135,317	96.61	
Vanns	76,714	1,770	74,944	97.69	
Godwin-Falcon	25,529	331	25,198	98.70	
Coharie	147,030	6,687	140,343	95.45	
Herring	137,065	4,243	132,822	96.90	
Honeycutt-Salemburg	168,785	5,768	163,017	96.58	
Piney Grove	81,667	1,573	80,094	98.07	
Newton Grove	77,990	2,046	75,944	97.38	
Clinton	458,531	11,094	447,437	97.58	
Clement	197,608	5,197	192,411	97.37	
Autryville	113,280	2,741	110,539	97.58	
Garland	119,323	4,536	114,787	96.20	
Taylor's Bridge	150,130	2,535	147,595	98.31	
Goshen	13,725	510	13,215	96.28	
Taylor's Bridge Service	<u>9,183</u>	<u>329</u>	<u>8,854</u>	<u>96.42</u>	
	<u>2,593,445</u>	<u>73,395</u>	<u>2,520,050</u>	<u>97.17</u>	
Grand Total	<u>\$ 37,506,429</u>	<u>\$ 1,025,697</u>	<u>\$ 36,480,732</u>	<u>97.27</u>	%



COMPLIANCE SECTION





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

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statement, which collectively comprises Sampson County's basic financial statements, and have issued our report thereon dated February 11, 2016. Our report includes a reference to other auditors who audited the financial statements of the Sampson Regional Medical Center, Inc. as described in our report on Sampson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Sampson Regional Medical Center, Inc. and Sampson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control over financial reporting was for 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 no disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Elizabethtown, North Carolina

February 11, 2016



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

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Sampson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Sampson County's major federal programs for the year ended June 30, 2015. Sampson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Thompson, Price, Scott, Adams & Co., PA
Elizabethtown, North Carolina
February 11, 2016



Thompson, Price, Scott, Adams & Co., P.A.
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Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners
Sampson County, North Carolina

Report on Compliance for Each Major State Program

We have audited Sampson County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Sampson County's major state programs for the year ended June 30, 2015. Sampson County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

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

Elizabethtown, North Carolina

February 11, 2016

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program (Title XIX Medicaid)
*93.558	Temporary Assistance for Needy Families (TANF)

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

Dollar threshold used to distinguish between Type A and Type B Programs	_____ \$ 2,394,324
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Auditee qualified as low-risk auditee?	_____ Yes	<u> X </u> No
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SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditors' Results

State Awards

Internal control over major State programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	<u> </u> Yes	<u> X </u> No
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Identification of major State programs:

Program Name

Medical Assistance Program (Title XIX Medicaid)
(The Medical Assistance Program is a State match on a federal program and also meet the criteria for a
major State program, but these programs have been included in the list of major federal programs
above).
State/County Special Assistance for Adults

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

None Reported.

Section III – Federal Awards Findings and Questioned Costs

None Reported.

Section IV – State Awards Findings and Questioned Costs

None Reported.

**SAMPSON COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2015**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Question Costs

None reported.

Section III – State Award Findings and Question Costs

None reported.

**SAMPSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2015**

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

Status: Corrected

Finding 2011-2 & 2012-2

Status: Corrected

Finding 2012-3

Status: Corrected

Finding 2013-2

Status: Corrected

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 1 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
US Department of Agriculture					
<u>Food & Nutrition Service</u>					
Passed through the N.C. Dept. of Health & Human Services					
Division of Social Services					
Administration					
Food Stamp Fraud Administration	10.561		\$ 53,980	\$ -	\$ 53,980
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		746,639	-	746,639
Administration					
Special Supplemental Nutrition Program for Women, Infants & Children	10.557		403,106	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program for Women, Infants & Children	10.557		1,731,963	-	-
<u>Rural Utilities Service</u>					
Water & Waste Disposal System Direct Program					
Well Project	10.760		599,789	-	-
Total US Department of Agriculture			3,535,477	-	800,619
US Department of Housing & Urban Development					
Passed through the NC Housing Finance Agency					
Home Investment Partnership Program	14.239	SFR11	13,113	-	-
Total US Department of Housing & Urban Dev.			13,113	-	-
US Department of Justice					
<u>Bureau of Justice Assistance</u>					
State Criminal Alien Assistance	16.606		5,275	-	-
Total US Department of Justice			5,275	-	-
US Department of Transportation					
<u>Federal Aviation Administration</u>					
Passed through the NC Dept. of Transportation					
State Aid to Airports:					
Improvement Program	20.106	36237.12.10.2	100,318	-	11,146
Total Federal Aviation Administration			100,318	-	11,146

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 2 of 7**

<u>Grantor/Pass-through Agency Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Awards continued:					
<u>Federal Transit Administration</u>					
Passed through the NC Dept. of Transportation					
Public Transportation Division					
Community Transportation:					
Administration Funds (13-CT-015)	20.509	36233.94.16.1	105,172	6,573	19,719
Administration Funds (14-CT-015)	20.509	36233.94.15.1	42,909	2,681	8,045
Capital Program (14-CT-015)	20.509	36233.94.15.3	38,704	4,838	4,838
Capital Program (10-AR-15)	20.509	1003.16.3.STT1			
Total Federal Transit Administration			186,785	14,092	32,602
<u>National Highway Traffic Administration</u>					
Traffic Safety Equipment	20.601	K8-14-02-38	28,123	-	28,123
Passed through the NC Dept. of Crime Control & Public Safety					
Haz Mat Emergency Preparedness	20.703		-	-	-
Total US Department of Transportation			315,226	14,092	71,871
Institute of Museum & Library Services					
Passed through the NC Dept. of Cultural Resources					
LSTA EZ Edge Technology Grant	45.310		5,000	-	-
US Department of Homeland Security					
Federal Emergency Management Agency					
Assistance to Firefighters	97.044		38,220	-	-
Total US Department of Homeland Security			38,220	-	-
US Dept. of Health & Human Services					
<u>Administration on Aging</u>					
Division of Aging and Adult Services					
Passed through the Mid-Carolina Council of Govts					
Aging Cluster					
Special Programs for the Aging - Title III C					
Nutrition Services	93.045		246,166	-	22,801
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers	93.044		347,998	-	38,668
Total Aging Cluster			594,164	-	61,469

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 3 of 7**

<u>Grantor/Pass-through Agency Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
Federal Awards continued:					
US Dept. of Health & Human Services continued					
<u>Administration for Children & Families</u>					
Passed through the NC Dept of Health & Human Svcs					
Division of Social Services					
Foster Care & Adoption Cluster					
Title IV-E CPS	93.658		32,004	63,579	22,250
Title IV-E Foster Care Trn	93.658		1,181	-	394
Title IV-E Foster Care/Off Trn	93.658		199,159	-	199,159
Title IV-E Adoption/Off Trn	93.659		5,751	-	5,751
Title IV-E -Direct Benefit Pymt	93.658		130,193	65,097	65,097
Adoption Assistance-Direct Benefit	93.659		206,920	53,672	53,672
Foster Care-Direct Benefit Payments	93.658		234,821	60,857	60,855
Title IV-E Admin Foster Care	93.658		1,763	-	1,763
IV-E Foster Care Excess-Direct Benefit	93.658		145,199	37,650	37,650
Foster Care			36,606	-	3,354
Total Foster Care and Adoption			993,597	280,855	449,945
Temporary Assistance for Needy Families Cluster					
Temporary Assistance for Needy Families (TANF)-					
TANF-Family Preservation	93.556		17,093	-	-
TANF-Direct Benefit Pymts & Penalties	93.558		263,728	-	-
Work First Service	93.558		215,042	-	573,249
Work First Administration	93.558		30,769	-	77,879
TANF	93.558		7,667	-	-
Total TANF Cluster			534,299	-	651,128
IV-D Administration					
IV-D Administration	93.563		771,876	-	397,633
IV-D Offset Fees-Federal	93.563		2,514	-	1,295
IV-D Offset Fees-ESC	93.563		76	-	39
Refugee Assit Admin	93.566		457	-	-
Refugee Assistance-Direct Benefit Pymt	93.566		2,992	-	-
Low Income Home Energy Assistance Block Grant					
Administration	93.568		58,632	-	-
Direct Benefit Payments	93.568		432,300	-	-
Crisis Intervention Program	93.568		293,738	-	-
Child Welfare Services-					
Permanency Planning Spec	93.645		16,776	-	5,592
SSBG-Other Service & Training	93.667		249,340	27,234	92,191
SSBG-In Home Services Over 60	93.667		7,658	-	1,094
SSBG-Adult Day Care Over 60	93.667		4,555	1,360	845
Independent Living Grant (LINKS)	93.674		3,823	956	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 4 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
<u>Health Resources & Service Administration</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Child Development					
Subsidized Child Care (Note 2)					
Child Care Development Fund Cluster					
Division of Social Services					
Administration	93.596		89,209	-	-
Division of Child Development					
Child Care & Development Discretionary	93.575		1,144,931	-	-
Child Care & Development Mandatory	93.596		403,907	-	-
Child Care & Development Match	93.596		121,679	-	-
Total Child Care Fund Cluster			1,759,726	-	-
Temporary Assistance for Needy Families	93.558		319,716	-	-
Foster Care Title IVE	93.658		24,614	12,748	-
State Appropriations			-	143,218	-
TANF-Maintenance of Effort			-	15,144	-
Total Subsidized Child Care			2,104,056	171,110	-
<u>Center for Medicare and Medicaid Services</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Medical Assistance					
Direct Benefit Payments:					
Medical Assistance Direct Benefit Pymts	93.778		66,225,151	36,469,567	-
Division of Social Services					
Medical Assistance Administration	93.778		1,975,372	-	684,530
MAC	93.778		49,649	-	49,649
Adult Care Home Case Management	93.778		26,561	7,412	19,149
DMA Equipment			13,414	-	4,471
State/County Special Assistance			34,948	-	12,680
Total Medicaid Assistance Program			68,325,095	36,476,979	770,479
Direct Benefit Payments:					
State Children's Insurance Program -					
N.C. Health Choice	93.767		1,174,588	370,631	
Division of Social Services					
State Children's Insurance Program -					
N.C. Health Choice	93.767		28,305	3,628	5,260
Total Division of Medical Assistance			1,202,893	374,259	5,260
<u>Centers for Disease Control</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health					
Project Grants and Cooperative					
Agreements for Tuberculosis Control	93.116		33,372	-	-
Well-Integrated Screening & Evaluation					
for Women Across the Nation	93.094		6,699	-	-
HPP & PHEP Aligned Cooperative					
Agreements	93.074		47,806	-	-

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 5 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Dept. of Health & Human Services continued					
Comprehensive Breast & Cervical Cancer Early Detection Programs	93.919		6,885		-
Preventive Health & Health Svcs Block Grant funded solely with PPHF	93.758		13,757		
TANF	93.558		-	-	-
Statewide Health Promotion	93.991		6,789	-	-
Immunization Grants	93.268		18,347	-	-
<u>Health Resources and Services Administration</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health					
Maternal and Child Health Services Block Grant	93.994		102,003	76,511	-
Total Division of Public Health			235,658	76,511	-
HIV Prevention Activities	93.940		1,000	-	-
Sexually Transmitted Diseases Control	93.977		217	-	-
Total Division of Public Health			236,875	76,511	-
<u>Office of Population Affairs</u>					
Passed through the NC Dept of Health & Human Svcs.					
Office of Population Affairs					
Family Planning Services	93.217		62,766	-	-
Total Office of Population Affairs			62,766	-	-
Total US Dept. of Health & Human Services			75,898,482	37,409,264	2,436,970
Total Federal Awards			79,810,793	37,423,356	3,309,460
State Awards:					
N.C. Department of Health and Human Services					
Division of Aging and Adult Services					
<u>Division of Social Services</u>					
State/County Special Assistance for Adults-Direct Benefit Pymts			-	587,768	587,768
Energy Assistance Private Grants			-	5,356	-
AFDC Incentive Program Integrity			-	1,240	-
State Foster Home			-	94,171	94,171
SFHF Maximization			-	96,243	96,242
St Child Welfare/CPS/CS LD			-	30,889	-
CWS Adoption Subsidy			-	88,231	8,490
Total Division of Social Services			-	903,898	786,671

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 6 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
<u>Division of Public Health</u>					
General Aid to Counties			-	130,230	-
Maternal Care			-	12,750	-
Maternal Health (HMHC)			-	8,427	-
HIV/STD SSBG Aid			-	100	-
Child Health			-	496	-
Gen. Communicable Disease Control			-	3,659	-
Risk Reduction/Health Promotion			-	6,289	-
Food and Lodging			-	7,992	-
HMHC-Family Planning			-	3,260	-
School Nurse Funding Initiative			-	400,000	-
Women's Health Service Fund			-	11,694	-
Breast & Cervical Cancer Control			-	5,100	-
HIV/STD State			-	400	-
Sexually Transmitted Diseases			-	1,590	-
Tuberculosis			-	60,163	-
Tuberculosis Medical Services			-	2,271	-
Total Division of Public Health			-	654,421	-
Total NC Department of Health and Human Services			-	1,558,319	786,671
<u>Division of Aging & Adult Services</u>					
Garland Senior Center			-	15,573	-
Family Caregiver Support Program			-	24,749	-
Total Division of Aging & Adult Services			-	40,322	-
NC Department of Transportation					
ROAP-Elderly and Disabled Trans.		36220.10.4.1	-	64,474	-
ROAP- Employment		36236.11.3.1	-	17,293	-
ROAP-Rural General Programs		36228.22.5.1	-	71,131	-
Total NC Department of Transportation			-	152,898	-
NC Housing Finance Agency					
Urgent Repair Program			-	9,522	-
Golden Leaf Foundation					
Infrastructure Project (Water Tank)		FY2013-217	-	64,925	15,426
<u>Division of Juvenile Justice & Delinquency Prevention</u>					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	4,867	-
Teen Court & Restitution			-	75,224	-
Juvenile Innovations Program			-	10,500	-
Total NC Department of Public Safety			-	90,591	-
NC Department of Cultural Resources					
<u>Division of State Library</u>					
State Aid to Public Libraries			-	115,664	728,528
Total NC Dept of Cultural Resources			-	115,664	728,528

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

**Exhibit E
Page 7 of 7**

NC Department of Public Instruction			
N.C. Education Lottery	-	1,173,514	-
Total NC Dept of Public Instruction	-	1,173,514	-
Total State Awards	-	3,205,755	1,530,625
Total Federal and State Awards	<u>\$ 79,810,793</u>	<u>\$ 40,629,111</u>	<u>\$ 4,840,085</u>

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Sampson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Because the SEFSA 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 assets or cash flows of Sampson County.

Note 2: Summary of Significant Accounting Policies

recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or cost principles contained in the Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

Note 3: Sub recipients

Of the federal and State expenditures presented in the schedule, Sampson County provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
NC Education Lottery	NA	-	\$ -	\$ 1,173,514	\$ -

Note 4: Clusters

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