

**SAMPSON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2008**

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

**Sylvia S. Blinson
Finance Officer**

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INTRODUCTORY SECTION



Sampson County Finance Department

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Clinton, N.C. 28329

SYLVIA S. BLINSON
FINANCE OFFICER

Telephone (910) 592-7181

November 14, 2008

To the Board of County Commissioners and
To the Citizens of Sampson County

We are pleased to present the comprehensive annual financial report (CAFR) of Sampson County, North Carolina, for the fiscal year ended June 30, 2008. Maintaining the fiscal strength and stability of the County government is a primary goal of the Board of County Commissioners. This CAFR reflects the achievement of that goal.

State law requires each unit of local government and public authority have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. NCAC 20:03.05.00 sets the parameters of the audit contract. The contract requires audited financial statements for fiscal years ending June 30 to be submitted by October 31, within 4 months of the fiscal year end. This report is published to fulfill that requirement for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Thompson Price Scott Adams & Company, Certified Public Accountants, have issued an unqualified (“clean”) opinion on Sampson County’s financial statements for the year ended June 30, 2008. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF SAMPSON COUNTY

Sampson County was chartered in 1784 by the North Carolina General Assembly, formed from the western portion of Duplin County and is named for John Sampson, a Scotch-Irish settler. In 1872, Franklin township was cut off upper New Hanover County and added to Sampson County. Located in the southeastern part of North Carolina in an area known as the Coastal Plains, Sampson County is the largest county in the State with a total land area of 963 square miles, slightly smaller than the State of

Rhode Island, and has a population of 64,522. Eight municipalities are located in the County, the largest being Clinton, which has a population of 8,912 and serves as the county seat. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected on a district basis and serve staggered four-year terms.

Sampson County provides its citizens a wide range of services which includes education, human services, public safety, cultural and recreational activities, economic and physical development, transportation, environmental protection, general administration, and others. In addition to general government activities, the County manages the Clinton-Sampson Airport; therefore its activities have been included in this report.

The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Sampson County Board of Education, the Clinton City Board of Education, and the Mid-Carolina Council of Governments. The County has evaluated its relationship with each of these entities according to criteria established by GASB Statement 14. Because County allocations do not constitute a major portion of their revenues, and because the County has no authority to designate their management, none of these organizations have been included in this report.

The annual budget serves as the foundation for Sampson County's financial planning and control. The North Carolina Local Government Budget and Fiscal Control Act establishes the dates by which each stage in the annual budget process is to be completed (N.C. G.S. 159-10 through -13). All agencies of Sampson County are required to submit requests for appropriation to the County Manager before April 30 each year. School administrative units and community colleges must submit their proposed budgets and their requests for county appropriations and supplemental tax levies no later than May 15. The County Manager uses these requests as the starting point for developing a recommended budget. The Manager then presents this balanced recommended budget to the board of commissioners for review no later than June 1, and it must enact the budget ordinance or interim budget by July 1, when the budget year begins.

Local Economy

In the early years agriculture was king in this coastal county. However, over the course of time the economy has diversified. Although agriculture is still a major portion of the County's economy, business and industry find the area offers favorable opportunities for growth with lower operating costs, availability of land, a mild climate and a labor pool of people willing to meet modern business challenges.

Agriculture and allied industries are the largest contributors to the economy of the County. The County's agriculture is very diversified with 46 commodities produced commercially on approximately 4,400 farms operated by 1,800 individuals. The County is ranked "Number 2" in the State in swine production. Poultry is the second largest income producing commodity.

Although agriculture and related industry is predominant in the County, other industries include textiles, and miscellaneous metal fabrication. Premium Standard Farms, Inc. is the County's largest taxpayer. Prestage Farms, Inc. is the County's second largest taxpayer. The third largest taxpayer is Progress

Energy Carolina. While Sampson County is extremely fortunate to have such excellent corporate citizens, efforts to broaden the tax base continue. Major non-manufacturing employers in the County are found in the areas of education, retail, health care, government and agriculture.

Long-term Financial Planning

Like most areas of the country, Sampson County has been affected by the general economic downturn, but the regional economy is expected to remain relatively stable in the foreseeable future. In order to influence economic growth the County established an Economic Development Commission to actively recruit new business and industry to the County. The Commission works jointly with the Sampson County Board of Commissioners, the eight municipalities located within the County, the Clinton 100 Committee, the Roseboro Area Economic Development Committee, and the Newton Grove 100 Committee to achieve planned commercial and industrial growth for the entire County. The County and the City of Clinton have adopted Economic Investment Policies to further enhance our ability to attract business and industry.

Sampson County has a 372-acre industrial park as well as four other industrial parks within the County. The County has initiated a county-wide water system which will benefit residential consumers as well as industry. The County is also expanding the runway at the airport for corporate citizens.

Management in Sampson County continues to prepare to meet the challenges that new growth will demand.

Relevant Financial Policies

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and the North Carolina Capital Management Trust. The County's objectives are to generate greater amounts of non-tax revenue through increased investment earnings, while at the same time providing safety and liquidity. At June 30, 2008, the total amount of cash and investments was \$40,351,904. Investment earnings for the governmental fund types totaled \$2,245,314 at year-end compared to \$2,950,496 for the preceding year. Interest earned was equivalent to approximately nine cents (\$.07) on the tax rate.

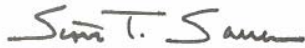
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sampson County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the 15th consecutive year that Sampson County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS. The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Office Staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit should also be given to the Board of Commissioners for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectively submitted,



Scott T. Sauer
County Manager



Sylvia S. Blinson
Finance Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sampson County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. R.", is written above the title.

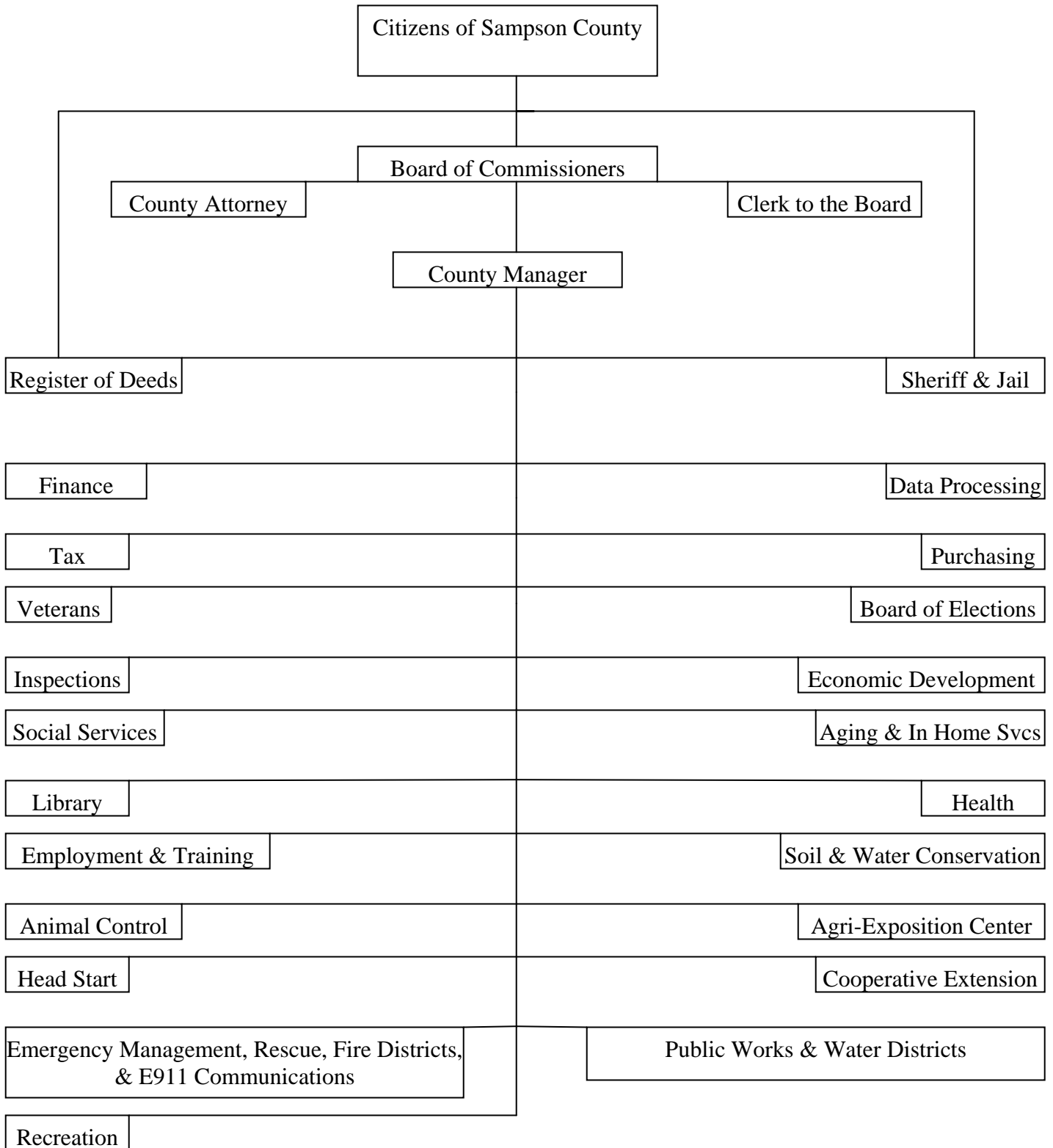
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title.

Executive Director

SAMPSON COUNTY, NORTH CAROLINA

Organizational Chart



Sampson County, North Carolina

Principal Officials

June 30, 2008

Board of Commissioners

**Jeffrey S. Wilson
Chairman**

**Jefferson B. Strickland
Vice Chairman**

John A. Blanton

Jarvis H. McLamb

Malachi Faison

County Manager

Scott T. Sauer

Finance Officer

Sylvia S. Blinson



FINANCIAL SECTION





CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:
Elizabethtown, NC
Wilmington, NC
Whiteville, NC

Independent Auditor's Report

To the Board of County Commissioners
Sampson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise Sampson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sampson County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Sampson Regional Medical Center, Inc. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for Sampson County Hospital, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Sampson County Hospital were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Capital Reserve Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2008 on our consideration of Sampson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Members

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Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Sampson County, North Carolina. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit report and the report of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Thompson, Price, Scott, Adams & Co., PA
November 14, 2008

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, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

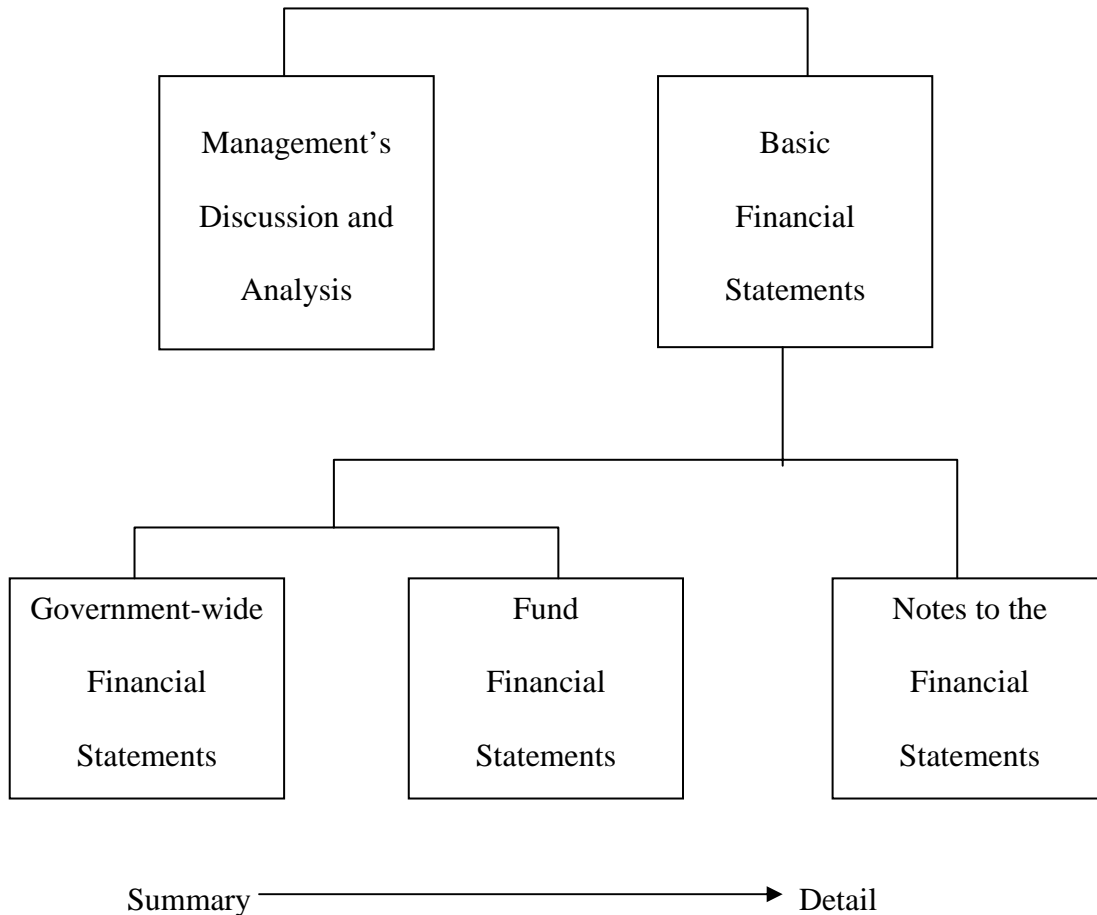
Financial Highlights

- The assets of Sampson County exceeded its liabilities at the close of the most recent fiscal year by \$50,830,498 (net assets).
- The government's total net assets increased by \$5,720,023, primarily due to increased net assets in the General Fund.
- As of the close of the current fiscal year, Sampson County's governmental funds reported combined ending fund balances of \$31,732,340, a decrease of \$29,067,985 in comparison with the prior year. School construction and the County building programs decreased the fund balance by \$31,719,716. Approximately sixty-seven percent (67%) of the fund balance amount, \$21,281,291, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved and undesignated fund balance for the general fund was \$9,605,842, or 16.42 percent (16.42%) of total general fund expenditures for the fiscal year.
- Sampson County's total debt increased by \$16,992,739. The key factor in the increase was the issuance of \$14,141,953 in debt for the construction of Clinton High School.

Overview of the Financial Statements

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

Required Components of Annual Financial Report



Basic Financial Statements

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

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

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

the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

Government-wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and Agri-Exposition Center 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.

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

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus.

As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Sampson County adopts an annual budget for its General Fund, as required by the 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 activity and for its Agri-Exposition Center. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 37 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. Required supplementary information can be found beginning on page 79 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Sampson County exceeded liabilities by \$ 50,834,498 as of June 30, 2008. The County's net assets increased by \$5,720,023 for the fiscal year ended June 30, 2008. One of the largest portions (64.39%) reflects the County's investment in capital assets

(e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Sampson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net assets (10.06%) represents resources that are subject to external restrictions on how they may be used. The unrestricted balance is \$12,989,682 or 25.55 percent of the total.

Sampson County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 48,666,022	\$ 75,880,790	\$ 1,699,596	\$ 1,089,347	\$ 50,365,618	\$ 76,970,137
Capital assets	<u>123,139,545</u>	<u>72,591,607</u>	<u>30,623,863</u>	<u>30,736,731</u>	<u>153,763,408</u>	<u>103,328,338</u>
Total assets	\$ 171,805,567	\$ 148,472,397	\$ 32,323,459	\$ 31,826,078	\$ 204,129,026	\$ 180,298,475
Long-term liabilities outstanding	\$ 128,232,028	\$ 110,863,050	\$ 15,497,794	\$ 15,874,033	\$ 143,729,822	\$ 126,737,083
Other liabilities	<u>9,414,584</u>	<u>8,298,350</u>	<u>154,122</u>	<u>152,567</u>	<u>9,568,706</u>	<u>8,450,917</u>
Total liabilities	\$ 137,646,612	\$ 119,161,400	\$ 15,651,916	\$ 16,026,600	\$ 153,298,528	\$ 135,188,000
Net assets:						
Invested in capital assets net of related debt	\$ 17,571,903	\$ 20,060,328	\$ 15,157,326	\$ 14,890,296	\$ 32,729,229	\$ 34,950,624
Restricted	5,111,587	4,141,111	-	-	5,111,587	4,141,111
Unrestricted	<u>11,475,465</u>	<u>5,109,558</u>	<u>1,514,217</u>	<u>909,182</u>	<u>12,989,682</u>	<u>6,018,740</u>
Total net assets	<u>\$ 34,158,955</u>	<u>\$ 29,310,997</u>	<u>\$ 16,671,543</u>	<u>\$ 15,799,478</u>	<u>\$ 50,830,498</u>	<u>\$ 45,110,475</u>

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

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage in excess of 95%.
- Property tax increase to pay off new debt
- Increased collections of fees
- Increased customer base for water district
- Increase in interest earnings

Sampson County Changes in Net Assets

	Governmental Activities		Business Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 7,912,912	\$ 5,120,551	\$ 2,834,310	\$ 2,856,905	\$ 10,747,222	\$ 7,977,456
Operating grants and contributions	15,026,585	16,575,068	-	-	15,026,585	16,575,068
Capital grants and contributions	208,660	-	894,229	852,898	1,102,889	852,898
General revenues:						
Property taxes	29,576,667	28,768,866	-	-	29,576,667	28,768,866
Other taxes	12,721,138	12,175,963	-	-	12,721,138	12,175,963
Investment earnings, unrestricted	2,245,314	2,950,496	60,253	56,819	2,305,567	3,007,315
Other	<u>1,875,693</u>	<u>1,984,162</u>	<u>-</u>	<u>-</u>	<u>1,875,693</u>	<u>1,984,162</u>
Total revenues	69,566,969	67,575,106	3,788,792	3,766,622	73,355,761	71,341,728
Expenses:						
General government	7,638,303	6,003,310	-	-	7,638,303	6,003,310
Public safety	15,025,358	13,152,048	-	-	15,025,358	13,152,048
Environmental protection	944,896	828,321	-	-	944,896	828,321
Economic and physical development	954,515	1,150,753	-	-	954,515	1,150,753
Human services	22,651,851	23,489,981	-	-	22,651,851	23,489,981
Cultural and recreation	1,965,100	1,867,072	-	-	1,965,100	1,867,072
Education	10,749,244	9,481,524	-	-	10,749,244	9,481,524
Interest on long-term debt	4,468,200	3,000,193	-	-	4,468,200	3,000,193
Agri-Exposition Center	-	-	717,827	717,194	717,827	717,194
Water and sewer Dist. I	-	-	480,484	488,124	480,484	488,124
Water and sewer Dist. II	<u>-</u>	<u>-</u>	<u>2,039,960</u>	<u>1,999,603</u>	<u>2,039,960</u>	<u>1,999,603</u>
Total expenses	64,397,467	58,973,202	3,238,271	3,204,921	67,635,738	62,178,123
Increase in net assets before transfers & special items	5,169,502	8,601,904	550,521	561,701	5,720,023	9,163,605
Transfers	<u>(321,544)</u>	<u>(223,991)</u>	<u>321,544</u>	<u>223,991</u>	<u>-</u>	<u>-</u>
Increase in net assets	4,847,958	8,377,913	872,065	785,692	5,720,023	9,163,605
Net assets, beginning	<u>29,310,997</u>	<u>20,933,084</u>	<u>15,799,478</u>	<u>15,013,786</u>	<u>45,110,475</u>	<u>35,946,870</u>
Net assets, ending	\$ <u>34,158,955</u>	\$ <u>29,310,997</u>	\$ <u>16,671,543</u>	\$ <u>15,799,478</u>	\$ <u>50,830,498</u>	\$ <u>45,110,475</u>

Governmental activities: Governmental activities increased the County's net assets by \$4,847,958, thereby accounting for 84.75% of the total growth in the net assets of Sampson County. Key elements of this increase are as follows:

- Increase in collections for Ambulance charges
- Maintenance of the County's tax collection rate in excess of 95%
- Increase in property tax rate to pay debt service
- Increase in investment earnings

Business-type activities: Business-type activities increased Sampson County's net assets by \$872,065, accounting for 15.25% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Additional water and sewer customers

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, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Sampson County. At the end of the current fiscal year, unreserved and undesignated fund balance of the General fund was \$9,605,842, while total fund balance reached \$22,731,801. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund and undesignated balance represents 16.42 percent of total General Fund expenditures, while total fund balance represents 38.85 percent of that same amount.

At June 30, 2008, the governmental funds of Sampson County reported a combined fund balance of \$31,732,340, a 47.81 percent decrease over last year. The primary reason for this decrease is the decrease in the fund balance in the School Construction Fund.

The other major governmental funds include the Schools Capital Reserve Fund, the Detention Center Construction, and the School Construction capital project funds. The Schools Capital Reserve 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, unreserved and undesignated fund balance of the Schools Capital Reserve Fund was \$4,418,002, while total fund balance reached \$5,615,970. Unreserved and undesignated fund balance represents 194.96

percent of total fund expenditures and other financing uses, while total fund balance represents 247.83 percent of that same amount.

The County's two major capital project funds are the Detention Center Construction, and the County & City Schools Construction. The Detention Center Construction fund accounts for the resources and costs to construct a new law enforcement and detention center for the Sheriff's Department. The Detention Center was completed and opened during the year and the project fund was closed. This construction is funded primarily by a loan from the U.S. Department of Agriculture-Rural Development Community Facilities Loan and Grant Program. The estimated cost of the new facility is \$11,336,800. 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 \$8,462,002. The sources of funds for the construction are loan funds from the U.S. Department of Agriculture-Rural Development Community Facilities Loan and Grant Program and funds from the issuance of Certificates of Participation (bonds). The estimated cost to construct new school facilities in the County is \$114,554,083. The loans will be repaid from property taxes and School Capital Reserve Funds.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$746,559, an immaterial amount which was a 1.32 percent increase.

Proprietary Funds. Sampson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Agri-Exposition Center fund is a deficit balance of (\$159,957). This deficit is the result of low rental revenue and worse than expected ticket sales for the center stage program. Other factors concerning the finances of this fund have already been addressed in the discussion of Sampson County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Sampson County's capital assets for its governmental and business-type activities as of June 30, 2008, totals \$153,763,408 (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:

- Addition of construction in progress on Water and Sewer line installation
- Construction in progress for the detention center
- Construction in progress for the County and City School Systems
- Construction in progress for County buildings

SAMPSON COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 3,050,749	\$ 2,994,626	\$ 325,114	\$ 325,114	\$ 3,375,863	\$ 3,319,740
Buildings and systems	17,846,958	12,933,532	2,691,057	2,782,174	20,538,015	15,715,706
Machinery and equipment	6,157,773	5,642,682	27,552,787	26,937,413	33,710,560	32,580,095
Vehicles and motorized equipment	1,739,303	2,337,528	14,643	-	1,753,946	2,337,528
Construction in progress	94,344,762	48,683,239	40,262	692,030	94,385,024	49,375,269
Total	\$ 123,139,545	\$ 72,591,607	\$ 30,623,863	\$ 30,736,731	\$ 153,763,408	\$ 103,328,338

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, 2008, Sampson County had total bonded debt outstanding of \$12,909,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$52,651,707 outstanding in installment/purchase contracts, \$16,720,000 outstanding in installment purchase revenue bonds and \$55,060,000 outstanding in Certificates of Participation – all of which are being paid from general fund and school capital reserve fund revenues.

Sampson County's Outstanding Debt
General Obligation, Revenue Bonds, Installment Purchase and Certificates of Participation

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ -	\$ -	\$ 12,909,000	\$ 13,084,500	\$ 12,909,000	\$ 13,084,500
Revenue Bonds	16,720,000	17,765,000	-	-	16,720,000	17,765,000
Installment Purchase	52,651,707	34,274,411	2,557,537	2,761,935	55,209,244	37,036,346
Certificates of Participation	55,060,000	55,060,000	-	-	55,060,000	55,060,000
Total	\$ 124,431,707	\$ 107,099,411	\$ 15,466,537	\$ 15,846,435	\$ 139,898,244	\$ 122,945,846

Sampson County's total debt increased by \$16,992,739 (13.82 percent) during the past fiscal year, primarily due to the issuance of Installment Purchases for the for the construction of the new Clinton High School.

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 \$149,049,004.

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

Economic Factors and Next Year's Budgets and Rates

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

- The County has a unemployment rate of 4.9% which is lower than the state average of 5.9%
- The property tax base grew 2.52 percent

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2009 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: Sampson County is currently working on capital construction projects to be of approximately \$112.9 million to be completed within a five year period -- \$110 for school construction and \$ 2.9 million for government buildings. In fiscal year June 30, 2009, the Board levied an additional 6 cents per \$100 property value ad valorem tax for school current expense. The County operating budget was reduced by 2.5 cents – the overall tax rate for the County increased 3.5 cents.

General Fund revenues are projected to increase 6.29% with property taxes increasing 6.15% for current operations, and revenues from permits and fees are expected to increase 12.54 percent while sales tax revenues are expected to decrease 7.01%. The County will use the increase in revenues primarily to fund an increase to education.

Budgeted expenditures in the General Fund are expected to rise 2.58% to \$80,486,313. The largest increments are in employee compensation and funding for education. Funding for current expense for education is expected to rise 20.24% with the opening to three new high schools.

Business-type Activities: The water and sewer rates in the County will remain steady. General operating expenses for personnel will increase by 14.36 percent to cover increased costs of purchasing water from nearby towns. The Agri-Exposition Center will increase by 1.09 percent as a result of personnel and utility increases. Contributions from the General Fund will offset the increases.

Requests for Information

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



BASIC FINANCIAL STATEMENTS



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

Exhibit 1

June 30, 2008

	Primary Government			Component Unit Sampson Regional Center, Inc.
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 37,963,478	\$ 1,511,659	\$ 39,475,137	\$ 4,040,941
Receivables (net)	10,156,357	222,698	10,379,055	8,545,915
Inventories	9,353	79,080	88,433	1,212,436
Internal balances	113,841	(113,841)	-	-
Prepaid expenses	422,993	-	422,993	453,733
Restricted cash and cash equivalents	-	-	-	12,288,356
Investment in joint venture	-	-	-	1,520,255
Capital assets:				
Land, improvements, and construction in progress	97,395,511	365,376	97,760,887	5,500,057
Other capital assets, net of depreciation	25,744,034	30,258,487	56,002,521	22,889,139
Total capital assets	123,139,545	30,623,863	153,763,408	28,389,196
Total assets	\$ 171,805,567	\$ 32,323,459	\$ 204,129,026	\$ 56,450,832
LIABILITIES				
Accounts payable and accrued liabilities	\$ 9,368,576	\$ 135,182	\$ 9,503,758	\$ 4,408,479
Miscellaneous liabilities	-	-	-	1,305,581
Unearned revenue	46,008	2,190	48,198	-
Customer deposits	-	16,750	16,750	-
Long-term liabilities:				
Due within one year	4,093,183	428,045	4,521,228	2,909,126
Due in more than one year	124,138,845	15,069,749	139,208,594	12,650,000
Total liabilities	137,646,612	15,651,916	153,298,528	21,273,186
NET ASSETS				
Invested in capital assets, net of net of related debt	17,571,903	15,157,326	32,729,229	14,889,196
Restricted for:				
Public safety	255,584	-	255,584	-
Education	4,856,003	-	4,856,003	-
Specific operating activities	-	-	-	330,000
Capital acquisitions	-	-	-	650,967
Unrestricted	11,475,465	1,514,217	12,989,682	19,307,483
Total net assets	\$ 34,158,955	\$ 16,671,543	\$ 50,830,498	\$ 35,177,646

The accompanying notes are an integral part of this financial statement

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

**Exhibit 2
Page 1 of 2**

For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,638,303	\$ 98,421	\$ 447,898	\$ -
Public safety	15,025,358	4,135,205	384,234	-
Environmental protection	944,896	1,683,258	178,224	-
Economic and physical development	1,034,515	101,691	80,000	208,660
Human services	22,651,851	1,759,015	13,780,833	-
Education	10,749,244	-	-	-
Culture and recreation	1,965,100	135,322	235,396	-
Interest on long-term debt	4,468,200	-	-	-
Total governmental activities	<u>64,477,467</u>	<u>7,912,912</u>	<u>15,106,585</u>	<u>208,660</u>
Business-type activities:				
Water District II	2,039,960	1,919,822	-	894,229
Water District I	480,484	546,478	-	-
Agri-Exposition Center	717,827	368,010	-	-
Total business-type activities	<u>3,238,271</u>	<u>2,834,310</u>	<u>-</u>	<u>894,229</u>
Total primary government	<u>\$ 67,715,738</u>	<u>\$ 10,747,222</u>	<u>\$ 15,106,585</u>	<u>\$ 1,102,889</u>
Component unit:				
Sampson Regional Medical Ctr. Inc.	<u>\$ 55,535,093</u>	<u>\$ 51,829,450</u>	<u>\$ 2,433,760</u>	<u>\$ 103,787</u>

The accompanying notes are an integral part of this financial statement

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

**Exhibit 2
Page 2 of 2**

For the Year Ended June 30, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets			Component Unit Sampson Regional Center, Inc.
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	
Primary Government:				
Governmental Activities:				
General government	\$ (7,091,984)	\$ -	\$ (7,091,984)	
Public safety	(10,505,919)	-	(10,505,919)	
Environmental protection	916,586	-	916,586	
Economic and physical development	(644,164)	-	(644,164)	
Human services	(7,112,003)	-	(7,112,003)	
Education	(10,749,244)	-	(10,749,244)	
Culture and recreation	(1,594,382)	-	(1,594,382)	
Interest on long-term debt	(4,468,200)	-	(4,468,200)	
Total governmental activities	<u>(41,249,310)</u>	<u>-</u>	<u>(41,249,310)</u>	
Business-type activities:				
Water District II	-	774,091	774,091	
Water District I	-	65,994	65,994	
Agri-Exposition Center	-	(349,817)	(349,817)	
Total business-type activities	<u>-</u>	<u>490,268</u>	<u>490,268</u>	
Total primary government	<u>\$ (41,249,310)</u>	<u>\$ 490,268</u>	<u>\$ (40,759,042)</u>	
Component unit:				
Sampson Regional Medical Ctr. Inc.				<u>\$ (1,168,096)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose	29,576,667	-	29,576,667	-
Local option sales tax	12,721,138	-	12,721,138	-
Investment earnings, unrestricted	2,245,314	60,253	2,305,567	743,556
Miscellaneous, unrestricted	1,875,693	-	1,875,693	439,133
Transfers	(321,544)	321,544	-	-
Total general revenues and transfers	<u>46,097,268</u>	<u>381,797</u>	<u>46,479,065</u>	<u>1,182,689</u>
Change in net assets	4,847,958	872,065	5,720,023	14,593
Net assets - beginning	29,310,997	15,799,478	45,110,475	35,163,053
Net assets - ending	<u>\$ 34,158,955</u>	<u>\$ 16,671,543</u>	<u>\$ 50,830,498</u>	<u>\$ 35,177,646</u>

The accompanying notes are an integral part of this financial statement

**SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008**

**Exhibit 3
Page 1 of 2**

	Major	
	General	Schools Capital Reserve
ASSETS		
Cash and cash equivalents	\$ 18,509,984	\$ 4,856,003
Taxes receivable (net)	2,363,132	-
Accounts receivable	4,705,930	759,967
Due from other funds	883,783	-
Inventories	9,353	-
Total Assets	<u>\$ 26,472,182</u>	<u>\$ 5,615,970</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,331,241	\$ -
Due to general fund	-	-
Miscellaneous liabilities	-	-
Deferred revenues	2,409,140	-
Liabilities to be paid from restricted assets	-	-
Total Liabilities	<u>3,740,381</u>	<u>-</u>
Fund balances:		
Reserved for:		
Law enforcement	255,584	-
Inventories	9,353	-
Prepaid expenses	-	-
Encumbrances	1,517,511	-
Debt service	676,229	-
State statute	5,589,713	759,967
Fund Balance Unreserved		
Designated for subsequent year	5,077,569	438,001
Undesignated	9,605,842	4,418,002
Unreserved, reported in nonmajor:		
Special revenue funds	-	-
Capital project funds	-	-
Total fund balances	<u>22,731,801</u>	<u>5,615,970</u>
Total liabilities and fund balances	<u>\$ 26,472,182</u>	<u>\$ 5,615,970</u>

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

SAMPSON COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

Exhibit 3
Page 2 of 2

	<u>Major</u>	<u>Non-Major</u>	
	School	Other	Total
	Construction	Governmental	Governmental
	Fund	Funds	Funds
ASSETS			
Cash and cash equivalents	\$ 7,038,878	\$ 3,052,707	\$ 33,457,572
Taxes receivable (net)	-	119,247	2,482,379
Accounts receivable	1,423,124	219,568	7,108,589
Due from other funds	-	-	883,783
Inventories	-	-	9,353
Total Assets	<u>\$ 8,462,002</u>	<u>\$ 3,391,522</u>	<u>\$ 43,941,676</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 208,477	\$ 1,539,718
Due to general fund	-	769,942	769,942
Miscellaneous liabilities	-	-	-
Deferred revenues	-	119,247	2,528,387
Liabilities to be paid from restricted assets	7,371,289	-	7,371,289
Total Liabilities	<u>7,371,289</u>	<u>1,097,666</u>	<u>12,209,336</u>
Fund balances:			
Reserved for:			
Law enforcement	-	-	255,584
Inventories	-	-	9,353
Prepaid expenses	-	-	-
Encumbrances	-	-	1,517,511
Debt service	-	-	676,229
State statute	1,423,124	219,568	7,992,372
Unreserved:			
Designated for subsequent year	-	247,462	5,763,032
Unreserved, undesignated	(332,411)	-	13,691,433
Unreserved, reported in nonmajor:			
Special revenue funds	-	2,450,947	2,450,947
Capital project funds	-	(624,121)	(624,121)
Total fund balances	<u>1,090,713</u>	<u>2,293,856</u>	<u>31,732,340</u>
Total liabilities and fund balances	<u>\$ 8,462,002</u>	<u>\$ 3,391,522</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	123,139,545
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds	988,382
Liabilities for earned but deferred revenues in fund statements	2,482,379
Balance for unearned income	(2,367,434)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(126,206,960)
Pension liability	(54,517)
Internal service fund allocation	4,445,220
	<u>\$ 34,158,955</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 Year Ended June 30, 2008

Exhibit 4
Page 1 of 3

	Major		
	General	Schools Capital Reserve	Detention Center Construction
REVENUES			
Ad Valorem taxes	\$ 27,456,070	\$ -	\$ -
Other taxes and licenses	9,779,985	2,913,667	-
Intergovernmental Revenues:			
Restricted	11,453,717	-	-
Permits and fees	824,608	-	-
Sales and services	5,090,537	-	-
Investment earnings	903,385	157,027	-
Miscellaneous	2,609,402	-	-
Total revenues	<u>58,117,704</u>	<u>3,070,694</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	5,761,749	-	-
Public safety	12,119,246	-	-
Environmental protection	950,262	-	-
Economic and physical development	1,149,066	-	-
Human services	20,289,921	-	-
Culture and recreation	1,891,690	-	-
Education	9,459,885	-	-
Debt service			
Principal	2,431,548	-	-
Interest and fees	4,441,481	-	-
Administration	100,319	-	-
Capital expansion	-	-	55,383
Total expenditures	<u>58,595,167</u>	<u>-</u>	<u>55,383</u>
Excess (deficiency) of revenues over expenditures	<u>(477,463)</u>	<u>3,070,694</u>	<u>(55,383)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,757,534	-	-
Transfers out	(896,535)	(2,266,063)	(76,716)
Installment purchase debt issued	-	-	471,175
Total other financing sources (uses)	<u>2,860,999</u>	<u>(2,266,063)</u>	<u>394,459</u>
Net change in fund balance	2,383,536	804,631	339,076
Fund balances-beginning	20,348,265	4,811,339	(339,076)
Fund balances-ending	<u>\$ 22,731,801</u>	<u>\$ 5,615,970</u>	<u>\$ -</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 Year Ended June 30, 2008

Exhibit 4
Page 2 of 3

	Major School Construction Fund	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem taxes	\$ -	\$ 1,791,706	\$ 29,247,776
Other taxes and licenses	-	27,486	12,721,138
Intergovernmental Revenues:			-
Restricted	-	3,963,219	15,416,936
Permits and fees	-	552,332	1,376,940
Sales and services	-	-	5,090,537
Investment earnings	1,058,180	126,722	2,245,314
Miscellaneous	547,971	62,063	3,219,436
Total revenues	<u>1,606,151</u>	<u>6,523,528</u>	<u>69,318,077</u>
EXPENDITURES			
Current:			
General government	-	54,919	5,816,668
Public safety	-	2,463,838	14,583,084
Environmental protection	-	2,603	952,865
Economic and physical development	-	-	1,149,066
Human services	-	3,584,943	23,874,864
Culture and recreation	-	123,164	2,014,854
Education	-	-	9,459,885
Debt service			
Principal	-	-	2,431,548
Interest and fees	-	-	4,441,481
Administration	-	-	100,319
Capital expansion	46,980,917	5,967,288	53,003,588
Total expenditures	<u>46,980,917</u>	<u>12,196,755</u>	<u>117,828,222</u>
Excess (deficiency) of revenues over expenditures	<u>(45,374,766)</u>	<u>(5,673,227)</u>	<u>(48,510,145)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	635,166	4,392,700
Transfers out	-	(1,474,930)	(4,714,244)
Installment purchase debt issued	14,141,953	5,150,576	19,763,704
Total other financing sources (uses)	<u>14,141,953</u>	<u>4,310,812</u>	<u>19,442,160</u>
Net change in fund balance	(31,232,813)	(1,362,415)	(29,067,985)
Fund balances-beginning	32,323,526	3,656,271	60,800,325
Fund balances-ending	<u>\$ 1,090,713</u>	<u>\$ 2,293,856</u>	<u>\$ 31,732,340</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 Year Ended June 30, 2008

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	\$ (29,067,985)
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.	50,547,936
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	413,442
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(17,332,156)
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	434,008
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(147,287)</u>
Total changes in net assets of governmental funds	<u>\$ 4,847,958</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, 2008**

**Exhibit 5
Page 1 of 3**

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad Valorem taxes	\$ 26,999,547	\$26,999,547	\$27,456,070	\$ 456,523
Other taxes and licenses	9,519,965	9,519,965	9,779,985	260,020
Intergovernmental Revenues:				
Restricted	11,173,288	11,947,483	11,453,717	(493,766)
Permits and fees	898,254	898,254	824,608	(73,646)
Sales and services	4,805,269	4,810,269	5,090,537	280,268
Investment earnings	540,000	540,000	903,385	363,385
Miscellaneous	<u>2,614,319</u>	<u>2,661,683</u>	<u>2,609,402</u>	<u>(52,282)</u>
Total revenues	<u>56,550,642</u>	<u>57,377,201</u>	<u>58,117,704</u>	<u>740,502</u>
Expenditures				
Current:				
General government	5,867,643	6,432,948	5,761,749	671,199
Public safety	13,088,622	13,426,819	12,119,246	1,307,573
Environmental protection	981,238	1,022,238	950,262	71,976
Economic and physical dev	1,161,139	1,415,138	1,149,066	266,072
Human services	21,122,907	21,647,987	20,289,921	1,358,066
Education	9,628,661	9,914,291	9,459,885	454,406
Culture and recreation	1,967,015	2,141,988	1,891,690	250,298
Debt service				
Principal	2,431,548	2,431,548	2,431,548	-
Interest and fees	5,918,531	5,912,531	4,441,481	1,471,050
Administration	100,634	100,634	100,319	315
Contingency	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>62,502,938</u>	<u>64,446,122</u>	<u>58,595,167</u>	<u>5,850,955</u>
Revenues over (under) expenditures	<u>(5,952,296)</u>	<u>(7,068,921)</u>	<u>(477,463)</u>	<u>6,591,457</u>
Other Financing Sources (Uses)				
Transfers in	3,531,830	3,810,759	3,757,534	(53,225)
Transfers out	(870,622)	(901,954)	(896,535)	5,419
Installment purchase debt issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,661,208</u>	<u>2,908,805</u>	<u>2,860,999</u>	<u>(47,806)</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, 2008**

**Exhibit 5
 Page 2 of 3**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Positive (Negative)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(3,291,088)	(4,160,116)	2,383,536	6,543,652
Appropriated Fund Balance	<u>3,291,088</u>	<u>4,160,116</u>	<u>-</u>	<u>(4,160,116)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,383,536	<u>\$ 2,383,536</u>
Fund balance - beginning			<u>20,348,265</u>	
Fund balance - ending			<u>\$22,731,801</u>	

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-SCHOOLS CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2008

Exhibit 5
Page 3 of 3

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Other taxes and licenses	\$ 2,901,401	\$ 2,901,401	\$ 2,913,667	\$ 12,266
Investment earnings	-	-	157,027	157,027
Total revenues	<u>2,901,401</u>	<u>2,901,401</u>	<u>3,070,694</u>	<u>169,293</u>
Other Financing Sources (Uses)				
Transfers (out)				
To General Fund for:				
County schools capital outlay	(701,550)	(922,252)	(572,714)	349,538
City schools capital outlay	(276,766)	(276,766)	(184,689)	92,077
Debt service	<u>(1,923,085)</u>	<u>(1,923,085)</u>	<u>(1,508,660)</u>	<u>414,425</u>
Total other financing uses	<u>(2,901,401)</u>	<u>(3,122,103)</u>	<u>(2,266,063)</u>	<u>856,040</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>(220,702)</u>	<u>804,631</u>	<u>1,025,333</u>
Appropriated Fund Balance	<u>-</u>	<u>220,702</u>	<u>-</u>	<u>(220,702)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	804,631	<u>\$ 804,631</u>
Fund balance - beginning			<u>4,811,339</u>	
Fund balance - ending			<u>\$ 5,615,970</u>	

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

Exhibit 6

	Major			Total June 30, 2008	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Agri- Exposition Center		
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 602,324	\$ 909,335	\$ -	\$ 1,511,659	\$ 4,505,906
Accounts receivable (net)	775	225	4,453	5,453	-
Water fees receivable (net)	200,540	16,705	-	217,245	-
Inventory	61,287	17,793	-	79,080	-
Total current assets	<u>864,926</u>	<u>944,058</u>	<u>4,453</u>	<u>1,813,437</u>	<u>4,505,906</u>
Noncurrent assets:					
Capital assets:					
Land, improvements, and construction in progress	171,866	16,807	176,703	365,376	-
Other capital assets net of depreciation	<u>24,908,864</u>	<u>2,625,678</u>	<u>2,723,945</u>	<u>30,258,487</u>	<u>-</u>
Total capital assets	<u>25,080,730</u>	<u>2,642,485</u>	<u>2,900,648</u>	<u>30,623,863</u>	<u>-</u>
Total assets	<u>25,945,656</u>	<u>3,586,543</u>	<u>2,905,101</u>	<u>32,437,300</u>	<u>4,505,906</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	97,988	16,138	21,056	135,182	60,686
Customer Deposits	-	-	16,750	16,750	-
Deferred revenue	-	-	2,190	2,190	-
Due to General Fund	-	-	113,841	113,841	-
Compensated absences	13,290	7,394	10,573	31,257	-
Notes payable	185,338	20,450	-	205,788	-
General obligation bonds payable	172,500	18,500	-	191,000	-
Total Current Liabilities	<u>469,116</u>	<u>62,482</u>	<u>164,410</u>	<u>696,008</u>	<u>60,686</u>
Noncurrent liabilities:					
Notes payable	2,208,599	143,150	-	2,351,749	-
General obligation bonds payable	<u>11,796,500</u>	<u>921,500</u>	<u>-</u>	<u>12,718,000</u>	<u>-</u>
Total noncurrent liabilities	<u>14,005,099</u>	<u>1,064,650</u>	<u>-</u>	<u>15,069,749</u>	<u>-</u>
Total liabilities	<u>14,474,215</u>	<u>1,127,132</u>	<u>164,410</u>	<u>15,765,757</u>	<u>60,686</u>
NET ASSETS					
Invested in capital assets, net of related debt	10,717,793	1,538,885	2,900,648	15,157,326	-
Unrestricted	753,648	920,526	(159,957)	1,514,217	4,445,220
Total net assets	<u>\$11,471,441</u>	<u>\$ 2,459,411</u>	<u>\$ 2,740,691</u>	<u>\$16,671,543</u>	<u>\$ 4,445,220</u>

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

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

Exhibit 7

	Major			Total June 30, 2008	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Agri- Exposition Center		
OPERATING REVENUES					
Charges for services	\$ 1,768,687	\$ 513,490	\$ 212,561	\$ 2,494,738	\$ 4,761,079
Water tap fees	76,429	11,300	-	87,729	-
Rental income	-	-	125,123	125,123	-
Miscellaneous	74,706	21,688	30,326	126,720	140,752
Total operating revenues	<u>1,919,822</u>	<u>546,478</u>	<u>368,010</u>	<u>2,834,310</u>	<u>4,901,830</u>
OPERATING EXPENSES					
Administration	192,422	79,746	118,653	390,821	-
Water Distribution	370,255	188,792	-	559,047	-
Operations and maintenance	169,671	52,913	499,964	722,548	-
Depreciation	654,507	100,080	99,210	853,797	-
Claims paid	-	-	-	-	4,467,822
Total operating expenses	<u>1,386,855</u>	<u>421,531</u>	<u>717,827</u>	<u>2,526,213</u>	<u>4,467,822</u>
Operating income (loss)	<u>532,967</u>	<u>124,947</u>	<u>(349,817)</u>	<u>308,097</u>	<u>434,008</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	27,701	32,552	-	60,253	-
USDA grant	700,826	-	-	700,826	-
Sales tax refund on construction	193,403	-	-	193,403	-
Interest expense	(653,105)	(58,953)	-	(712,058)	-
Total nonoperating revenues (expenses)	<u>268,825</u>	<u>(26,401)</u>	<u>-</u>	<u>242,424</u>	<u>-</u>
Income (loss) before contributions and transfers	801,792	98,546	(349,817)	550,521	434,008
Transfer from general fund	28,000	-	293,544	321,544	-
Change in net assets	829,792	98,546	(56,273)	872,065	434,008
Total net assets - beginning	<u>10,641,649</u>	<u>2,360,865</u>	<u>2,796,964</u>	<u>15,799,478</u>	<u>4,011,212</u>
Total net assets - ending	<u>\$11,471,441</u>	<u>\$ 2,459,411</u>	<u>\$ 2,740,691</u>	<u>\$16,671,543</u>	<u>\$ 4,445,220</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 Year Ended June 30, 2008

Exhibit 8
Page 1 of 2

	Major			Total June 30, 2008	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Agri- Exposition Center		
Cash flows from operating activities:					
Cash received from customers	\$ 1,909,288	\$ 526,985	\$ 359,311	\$ 2,795,584	\$ 4,761,079
Cash paid for goods and services	(545,009)	(243,346)	(484,581)	(1,272,936)	(4,477,971)
Cash paid to employees for services	(190,426)	(73,461)	(120,261)	(384,148)	
Customer deposits received	-	-	33,600	33,600	-
Customer deposits returned	-	-	(30,450)	(30,450)	-
Other operating revenues	-	-	-	-	140,752
Net cash provided (used) by operating activities	<u>1,173,853</u>	<u>210,178</u>	<u>(242,381)</u>	<u>1,141,650</u>	<u>423,860</u>
Cash flows from noncapital financing activities:					
Due to (from) other funds	-	-	(51,163)	(51,163)	
Transfers from other funds	28,000	-	293,544	321,544	-
Net cash provided by noncapital and related financing activities	28,000	-	242,381	270,381	
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(740,931)	-	-	(740,931)	-
Capital contributions-grants	700,826	-	-	700,826	-
Sales tax refund on construction	193,403	-	-	193,403	-
Principal paid on bond maturities and equipment contracts	(341,948)	(37,950)	-	(379,898)	-
Interest paid on bond maturities and equipment contracts	(654,507)	(58,953)	-	(713,460)	-
Net cash provided (used) by capital and related financing activities	<u>(843,157)</u>	<u>(96,903)</u>	<u>-</u>	<u>(940,060)</u>	<u>-</u>
Cash flows from investing activities:					
Interest	27,701	32,552	-	60,253	-
Net increase (decrease) in cash and cash equivalents	386,397	145,827	-	532,224	423,860
Cash and cash equivalents, July 1	215,927	763,508	-	979,435	4,082,046
Cash and cash equivalents, June 30	<u>\$ 602,324</u>	<u>\$ 909,335</u>	<u>\$ -</u>	<u>\$ 1,511,659</u>	<u>\$ 4,505,906</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 Year Ended June 30, 2008**

**Exhibit 8
Page 2 of 2**

	Major			Total June 30, 2007	Internal Service Fund
	Water and Sewer District II	Water and Sewer District I	Agri- Exposition Center		
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	\$ 532,967	\$ 124,947	\$ (349,817)	\$ 308,097	\$ 434,008
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	654,507	100,080	99,210	853,797	-
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable	3,844	(10,625)	(1,647)	(8,428)	-
Inventory	(13,999)	(2,583)	-	(16,582)	-
Increase (decrease) in liabilities:					
Accounts payable & accrued liab.	(3,466)	(1,641)	13,280	8,173	(10,148)
Customer deposits	-	-	3,150	3,150	-
Deferred revenues	-	-	(6,557)	(6,557)	-
Total adjustments	<u>640,886</u>	<u>85,231</u>	<u>107,436</u>	<u>833,553</u>	<u>(10,148)</u>
Net cash provided (used) by operating activities	<u>\$ 1,173,853</u>	<u>\$ 210,178</u>	<u>\$ (242,381)</u>	<u>\$ 1,141,650</u>	<u>\$ 423,860</u>

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

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2008**

Exhibit 9

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 246,731	\$ 630,036
Accounts receivable	-	52,849
Total assets	<u>\$ 246,731</u>	<u>\$ 682,885</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 89,903
Miscellaneous liabilities	-	592,982
Total liabilities	<u>-</u>	<u>682,885</u>
Net assets:		
Assets held in trust for pension benefits	<u>\$ 246,731</u>	<u>\$ -</u>

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

**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2008**

Exhibit 10

	<u>Pension Trust Fund</u>
Additions:	
Employer Contributions	\$ 30,000
Investment income	
Interest	<u>8,211</u>
Total Additions	38,211
Deductions:	
Benefits	<u>19,843</u>
Total Deductions	<u>19,843</u>
Change in net assets	18,367
Net assets - beginning	<u>228,364</u>
Net assets - ending	<u>\$ 246,731</u>

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



**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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 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). 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.	Sampson Regional Medical Center, Inc. 607 Beamon Street Clinton, NC 28328

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Detention Center Construction Capital Project Fund: This fund accounts for the resources and costs to construct a new Detention Center.

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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.

Agri-Exposition Center Fund: This fund is used to account for the operations of the Sampson County Agri-Exposition Center.

The County reports the following fund types:

Pension Trust Fund. The County has a Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

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

Measurement Focus, Basis of Accounting

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

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Sampson County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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

C. Budgetary Data

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

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

D. Assets, Liabilities and Fund Equity

1. Deposits and Investments

All deposits of the County 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 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 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 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 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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

2. Cash and Cash Equivalents

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

3. Restricted Assets

The unexpended bond proceeds of the District's Serial Bonds are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

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, 2007. 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.

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

**SAMPSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008**

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

9. Compensated Absences

The vacation policies of the County and the Hospital provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds and the Hospital, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial 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 accrual for sick leave has been made by the County or its component units.

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

State law (G.S.159-13(b)(16)) restricts appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved for various departments – portion of fund balance not available for appropriation because it represents revenues that were for specific purposes.

Reserved for inventories – portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved for encumbrances – portion of fund balance available to pay for any commitments related to purchase orders and contracts that remain unperformed at year-end.

Reserved for debt service – portion of fund not available for appropriation because it has been designated for debt service.

Reserved by State Statute – portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law (G.S. 159-8(a)). This amount is usually comprised of accounts receivable and interfund receivables which have not been offset by deferred revenues.

Unreserved

Designated for subsequent year's expenditures – portion of the total fund balance available for appropriation which has been designated for the adopted 2008-2009 budget ordinance.

Undesignated – portion of total fund balance available for appropriation which is uncommitted at year end.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$2,426,615 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 139,285,105
Less accumulated depreciation	<u>16,145,560</u>
Net capital assets	123,139,545
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	565,389
Prepaid expenses for unamortized debt issuance costs	422,993
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	(54,517)
Equity of internal service fund which is used by management to charge the costs of employee health insurance to individual funds is reported in the government-wide statements but not the fund statements	4,445,220
Liabilities for revenue deferred but earned and therefore reported in the funds statements but not the government-wide	2,482,379
Unearned revenue for unamortized premium received on debt issuance	(2,367,434)
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	(124,431,707)
Compensated absences	(1,378,370)
Accrued interest payable	<u>(396,883)</u>
Total adjustment	<u>\$ 2,426,615</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$33,915,943 as follows: (see next page)

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 52,081,147
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.	(1,533,211)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(19,763,704)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements	2,431,548
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)	(10,947)
Difference in insurance expense between fund statements (modified accrual) and government-wide (full accrual) due to allocation of profit from internal service fund	434,008
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	(26,510)
Amortization of debt issuance costs	(15,107)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(94,723)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase in accrued interest on taxes receivable	64,161
Amortization of debt premium	84,551
Increase in accrued taxes receivable for year ended 6/30/07	264,730
Total adjustment	<u>\$ 33,915,943</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

II. Stewardship, Compliance and Accountability

A. Deficit Fund Balance or Net Assets of Individual Funds

The County experienced deficit fund balances in the following funds: Special Revenue Funds: Head Start \$(32,681), Community Development 07-C-1673 \$(8,157), Community Development SFR-08 \$(7,550), and Governor's Highway Safety Program \$(6,386). Capital Project Funds: Airport Taxiway 12.6.2 \$(7,248), Airport Apron 19.6.1 \$(132,784), Airport Construction 12.8.1 \$(49,256) and County Building Construction and Renovation \$(504,503). The County expects to receive grant and loan funds to offset these deficits. The Finance Office will monitor departments to assure that grant reimbursements are submitted in a timely manner.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2008, the County's deposits had a carrying amount of \$7,281,840 and a bank balance of \$7,653,075. Of the bank balance, \$2,404,032 was covered by federal depository insurance, \$5,249,043 in interest bearing deposits were covered by collateral held under the Pooling Method. At June 30, 2008, Sampson County had \$3,350 cash on hand.

The Hospital's deposits had a carrying amount of \$3,170,380 and a bank balance of \$3,915,652 as of September 30, 2007, of the bank balance \$100,000 was secured by federal depository insurance, \$3,815,652 in interest bearing deposits 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, 2008**

2. Investments

At June 30, 2008, the County's investments consisted of \$33,066,714 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 June 30, 2008, the County's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Management Trust Cash Portfolio	\$33,066,714	\$33,066,714	N/A	N/A

At September 30, 2007, the Hospital's investments consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>2-3 Years</u>	<u>4 – 7 Years</u>
U.S. Treasury bonds (category 2)	\$ 2,428,838	\$ 1,117,601	\$ 1,311,237	-
NC Capital Management Trust	<u>6,456,994</u>	<u>6,456,994</u>	<u>N/A</u>	<u>N/A</u>
Total:	<u>\$ 8,885,832</u>	<u>\$ 7,664,595</u>	<u>\$ 1,311,237</u>	-

3. Property Tax – Use Value Assessment on Certain Lands

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 2,044,327	\$ 531,525	\$ 2,575,852
2005	2,086,176	354,650	2,440,826
2006	2,398,151	191,852	2,590,003
2007	<u>2,415,621</u>	<u>-</u>	<u>2,415,621</u>
	<u>\$ 8,944,275</u>	<u>\$1,078,027</u>	<u>\$ 10,022,302</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

4. Receivables – Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2008, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 826,551	\$ 2,525,532	\$ 3,879,379	\$ -	\$ 7,231,462
Accrued interest	-	565,389	-	-	565,389
Other Governmental	<u>64,652</u>	<u>134,647</u>	<u>2,338,007</u>	-	<u>2,537,306</u>
Total receivables	891,203	3,225,568	6,217,386	-	10,334,157
Allowance for doubtful accounts	-	<u>(177,800)</u>	-	-	<u>(177,800)</u>
Total governmental activities	<u>\$ 891,203</u>	<u>\$ 3,047,768</u>	<u>\$ 6,217,386</u>	<u>\$ -</u>	<u>\$ 10,156,357</u>
Business-type Activities					
Water Districts I and II	\$ 246,345	\$ -	\$ -	\$ 1,000	\$ 247,345
Agri-Expo Center	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,453</u>	<u>4,453</u>
Total receivables	246,345	-	-	5,453	251,798
Allowance for doubtful accounts	<u>(29,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,100)</u>
Total business-type activities	<u>\$ 217,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,453</u>	<u>\$ 222,698</u>

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

Local option sales tax	\$2,840,016
State & Federal Grants	<u>3,377,370</u>
Total	<u>\$6,217,386</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$6,200,000.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balances</u>	<u>Increases Transfers In</u>	<u>Decreases Transfers Out</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,994,626	\$ 56,123	\$ -	\$ 3,050,749
Construction in progress	<u>48,683,239</u>	<u>53,011,423</u>	<u>7,349,900</u>	<u>94,344,762</u>
Total capital assets not being depreciated	<u>51,677,865</u>	<u>53,067,546</u>	<u>7,349,900</u>	<u>97,395,511</u>
Capital assets being depreciated:				
Buildings and improvements	22,128,271	5,392,168	400,835	27,119,604
Equipment	8,035,266	945,120	125,189	8,855,197
Vehicles and motor equipment	<u>6,994,920</u>	<u>26,214</u>	<u>1,106,341</u>	<u>5,914,793</u>
Total capital assets being depreciated	<u>37,158,457</u>	<u>6,363,502</u>	<u>1,632,365</u>	<u>41,889,594</u>
Less accumulated depreciation for:				
Buildings and improvements	9,194,739	478,742	400,835	9,272,646
Equipment	2,392,584	430,030	125,190	2,697,424
Vehicles and motor equipment	<u>4,657,392</u>	<u>624,439</u>	<u>1,106,341</u>	<u>4,175,490</u>
Total accumulated depreciation	<u>16,244,715</u>	<u>\$ 1,533,211</u>	<u>\$ 1,632,366</u>	<u>16,145,560</u>
Total capital assets being depreciated, net	<u>20,913,742</u>			<u>25,744,034</u>
Governmental activity capital assets, net	<u>\$72,591,607</u>			<u>\$ 123,139,545</u>

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

General government	\$ 814,051
Public safety	572,956
Economic & physical development	3,407
Human services	100,348
Environmental protection	11,243
Cultural and recreational	<u>31,206</u>
Total depreciation expense	<u>\$1,533,211</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

	Beginning Balances	Increases Transfers In	Decreases Transfers Out	Ending Balances
Business-type activities:				
Water District 2 Capital assets being depreciated:				
Distribution systems	\$25,985,342	\$ 1,320,761	\$ -	\$ 27,306,103
Equipment	53,442	71,937	-	125,379
Vehicles	19,326	-	-	19,326
Total capital assets being depreciated	<u>26,058,110</u>	<u>1,392,698</u>	<u>-</u>	<u>27,450,808</u>
Accumulated depreciation distribution	1,848,805	649,815	-	2,498,620
Accumulated depreciation equipment	34,766	2,859	-	37,625
Accumulated depreciation vehicles	3,866	1,833	-	5,699
Total accumulated depreciation	<u>1,887,437</u>	<u>\$ 654,507</u>	<u>\$ -</u>	<u>2,541,944</u>
Water District 2 capital assets, net	<u>24,170,673</u>			<u>24,908,864</u>
Capital assets not being depreciated:				
Land	131,604	-	-	131,604
Construction in progress	692,030	740,930	1,392,698	40,262
Water capital assets not depreciated	<u>823,634</u>	<u>\$ 740,930</u>	<u>\$ 1,392,698</u>	<u>171,866</u>
Water District 2 net capital assets	<u>\$24,994,307</u>			<u>\$ 25,080,730</u>
Water District 1 Capital assets being depreciated:				
Distribution systems	\$ 3,931,081	\$ -	\$ -	\$ 3,931,081
Equipment	17,812	-	-	17,812
Vehicles	16,311	-	-	16,311
Total capital assets being depreciated	<u>3,965,204</u>	<u>-</u>	<u>-</u>	<u>3,965,204</u>
Accumulated depreciation distribution	1,211,090	98,277	-	1,309,367
Accumulated depreciation equipment	13,061	1,803	-	14,864
Accumulated depreciation vehicles	15,295	-	-	15,295
Total accumulated depreciation	<u>1,239,446</u>	<u>\$ 100,080</u>	<u>\$ -</u>	<u>1,339,526</u>
Water District 1 capital assets, net	<u>2,725,758</u>			<u>2,625,678</u>
Capital assets not being depreciated:				
Land	16,807	-	-	16,807
Water District 1 net capital assets	<u>\$ 2,742,565</u>			<u>\$ 2,642,485</u>
Agri-Exposition Center capital assets not being depreciated:				
Land	\$ 176,703	\$ -	\$ -	\$ 176,703
Capital assets being depreciated:				
Buildings	3,644,665	-	-	3,644,665
Office furniture and equipment	278,560	-	-	278,560
Total capital assets being depreciated	<u>3,923,225</u>	<u>-</u>	<u>-</u>	<u>3,923,225</u>
Accumulated depreciation buildings	862,491	91,117	-	953,608
Accumulated depreciation equipment	237,579	8,093	-	245,672
Total accumulated depreciation	<u>1,100,070</u>	<u>99,210</u>	<u>-</u>	<u>1,199,280</u>
Total capital assets being depreciated, net	<u>2,823,155</u>	<u>\$ 99,210</u>	<u>\$ -</u>	<u>2,723,945</u>
Agri-Exposition Center capital assets, net	<u>\$ 2,999,858</u>			<u>\$ 2,900,648</u>
Business-type activities capital assets, net	<u>\$30,736,730</u>			<u>\$ 30,623,863</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Discretely presented component units

Capital asset activity for Sampson Regional Medical Center for the year ended September 30, 2007, was as follows:

	September 30, <u>2006</u>	Additions	Retirements	September 30, <u>2007</u>
Capital assets not being depreciated:				
Land	\$ 1,168,979	\$ -	\$ -	\$ 1,168,979
Construction in progress	<u>1,118,039</u>	<u>3,765,704</u>	<u>552,665</u>	<u>4,331,078</u>
Total capital assets not being depreciated	<u>2,287,018</u>	<u>3,765,704</u>	<u>552,665</u>	<u>5,500,057</u>
Capital assets being depreciated:				
Land improvements	1,626,300	36,466	-	1,662,766
Buildings and improvements	28,194,874	-	6,824	28,188,050
Furniture and equipment	<u>35,668,988</u>	<u>1,780,767</u>	<u>221,223</u>	<u>37,228,532</u>
Total capital assets being depreciated	<u>65,490,162</u>	<u>1,817,233</u>	<u>228,047</u>	<u>67,079,348</u>
Less accumulated depreciation for:				
Land improvements	1,188,844	59,281	-	1,248,125
Buildings and improvements	14,463,317	908,150	6,824	15,364,643
Furniture and equipment	<u>25,655,821</u>	<u>2,142,302</u>	<u>220,682</u>	<u>27,577,441</u>
Total accumulated depreciation	<u>41,307,982</u>	<u>3,109,733</u>	<u>227,506</u>	<u>44,190,209</u>
Sampson Regional Medical Center, Inc. capital assets, net	<u>\$ 26,469,198</u>			<u>\$ 28,389,196</u>

B. Liabilities

1. Liabilities

Payables at the government-wide level at June 30, 2008, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental activities:				
General	\$1,300,995	\$ 90,932	\$ 396,883	\$ 1,788,810
Other governmental	<u>201,499</u>	<u>6,978</u>	<u>-</u>	<u>208,477</u>
Total governmental activities	<u>\$1,502,494</u>	<u>\$ 97,910</u>	<u>\$ 396,883</u>	<u>\$ 1,997,287</u>
Governmental activities:				
Liabilities to be paid from restricted assets				
School Construction	<u>\$7,371,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,371,289</u>
Business-type activities:				
Water District II	\$ 42,705	\$ 289	\$ 54,994	\$ 97,988
Water District I	11,276	84	4,778	16,138
Agri-Exposition Center	<u>21,056</u>	<u>-</u>	<u>-</u>	<u>21,056</u>
Total business-type activities	<u>\$ 75,037</u>	<u>\$ 373</u>	<u>\$ 59,772</u>	<u>\$ 135,182</u>

**SAMPSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2008**

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description – Sampson County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1401 Mail Service Center, Raleigh, North Carolina 27609, or by calling (919) 981-5454.

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement, employees working at the Library and for law enforcement officers is 4.90%, 4.97% and 4.78%, respectively, of annual covered payroll. The contribution requirements of members and of Sampson County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$829,341, \$778,864 and \$741,151, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	73
Total	<u>75</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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 \$20,000 or 1.27% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the fiscal year ended June 30, 2008 was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5%-12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ended 6/30/2008

(a) Employer annual required contribution	\$ 46,200
(b) Interest on net pension obligation	2,031
(c) Adjustment to annual required contribution	<u>(1,721)</u>
(d) Annual pension cost	46,510
(e) Employer contributions made for fiscal year 6/30/2008	<u>20,000</u>
(f) Increase (decrease) in net pension obligation	26,510
(g) Net pension obligation beginning of fiscal year	<u>28,007</u>
(h) Net pension obligation end of fiscal year	<u>\$ 54,517</u>

For the Year Ended June 30	3 Year Trend Information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage Of APC Contributed	
2006	\$ 36,901	54.20%	\$ 9,879
2007	38,128	52.45%	28,007
2008	46,510	43.00%	54,517

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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.

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, 2008 were \$155,383 which consisted of \$123,768 from the County and \$31,618 from the law enforcement officers.

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.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description – Sampson County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy – On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$2,968.

f. Other Post-employment Benefits – Sampson County

According to a County resolution, the County provides postretirement health care benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. Currently, 30 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for postretirement health benefit premiums of \$208,586. The County obtains health care coverage through private insurer.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

h. Sampson Regional Medical Center, Inc.

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

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

Funding Policy –The Hospital's contribution to the Plans for the current year was \$824,094.

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

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

4. Deferred Revenues

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

	Unearned or Deferred Revenue	Full Accrual Unearned Revenue
Prepaid taxes not yet earned (General)	\$ 41,292	\$ 41,292
Prepaid revenues not yet earned (General)	4,716	4,716
Taxes receivable, net (General)	2,363,132	-
Taxes receivable, net (Special Revenue)	119,247	-
Total	<u>\$ 2,528,387</u>	<u>\$ 46,008</u>

5. Disclosure of Significant Commitments

The County has active construction projects as of June 30, 2008. The projects include the County Administration offices, Human Services building construction, Clinton High School construction, Union High School construction, and Midway High School construction. At June 30, 2008, the County's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
County Administration Offices	\$ 796,611	\$ 101,518
Human Services Building	6,277,468	749,959
Clinton High School	23,546,091	1,415,072
Union High School	25,787,580	941,268
Midway High School	23,858,700	1,367,592
	<u>\$ 80,266,450</u>	<u>\$ 4,575,409</u>

6. Risk Management

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

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

In accordance with G.S. 159.29, The County's employees that have access to County's funds at any given time are performance bonded through a commercial surety bond in the amount of \$25,000 each.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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:

	June 30, 2008
Claims payable, beginning	
Of year	\$ -
Add: Claims received	4,506,906
Less: Claims paid	<u>4,467,822</u>
Claims payable, end of year	<u>\$ 60,686</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.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

7. Contingent Liabilities

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

8. Long-Term Obligations

a. Installment Purchases

The County's installment purchase agreements payable at June 30, 2008 are comprised of the following individual issues:

Installment purchase of vehicles. This agreement is secured by the vehicles and calls for 36 monthly payment of \$12,358 each including interest at 3.88%. At June 30, 2008 there were 5 payments remaining.	\$ 61,197
Installment purchase of vehicles. This agreement is secured by the equipment and calls for 59 monthly payments of \$4,900 each including interest at 3.88%. At June 30, 2008 there were 29 payments remaining.	135,426
The installment purchase for the Sampson Community College Building construction and renovations to the College Street School is secured by the buildings and land on which they are located. This agreement calls for 12 annual payments of \$252,673 including interest at 4.94 percent. At June 30, 2008 there was 1 payment remaining.	240,778
Installment purchase for the construction of the new Agri-Expo Center building and renovations to the existing Agri-Expo Center building calls for 12 annual payments of \$282,810 each including interest at 4.83 percent. At June 30, 2008, there was 1 payment remaining. This debt is being serviced by the general fund.	247,637
Installment agreement for the construction of a 600' radio tower, secured by the tower. This agreement requires 84 monthly payments of \$7,804 plus interest of 3.03 percent. At June 30, 2008, there were 26 payments remaining.	161,623
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, 2008, there were 25 installments remaining.	1,900,012
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%. Principal and interest repayment will begin in fiscal year 2007-2008. At June 30, 2008, there were 37 payments remaining.	11,002,600

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

Installment purchase of vehicles. This agreement is secured by the equipment and calls for 36 monthly payments of \$4,760 each including interest at 4.51 percent. At June 30, 2008, there were 12 payments remaining.	45,494
Installment agreement with USDA for the construction of a new Cooperative Extension Building and Animal Shelter Building, secured by the buildings and land. This is currently a construction loan with interest only payment due on the outstanding balance on April 21 of each year. The total loan is \$2,263,000 and will be repaid in 38 annual installments of \$121,076 including interest at 4.25%. At June 30, 2008 there were 38 payments remaining	2,263,000
Installment agreement with USDA for the construction of a new Clinton High School building, secured by the building and land. This is currently a construction loan with interest only payment due on the outstanding balance on July 20th of each year. Outstanding construction loan balance at June 30, 2008 was \$11,423,486, the interest rate is 4.25%. The total loan will not exceed \$30,000,000 and will be repaid in 38 annual installments of \$1,605,068 including interest beginning in fiscal year 2009-2010.	25,567,234
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, 2008 there were 12 payments remaining	1,896,428
Installment agreement with USDA for the construction and renovation of buildings to house Human Services and County Administration, secured by the building and land. This is currently a construction loan with interest only payment due on the outstanding balance on April 4 th of each year. Outstanding construction loan balance at June 30, 2008 was \$3,221,857, the interest rate is 4.25%. The total loan will not exceed \$9,585,000 and will be repaid in 38 annual installments of \$512,819 including interest beginning in fiscal year 2009-2010.	7,937,659
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 over at 28 year period beginning January 24, 2010. The payments will made annually in the amount of \$53,283 including interest at 4.25%	862,800
Installment purchase of vehicles. This agreement is secured by the equipment and calls for 36 monthly payments of \$18,937 each including interest at 4.30 percent. At June 30, 2008, there were 18 payments remaining.	329,818
	<u>\$ 52,651,706</u>

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

For Sampson County, the future minimum payments as of June 30, 2008, including \$50,037,130 of interest, are

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,669,513	\$ 2,158,136
2010	986,776	2,094,507
2011	799,727	2,062,702
2012	802,393	2,035,536
2013	830,475	2,007,455
2014-2018	4,617,516	9,572,134
2019-2023	5,231,693	8,666,199
2024-2028	5,911,209	7,549,046
2029-2033	7,288,063	6,171,408
2034-2038	8,222,384	4,535,559
2039-2043	9,887,849	2,656,966
2044-2047	6,404,109	527,482
Total principal payments	<u>\$52,651,707</u>	
Total interest payments		<u>\$ 50,037,130</u>

At June 30, 2008 Sampson County had \$77,222 in an installment purchase obligation outstanding for Water and Sewer District II. This obligation is being serviced by the Water and Sewer District Enterprise Fund. This installment agreement was to finance the construction of water lines. This agreement requires 108 monthly payments of \$3,861 plus interest at an annual rate of 1 percent of the outstanding balance at the beginning of each calendar year. Installment purchase debt service requirements to maturity, including interest of \$1,854 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 46,334	\$ 927
2010	30,888	927
Total principal payments	<u>\$ 77,222</u>	
Total interest payments		<u>\$ 1,854</u>

b. General Obligation Indebtedness

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

The Water District's general obligation bonds payable at June 30, 2008 are comprised of the following individual issues which are serviced by the Water Districts:

\$4,982,000 Water Series A bonds issued on February 28, 2000, due in annual installments of \$51,000 to \$202,000 through June 1, 2039 with the first installment due June 1, 2002; 5.125 percent interest rate.	\$ 4,571,000
\$421,000 Water Series B bonds issued on February 28, 2000 Due in annual installments of \$5,000 to \$20,000 through June 1, 2039 with the first installment due June 1, 2002; 4.75 percent interest rate.	384,000
\$1,093,000 Water and Sewer bonds issued on August 7, 1995, due in annual installments of \$11,500 to \$46,000 Through June 1, 2035 with the first installment due June 1, 1998; 5.125 percent interest rate.	940,000
\$2,486,000 Water Series A bonds issued on January 26, 2004, due in annual installments of \$37,545 to \$112,725 Through June 1, 2043 with the first installment due June 1, 2004; 4.375 percent interest rate	2,402,000
\$948,000 Water Series B bonds issued on January 26, 2004 due in annual installments of \$14,726 to \$41,800 Through June 1, 2043 with the first installment due June 1, 2004; 4.5 percent interest rate.	916,000
\$2,297,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$97,623 to 123,753 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate	2,244,000
\$1,486,000 Water Series A bonds issued on May 4, 2005 due in annual installments of \$63,155 to 80,395 through June 2, 2044 with the first installment due June 1, 2005; 4.25 percent interest rate	1,452,000
	<u>\$ 12,909,000</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Annual debt service requirements to maturity for the District's general obligation bonds, including interest of \$12,296,197 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2009	\$ 184,500	\$ 604,066
2010	193,500	595,343
2011	202,500	586,188
2012	211,500	576,602
2013	221,500	566,587
2014-2018	1,277,500	2,665,010
2019-2023	1,602,000	2,332,829
2024-2028	2,013,000	1,914,828
2029-2033	2,430,000	1,395,144
2034-2038	2,597,000	797,932
2039-2043	1,804,000	254,358
2044	172,000	7,310
Total principal payments	<u>\$12,909,000</u>	
Total interest payments		<u>\$ 12,296,197</u>

Sampson County had a legal debt margin of \$149,049,004 at June 30, 2008.

c. Revenue Bonds

On January 15, 1999, the Sampson Area Development Corporation issued \$25,750,000 in Revenue Bonds to finance the construction of schools in Sampson County. This is a revenue bond installment purchase issue. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the Corporation as long as the debt is outstanding. The Corporation has entered into a lease with the Sampson County and Clinton City Boards of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Boards of Education. The lease calls for \$0 lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education.

The installment purchase was executed on January 15, 1999 to finance the construction and renovation of several school buildings. The transactions calls for twenty-five annual principal payments of \$700,000 to \$1,045,000 and fifty semiannual interest payments, due on December 1 and June 1, at interest rates varying from 4.00 percent to 5.00 percent. These revenue bonds which mature through June 1, 2024 are reported in the general fund because they are being repaid from general fund revenues.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

Annual debt service requirements to maturity for the County's revenue bonds, including interest of \$6,707,333 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2009	\$ 1,045,000	\$ 776,435
2010	1,045,000	732,023
2011	1,045,000	687,088
2012	1,045,000	641,108
2013	1,045,000	594,083
2014-2018	5,225,000	2,234,210
2019-2023	5,225,000	992,750
2024	1,045,000	49,636
Total principal payments	<u>\$ 16,720,000</u>	
Total interest payments		<u>\$ 6,707,333</u>

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Revenue bond debt service requirements to maturity for Sampson Regional Medical Center, Inc., including interest of \$5,694,405, are as follows:

Year Ending September 30	Principal	Interest
2008	\$ 850,000	\$ 747,620
2009	941,667	692,014
2010	941,667	636,682
2011	941,667	581,349
2012	941,667	526,016
2013-2017	4,708,335	1,800,092
2018-2022	2,891,664	570,436
2023-2027	1,283,333	140,196
Total principal payments	<u>\$ 13,500,000</u>	
Total interest payments		<u>\$ 5,694,405</u>

d. State Clean Water Bond Loan

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

\$163,600

Debt service requirements to maturity, including interest of \$35,796 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2009	\$ 20,450	\$ 8,669
2010	20,450	7,449
2011	20,450	6,271
2012	20,450	5,105
2013	20,450	3,857
2014-2016	61,350	4,445
Total principal payments	<u>\$ 163,600</u>	
Total interest payments		<u>\$ 35,796</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.

\$ 741,977

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

1,574,737
\$2,316,714

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Debt service requirements to maturity, including interest of \$886,489 are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 139,005	\$ 95,299
2010	139,005	90,326
2011	139,005	85,309
2012	139,005	80,281
2013	139,005	75,335
2014-2018	695,026	298,604
2019-2023	695,026	145,415
2024-2025	231,638	15,920
Total principal payments	<u>\$ 2,316,715</u>	
Total interest payments		<u>\$ 886,489</u>

e. Certificates of Participation

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

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

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

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Annual debt service requirements to maturity for the County's certificates of participation, including interest of \$43,981,020 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 84,551	\$ 2,599,935
2010	1,659,551	2,599,935
2011	1,659,551	2,536,935
2012	1,659,551	2,473,935
2013	1,659,551	2,410,935
2014-2018	8,297,755	10,999,425
2019-2023	8,297,755	9,085,175
2024-2028	12,477,755	6,832,725
2029-2033	13,522,755	3,732,250
2034-2036	8,108,659	709,770
Total principal payments	<u>\$ 57,427,434</u>	
Total interest payments		<u>\$ 43,981,020</u>

f. Conduit Debt Obligations

Sampson County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$45,505,000.

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

g. Changes in General Long-Term Obligations

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 17,407,422	\$3,125,940	\$1,386,548	\$ 19,146,814	\$ 1,669,813
Loan draws	16,866,989	19,763,704	3,125,800	33,504,893	-
Revenue bonds	17,765,000	-	1,045,000	16,720,000	1,045,000
Certificates of Participation	55,060,000	-	-	55,060,000	-
Unamortized premium on COPs	2,451,985	-	84,551	2,367,434	84,551
Unfunded pension liability	28,007	46,510	20,000	54,517	-
Compensated absences	1,283,647	1,378,370	1,283,647	1,378,370	1,378,370
Total governmental activities	<u>\$ 110,863,050</u>	<u>\$ 24,314,524</u>	<u>\$6,945,546</u>	<u>\$ 128,232,028</u>	<u>\$ 4,177,734</u>
Business-type activities:					
General obligation debt	\$ 13,084,500	\$ -	\$ 175,500	\$ 12,909,000	\$ 184,500
Installment purchases	122,165	-	44,943	77,222	46,334
State Clean Water bonds	2,639,770	-	159,455	2,480,315	159,455
Compensated absences	27,598	31,257	27,598	31,257	31,257
Total business-type activities	<u>\$ 15,874,033</u>	<u>\$ 31,257</u>	<u>\$ 407,496</u>	<u>\$ 15,497,794</u>	<u>\$ 421,546</u>
Discretely presented component units:					
Revenue bonds	\$ 8,660,216	\$5,500,000	\$ 660,216	\$ 13,500,000	\$ 850,000
Compensated absences	1,824,735	2,059,126	1,824,735	2,059,126	2,059,126
Total discretely presented component units:	<u>\$ 10,484,951</u>	<u>\$7,559,126</u>	<u>\$2,484,951</u>	<u>\$ 15,559,126</u>	<u>\$ 2,909,126</u>

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

SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2008, consists of the following:	
From the General fund to the Revaluation fund to accumulate resources for the octennial revaluation of real property	\$ 196,427
From the General fund to the County Capital Reserve fund to accumulate resources for improvements to the airport	4,784
From the General fund to the Sampson Area Transportation fund to provide for the transportation of the elderly	54,657
From the General fund to the Agri-Exposition Center fund to supplement other funding resources	293,544
From the General fund to Sampson County Water District 2 fund to supplement other funding resources	28,000
From the General fund to the County Buildings Construction Capital Project fund to supplement other funding resources	58,000
From the General fund to the Employment & Training Grant Project fund to supplement other funding resources	25,914
From the General Fund to the Governor's Highway Safety Program to pay the County match for the program	<u>235,209</u>
Total Transfers out from the General Fund	<u>896,535</u>
From the Emergency Telephone System Fund to the General Fund for capital outlay and to supplement other funding resources	1,413,157
From the School Capital reserve fund to the General fund to pay debt on school projects and school capital outlay	2,266,063
From the County Capital Reserve fund to the General Fund to pay maintenance and repair costs on the Livestock Arena	1,598
From the Detention Center Capital Project fund to the General Fund for equipment purchases	<u>76,716</u>
Total Transfers in to the General Fund	<u>3,757,534</u>
From the Airport Capital Projects fund to the County Capital Reserve fund for airport improvements	<u>56,896</u>
From the County Capital Reserve fund to the Airport Capital Projects fund for airport improvements	<u>3,279</u>
Total	<u><u>\$ 4,714,244</u></u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

Interfund balances at June 30, 2008, consists of the following:

Due to the General fund from:	
Agri-Exposition Center Enterprise fund	\$ 113,841
Nonmajor Governmental Funds:	
County Buildings Capital Project fund	468,691
Head Start fund	77,169
Employment and Training fund	53,450
Airport Apron 19.6.1 Capital Project Fund	93,913
Airport Construction 12.8.1 Capital Project Fund	36,823
Airport Taxiway 12.6.2 Capital Project Fund	7,248
Community Development 07-C-1244 Special Revenue Fund	8,157
Community Development SFR-08 Special Revenue Fund	7,550
Recreation Western District Park Special Revenue Fund	10,555
Governor's Highway Safety Program Special Revenue Fund	<u>6,386</u>
Total nonmajor (other) governmental funds	<u>769,942</u>
Total all funds	<u>\$ 883,783</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. Advances to enterprise funds will be repaid from receipts.

IV. Related Organization

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

V. Joint Ventures

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

The County has an ongoing financial responsibility for the joint venture because the center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the center, so no equity interest has been reflected in the financial statements at June 30, 2008. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$203,033 to the center to supplement its activities. Complete financial statements for the center may be obtained from the center's offices in Kenansville, North Carolina.

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

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 \$1,042,439 and \$187,137 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. 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, 2008. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

The Hospital's "Investment in Joint Venture" represents a 50% interest in Sampson Regional Cancer Center, LLC ("SRCC"). Since the Hospital does not control SRCC, the investment in SRCC is accounted for under the equity method. Under the equity method, the Hospital's investment in SRCC is recorded at cost, while the Hospital's share of SRCC's net income or loss increases or decreases the amount of investment and is recognized by the Hospital as non-operating revenue or loss. Any distributions made to the Hospital by SRCC reduce the amount of investment.

VI. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Taxes

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2008, the County reported these local option sales taxes within its Special Revenue Funds. The County expended the restricted portion of these taxes for public school capital outlays.

VII. School Facilities Finance Act of 1987

The General Assembly passed the School Facilities Finance Act of 1987 (Act) to assist county governments in meeting their public school facility capital needs. The Act created two State-funded programs for the construction and renewal of school facilities: The Public School Building Capital Fund administered by the Office of State Budget and Management and the Critical School Facilities Needs Fund administered by the State Board of Education. The Public School Building Capital Fund may also be used to finance equipment needs under the local school unit's technology plan.

Public School Building Capital Fund

This program is funded using a portion of the corporate income taxes which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net collections of corporate income taxes received during

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund.

<u>Period</u>	<u>Fraction</u>
Prior to 10/1/97	Two thirty-firsts (2/31)
10/1/97 to 9/30/98	One-fifteenth (1/15)
10/1/98 to 9/30/98	Two twenty-ninths (2/29)
10/1/99 to 9/30/00	One fourteenth (1/14)
After 9/30/00	Five sixty-ninths (5/69)

Monies in the fund are allocated to Sampson County on the basis of the average daily membership (ADM) for Sampson County Board of Education as determined and certified by the State Board of Education. The Office of State Budget and Management establishes and maintains an ADM allocation account for the County. At June 30, 2008, the balance of the County's ADM allocation account was \$372,746. The County must match this balance on the basis of one dollar for every three dollars of State funds for financing the school unit's facilities capital needs. The local school technology plan does not require a county match.

After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At June 30, 2008, the County's disbursing account had a balance of \$-0-.

Funds in the allocation and disbursing accounts are considered State moneys until the County issues warrants to disburse them. At that time, they are recognized in the County's General Fund as restricted intergovernmental revenue.

VIII. Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
State/County Spec Assist	\$ -	\$ 650,837
Temporary Assistance to Needy Families	287,024	-
Medicaid	54,718,416	27,425,860
Food Stamp Program	8,259,308	-
Energy Assistance	295,823	-
Program for Women, Infants & Children	1,485,571	-
Title IV-E Foster Care	73,253	19,190
Totals	<u>\$ 65,119,395</u>	<u>\$ 28,095,887</u>

**SAMPSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2008**

IX. 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.

X. Prior Period Adjustment

During 2007, adjustments were made to the Hospital's 2006 financial statements to accrue for health claims incurred but not reported at year end to comply with account principles generally accepted in the United States of America. As a result of this change, the 2006 amounts have been restated: on the consolidated and consolidating balance sheets, other accrued expenses increased by \$700,000 and beginning unrestricted net assets decreased by \$700,000.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section provides additional required data regarding the Law Enforcement Special Separation Allowance

Analysis of Funding Progress for Law Enforcement Special Separation Allowance

Schedule of Employer Contributions to the Law Enforcement Special Separation Allowance and Notes to the required schedules.



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

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/92	\$ 57,977	\$ 58,347	\$ 370	99.37 %	\$ 650,927	0.06 %
12/31/93	67,161	74,121	6,960	90.61	769,726	0.90
12/31/94	74,843	86,563	11,720	86.46	780,160	1.50
12/31/95	83,439	107,379	23,940	77.71	822,729	2.91
12/30/96	104,744	124,261	19,517	84.29	874,601	2.23
12/30/97	135,701	131,271	(4,430)	103.37	1,022,206	(0.43)
12/31/98	166,239	141,291	(24,948)	117.66	1,199,117	(2.08)
12/31/99	198,072	122,716	(75,356)	161.41	1,017,985	(7.40)
12/30/00	202,067	176,376	(25,691)	114.57	1,156,176	(2.22)
12/30/01	201,233	216,160	14,927	93.09	1,202,408	1.24
12/31/02	204,552	224,862	20,310	90.97	1,209,468	1.68
12/31/03	180,497	277,576	97,079	65.03	1,414,782	6.86
12/31/04	189,532	329,012	139,480	57.61	1,600,276	8.72
12/31/05	223,924	341,022	117,098	65.66	2,042,795	5.73
12/31/06	222,808	381,130	158,322	58.46	2,405,621	6.58
12/31/07	223,934	448,971	225,037	49.88	2,361,153	9.53

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

Exhibit A-2

Trend Information

Year Ended June 30	Annual Required Contribution	Percentage Contributed
1993	\$ 6,826	100.00 %
1994	5,410	100.00
1995	7,401	100.00
1996	11,025	100.00
1997	11,508	100.00
1998	10,309	100.00
1999	9,284	100.00
2000	2,696	100.00
2001	18,510	100.00
2002	19,599	100.00
2003	19,824	100.00
2004	20,454	100.00
2005	29,547	100.00
2006	37,007	54.20
2007	38,003	52.45
2008	46,510	43.00

Notes to the Required Schedules:

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

Valuation Date	December 31, 2007
Actuarial cost method	Project unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	23 years
Asset valuation	Market value
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	4.5% to 12.3%
Includes inflation at	3.75%
Cost-of-living adjustments	N/A

GENERAL FUND

The General Fund is the County's chief operating fund. It accounts for the revenues and expenditures traditionally associated with operating governmental service functions.



**SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
BALANCE SHEET
June 30, 2008**

Exhibit B-1

ASSETS

Cash and cash equivalents	\$ 18,509,984
Receivables (net)	
Taxes	2,363,132
Accounts	4,705,930
Due from other funds	883,783
Prepaid expenses	-
Inventories	<u>9,353</u>
TOTAL ASSETS	<u>\$ 26,472,182</u>

LIABILITIES AND FUND BALANCES

Current Liabilities:	
Accounts payable and accrued liabilities	\$ 1,331,241
Deferred revenues	<u>2,409,140</u>
Total Liabilities	<u>3,740,381</u>
Fund Balances:	
Reserved for inventories	9,353
Reserved for debt payments	676,229
Reserved for encumbrances	1,517,511
Reserved by State statute	5,589,713
Reserved for Law Enforcement	255,584
Unreserved:	
Designated for subsequent years	5,077,569
Undesignated	<u>9,605,842</u>
Total Fund Balances	<u>22,731,801</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,472,182</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Taxes:			
Ad valorem	\$	\$ 27,193,250	\$
Penalties and interest		262,820	
Total	<u>26,999,547</u>	<u>27,456,070</u>	<u>456,523</u>
Sales Tax:			
One cent		3,803,699	
One half cent article 40		2,273,342	
One half cent article 42		1,292,918	
One half cent article 44		2,193,121	
One quarter cent article 46		216,905	
Total	<u>9,519,965</u>	<u>9,779,985</u>	<u>260,020</u>
Restricted:			
State grants		10,544,160	
Federal grants		383,155	
Court facility fees		292,181	
Local grants		234,221	
Total	<u>11,947,483</u>	<u>11,453,717</u>	<u>(493,766)</u>
Permits and Fees:			
Register of deeds		387,601	
Inspection		335,716	
Local subdivision fees		17,850	
Franchise		83,441	
Total	<u>898,254</u>	<u>824,608</u>	<u>(73,646)</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Sales and Services:			
Tax Collection Fees:			
Town of Turkey		371	
Town of Salemburg		201	
Town of Roseboro		834	
Town of Newton Grove		302	
Town of Garland		448	
Town of Autryville		106	
Town of Harrells		386	
City of Clinton		52,116	
Tax collection		29,320	
Jail fees		1,333,633	
Sheriff fees		384,810	
Landfill fees		281	
Health fees		1,090,478	
Ambulance fees		1,644,870	
Aging services fees		552,381	
Total	<u>4,810,269</u>	<u>5,090,537</u>	<u>280,268</u>
Investment Earnings	<u>540,000</u>	<u>903,385</u>	<u>363,385</u>
Miscellaneous:			
Board of elections		17,005	
Short-term vehicle lease		14,337	
Recreation		74,687	
Sales tax refund		293,349	
Rent		1,682,977	
Other		527,046	
Total	<u>2,661,683</u>	<u>2,609,403</u>	<u>(52,280)</u>
Total revenues	<u>57,377,201</u>	<u>58,117,704</u>	<u>740,503</u>
Expenditures			
General Government			
Governing Body			
Salaries and employee benefits		99,284	
Operations and maintenance		54,350	
Total	<u>159,695</u>	<u>153,634</u>	<u>6,061</u>
Administration			
Salaries and employee benefits		302,051	
Operations and maintenance		52,370	
Total	<u>360,905</u>	<u>354,421</u>	<u>6,484</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Airport			
Operations and maintenance		68,537	
Total	<u>75,856</u>	<u>68,537</u>	<u>7,319</u>
Finance			
Salaries and employee benefits		537,223	
Operations and maintenance		356,448	
Total	<u>1,024,952</u>	<u>893,671</u>	<u>131,281</u>
Data Processing			
Salaries and employee benefits		252,186	
Operations and maintenance		224,357	
Capital outlay		14,939	
Total	<u>579,410</u>	<u>491,482</u>	<u>87,928</u>
Communications Tower			
Operations and maintenance		32,133	
Total	<u>36,836</u>	<u>32,133</u>	<u>4,703</u>
Tax Administration			
Salaries and employee benefits		795,702	
Operations and maintenance		219,446	
Total	<u>1,105,190</u>	<u>1,015,148</u>	<u>90,042</u>
Legal			
Salaries and employee benefits		126,783	
Operations and maintenance		6,165	
Total	<u>151,835</u>	<u>132,948</u>	<u>18,887</u>
Courts			
Operations and maintenance		13,529	
Total	<u>13,845</u>	<u>13,529</u>	<u>316</u>
Criminal Justice Partnership Program			
Operations and maintenance	<u>81,028</u>	<u>80,717</u>	<u>311</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Board of Elections			
Salaries and employee benefits		131,751	
Operations and maintenance		191,513	
Total	<u>325,418</u>	<u>323,264</u>	<u>2,154</u>
Register of Deeds			
Salaries and employee benefits		357,046	
Operations and maintenance		143,698	
Total	<u>534,621</u>	<u>500,744</u>	<u>33,877</u>
Public Buildings			
Salaries and employee benefits		436,893	
Operations and maintenance		1,218,822	
Capital outlay		45,806	
Total	<u>1,983,357</u>	<u>1,701,521</u>	<u>281,836</u>
Total General Government	<u>6,432,948</u>	<u>5,761,749</u>	<u>671,199</u>
Public Safety			
Sheriff			
Salaries and employee benefits		3,337,063	
Operations and maintenance		1,022,334	
Capital outlay		37,579	
Total	<u>4,419,421</u>	<u>4,396,976</u>	<u>22,445</u>
Jail			
Salaries and employee benefits		1,771,640	
Operations and maintenance		1,240,278	
Capital outlay		7,525	
Total	<u>3,087,291</u>	<u>3,019,443</u>	<u>67,847</u>
Communications			
Salaries and employee benefits		759,705	
Operations and maintenance		49,859	
Capital outlay		4,275	
Total	<u>1,656,638</u>	<u>813,839</u>	<u>842,799</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Emergency Management			
Salaries and employee benefits		238,286	
Operations and maintenance		108,064	
Total	<u>370,215</u>	<u>346,350</u>	<u>23,865</u>
Volunteer Fire Departments			
Assistance to County fire departments	<u>246,101</u>	<u>231,627</u>	<u>14,474</u>
Inspections			
Salaries and employee benefits		358,450	
Operations and maintenance		73,361	
Total	<u>441,235</u>	<u>431,811</u>	<u>9,424</u>
Coroner			
Professional services	<u>46,500</u>	<u>43,300</u>	<u>3,200</u>
Rescue			
Salaries and employee benefits		1,625,870	
Assistance to County rescue units		185,372	
Operations and maintenance		736,267	
Capital outlay		6,000	
Total	<u>2,809,301</u>	<u>2,553,509</u>	<u>255,792</u>
Dive Team			
Contracted services	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Animal Control			
Salaries and employee benefits		169,756	
Operations and maintenance		82,735	
Capital outlay		4,900	
Total	<u>325,117</u>	<u>257,391</u>	<u>67,726</u>
Total Public Safety	<u>13,426,819</u>	<u>12,119,246</u>	<u>1,307,572</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Environmental Protection			
Solid Waste			
Contracted services		763,875	
Operations and maintenance		12,938	
Total	<u>815,197</u>	<u>776,813</u>	<u>38,384</u>
Forestry			
State forestry program	<u>128,541</u>	<u>119,339</u>	<u>9,202</u>
Horticulture Project	<u>2,543</u>	<u>-</u>	<u>2,543</u>
Master Gardener Program	<u>1,133</u>	<u>305</u>	<u>828</u>
Lagoon Management	<u>4,000</u>	<u>1,453</u>	<u>2,547</u>
Senior Health Information Program	<u>5,000</u>	<u>3,189</u>	<u>1,811</u>
Cooperative Extension Seminars	<u>2,650</u>	<u>2,329</u>	<u>321</u>
4-H Allstars Program			
Salaries and employee benefits		8,804	
Operations and maintenance		8,120	
Total	<u>24,208</u>	<u>16,924</u>	<u>7,284</u>
4-H Prevention Program			
Salaries and employee benefits		17,557	
Operations and maintenance		12,353	
Total	<u>38,966</u>	<u>29,910</u>	<u>9,056</u>
Total Environmental Protection	<u>1,022,238</u>	<u>950,262</u>	<u>71,976</u>
Economic and Physical Development			
Planning and Zoning			
Contracted services		164,804	
Total	<u>174,804</u>	<u>164,804</u>	<u>10,000</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Industrial Development			
Salaries and employee benefits		137,686	
Operations and maintenance		89,816	
Capital outlay		3,034	
Total	<u>322,587</u>	<u>230,536</u>	<u>92,051</u>
Industrial Utility			
Operations and maintenance	<u>133,852</u>	<u>44,751</u>	<u>89,101</u>
USDA Rural Buseness Enterprise Program			
Operations and maintenance	<u>80,000</u>	<u>80,000</u>	<u>-</u>
N.C. Cooperative Extension Service			
Salaries and employee benefits		361,760	
Operations and maintenance		53,187	
Capital outlay		1,599	
Total	<u>420,881</u>	<u>416,546</u>	<u>4,335</u>
Beaver Management			
Operations and maintenance	<u>81,140</u>	<u>14,000</u>	<u>67,140</u>
Soil Conservation			
Salaries and employee benefits		194,139	
Operations and maintenance		4,290	
Total	<u>201,874</u>	<u>198,429</u>	<u>3,445</u>
Total Economic and Physical Development	<u>1,415,138</u>	<u>1,149,066</u>	<u>266,072</u>
Human Services			
Mental Health Administration			
Eastpointe Mental Health	<u>203,033</u>	<u>203,033</u>	<u>-</u>
Veterans			
Salaries and employee benefits		80,847	
Operations and maintenance		15,687	
Total	<u>101,475</u>	<u>96,534</u>	<u>4,941</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, 2008**

**Exhibit B-2
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	2008		Variance Positive (Negative)
	Final Budget	Actual	
Youth Needs Task Force			
Salaries and employee benefits		46,048	
Programs		133,409	
	<u>182,627</u>	<u>179,457</u>	<u>3,170</u>
Health			
Administration			
Salaries and employee benefits		23,546	
Operations and maintenance		131,954	
Capital outlay		22,957	
Total	<u>189,655</u>	<u>178,457</u>	<u>11,198</u>
Kate B. Reynolds Grant			
Salaries and employee benefits		18,599	
Operations and maintenance		1,496	
Capital outlay		4,537	
Total	<u>85,349</u>	<u>24,632</u>	<u>60,717</u>
School Nurse Initiatiave			
Contracted services	<u>16,668</u>	<u>-</u>	<u>16,668</u>
Tuberculosis - CDC			
Salaries and employee benefits		49,418	
Operations and maintenance		14,492	
Capital outlay		3,287	
Total	<u>69,987</u>	<u>67,197</u>	<u>2,790</u>
Tuberculosis Medical Services			
Professional services	<u>2,271</u>	<u>2,271</u>	<u>-</u>
Communicable Disease			
Salaries and employee benefits		113,370	
Operations and maintenance		25,799	
Total	<u>135,580</u>	<u>139,169</u>	<u>(3,589)</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Adult Services			
Salaries and employee benefits		55,391	
Operations and maintenance		27,150	
Total	103,074	82,541	20,533
Health Promotion			
Salaries and employee benefits		33,105	
Operations and maintenance		3,036	
Total	48,815	36,141	12,674
Breast and Cervical Cancer			
Salaries and employee benefits		10,276	
Operations and maintenance		9,824	
Total	21,359	20,100	1,259
Healthy Carolinians			
Operations and maintenance	29,172	28,060	1,112
Immunization			
Salaries and employee benefits		50,192	
Operations and maintenance		8,290	
Total	61,621	58,482	3,139
Maternal Health			
Salaries and employee benefits		543,522	
Operations and maintenance		119,340	
Total	691,842	662,862	28,980
Family Planning			
Salaries and employee benefits		223,383	
Operations and maintenance		82,766	
Total	311,073	306,149	4,924
WIC			
Salaries and employee benefits		236,285	
Operations and maintenance		70,641	
Total	301,364	306,926	(5,562)

**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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Child Services Coordination			
Salaries and employee benefits		116,604	
Operations and maintenance		14,698	
Total	<u>169,776</u>	<u>131,302</u>	<u>38,474</u>
Bio-Terrorism Equipment			
Operations and maintenance	<u>660</u>	<u>563</u>	<u>97</u>
Childhood Lead Poisoning Prevention			
Operations and maintenance	<u>6,000</u>	<u>5,022</u>	<u>978</u>
Child Health			
Salaries and employee benefits		123,352	
Operations and maintenance		26,978	
Total	<u>177,436</u>	<u>150,330</u>	<u>27,106</u>
Environmental Health			
Salaries and employee benefits		417,917	
Operations and maintenance		50,343	
Capital outlay		845	
Total	<u>496,088</u>	<u>469,105</u>	<u>26,983</u>
Food and Lodging			
Travel	<u>7,176</u>	<u>8,898</u>	<u>(1,722)</u>
State Bio-Terrorism			
Salaries and employee benefits		64,916	
Operations and maintenance		4,701	
Capital outlay		3,303	
Total	<u>72,680</u>	<u>72,920</u>	<u>(240)</u>
Total Health	<u>2,997,646</u>	<u>2,751,127</u>	<u>246,519</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, 2008**

**Exhibit B-2
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	2008		Variance Positive (Negative)
	Final Budget	Actual	
Social Services			
Administration			
Salaries and employee benefits		5,466,550	
Operations and maintenance		886,886	
Capital outlay		18,134	
Total	<u>6,561,890</u>	<u>6,371,570</u>	<u>190,320</u>
Assistance			
Food stamp issuance		17,928	
WFBG programs		101,533	
Medicaid transportation		972,935	
Daycare		2,759,520	
Smart Start Daycare		299,693	
Medicaid		3,945,838	
AA-AD-AB rest homes		716,283	
Aid to the blind		3,507	
Crisis intervention program		99,113	
In-Home services		13,824	
Foster care		148,756	
IV-E adoption assistance		50,729	
Project share		4,440	
Other programs		39,128	
Total	<u>10,026,652</u>	<u>9,173,227</u>	<u>853,425</u>
Total Social Services	<u>16,588,542</u>	<u>15,544,797</u>	<u>1,043,745</u>
Aging and In-Home Services			
Personal Care CAP Medicaid			
Salaries and employee benefits		397,863	
Operations and maintenance		54,796	
Total	<u>450,398</u>	<u>452,659</u>	<u>(2,261)</u>
Transportation			
Salaries and employee benefits		26,961	
Total	<u>26,688</u>	<u>26,961</u>	<u>(273)</u>
Personal Care Block Grant			
Salaries and employee benefits		136,910	
Operations and maintenance		15,190	
Total	<u>167,122</u>	<u>152,100</u>	<u>15,022</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Home Repairs			
Salaries and employee benefits		75,021	
Operations and maintenance		51,345	
Total	<u>127,352</u>	<u>126,366</u>	<u>986</u>
Senior Center and Senior Ctr Outreach			
Salaries and employee benefits		75,305	
Operations and maintenance		10,134	
Total	<u>90,091</u>	<u>85,439</u>	<u>4,652</u>
Adult Daycare			
Salaries and employee benefits		133,104	
Operations and maintenance		99,412	
Total	<u>262,760</u>	<u>232,516</u>	<u>30,244</u>
Information/Case Assistance			
Salaries and employee benefits		29,332	
Operations and maintenance		993	
Total	<u>30,721</u>	<u>30,325</u>	<u>396</u>
Nutrition Program			
Salaries and employee benefits		91,509	
Operations and maintenance		271,200	
Total	<u>372,560</u>	<u>362,709</u>	<u>9,851</u>
Family Caregiver Support			
Salaries and employee benefits		19,183	
Operations and maintenance		26,715	
Total	<u>46,972</u>	<u>45,898</u>	<u>1,074</u>
Total Aging and In-Home Services	<u>1,574,664</u>	<u>1,514,973</u>	<u>59,691</u>
Total Human Services	<u>21,647,987</u>	<u>20,289,921</u>	<u>1,358,066</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, 2008**

**Exhibit B-2
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	2008		Variance Positive (Negative)
	Final Budget	Actual	
Education			
Contributions to other units			
Current Expense			
Sampson County Board of Education		5,358,752	
Clinton City Board of Education		2,114,154	
Sampson Community College		1,042,439	
Capital Outlay			
Sampson County Board of Education		572,714	
Clinton City Board of Education		184,689	
Sampson Community College		187,137	
Total Education	<u>9,914,291</u>	<u>9,459,885</u>	<u>454,406</u>
Culture and Recreation			
Library			
Salaries and employee benefits		668,850	
Operations and maintenance		156,366	
Capital outlay		79,301	
Total	<u>940,116</u>	<u>904,517</u>	<u>35,599</u>
Special Appropriations			
Special projects	<u>125,442</u>	<u>125,249</u>	<u>193</u>
Recreation			
Salaries and employee benefits		494,918	
Operations and maintenance		129,561	
Programs		190,378	
Capital outlay		47,067	
Total Recreation	<u>1,076,430</u>	<u>861,924</u>	<u>214,506</u>
Total Culture and Recreation	<u>2,141,988</u>	<u>1,891,690</u>	<u>250,298</u>
Debt Service			
Principal		2,431,548	
Interest and fees		4,441,481	
Administration		100,319	
Total Debt Service	<u>8,444,713</u>	<u>6,973,348</u>	<u>1,471,365</u>
Contingency	<u>-</u>	<u>-</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, 2008**

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

	2008		Variance Positive (Negative)
	Final Budget	Actual	
Total expenditures	<u>64,446,122</u>	<u>58,595,167</u>	<u>5,850,956</u>
Excess (deficiency) of revenues over expenditures	<u>(7,068,921)</u>	<u>(477,463)</u>	<u>6,591,459</u>
Other financing sources (uses)			
Transfers in	3,810,759	3,757,534	(53,225)
Transfers out	(901,954)	(896,535)	5,419
Installment purchase debt issued	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,908,805</u>	<u>2,860,999</u>	<u>(47,806)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(4,160,116)</u>	<u>2,383,536</u>	<u>6,543,652</u>
Appropriated Fund Balance	<u>4,160,116</u>	<u>-</u>	<u>(4,160,116)</u>
Net change in fund balance	-	2,383,536	2,383,536
Fund balance - beginning	<u>-</u>	<u>20,348,265</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 22,731,801</u>	<u>\$ 2,383,536</u>



MAJOR CAPITAL PROJECT FUNDS

Detention Center Capital Project Fund - accounts for the funds used in the construction of the Law Enforcement/ Detention Center facility.

County and City Schools Construction Capital Project Fund - accounts for the funds used in the construction and renovation of various building for use by the Sampson County and Clinton City Boards of Education.



**SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-DETENTION CENTER CONSTRUCTION -
CAPITAL PROJECT FUND
From Inception and for the Fiscal Year Ended June 30, 2008**

Exhibit B-3

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
Investment earnings	\$ 18,489	\$ 18,489	\$ -	\$ 18,489	\$ -
Total revenues	18,489	18,489	-	18,489	-
Expenditures					
Professional services	145,562	123,646	21,916	145,562	-
Professional svc-engineering	659,612	627,699	31,913	659,612	-
Land purchases	208,000	208,000	-	208,000	-
General contractor	9,210,373	9,210,373	-	9,210,373	-
Other	1,055,026	1,053,472	1,554	1,055,026	-
Total expenditures	11,278,573	11,223,190	55,383	11,278,573	-
Excess (deficiency) of revenues over expenditures	(11,260,084)	(11,204,701)	(55,383)	(11,260,084)	-
Other Financing Sources (Uses)					
Transfers (out)					
To General Fund	(76,716)	-	(76,716)	(76,716)	-
Loan proceeds	11,336,800	10,865,625	471,175	11,336,800	-
Total other financing uses	11,260,084	10,865,625	394,459	11,260,084	-
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	-	(339,076)	339,076	-	-
Net change in fund balance	\$ -	\$ (339,076)	339,076	\$ -	\$ -
Fund balance - beginning			(339,076)		
Fund balance - ending			\$ -		

SAMPSON COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-COUNTY & CITY SCHOOLS CONSTRUCTION -
CAPITAL PROJECT FUND
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit B-4

	Project Authorization	Prior Years	Actual Current Year	Inception to Date	Variance with Final Positive (Negative)
Revenues					
State, Federal and Local Grants:					
State DOT	\$ 1,779,775	\$ -	\$ -	\$ -	\$ (1,779,775)
Investment earnings	1,694,478	2,166,563	1,058,180	3,224,743	1,530,265
Donations	496,500	-	-	-	(496,500)
Sales tax refund	1,500,000	-	547,971	547,971	(952,029)
Total revenues	<u>5,470,753</u>	<u>2,166,563</u>	<u>1,606,151</u>	<u>3,772,714</u>	<u>(1,698,039)</u>
Expenditures					
School Construction:					
Union Middle School	6,004	-	-	-	6,004
Union High School	32,616,538	13,059,256	16,833,294	29,892,550	2,723,988
CE Perry Elementary School	12,440,000	360,189	105,898	466,087	11,973,913
Midway High School	31,723,237	14,268,966	13,859,495	28,128,461	3,594,776
Clinton High School	31,996,500	11,768,609	14,665,963	26,434,572	5,561,928
Clinton City Schools Other	2,024,000	365,084	1,289,360	1,654,444	369,556
Other costs	871,092	587,749	226,907	814,656	56,436
Other construction	340,176				
Community Facilities	2,536,536	-	-	-	2,536,536
Total expenditures	<u>114,554,083</u>	<u>40,409,853</u>	<u>46,980,917</u>	<u>87,390,770</u>	<u>26,823,137</u>
Excess (deficiency) of revenues over expenditures	<u>(109,083,330)</u>	<u>(38,243,290)</u>	<u>(45,374,766)</u>	<u>(83,618,056)</u>	<u>25,465,274</u>
Other Financing Sources (Uses)					
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
COPS debt issuance costs	(453,206)	(453,206)	-	(453,206)	-
Loan proceeds	107,000,000	68,483,486	14,141,953	82,625,439	(24,374,561)
Total other financing uses	<u>109,083,330</u>	<u>70,566,816</u>	<u>14,141,953</u>	<u>84,708,769</u>	<u>(24,374,561)</u>
Revenues and Other Sources Over (Under)					
Expenditures and Other Uses	<u>-</u>	<u>32,323,526</u>	<u>(31,232,813)</u>	<u>1,090,713</u>	<u>1,090,713</u>
Net change in fund balance	<u>\$ -</u>	<u>\$32,323,526</u>	<u>(31,232,813)</u>	<u>\$ 1,090,713</u>	<u>\$ 1,090,713</u>
Fund balance - beginning			<u>32,323,526</u>		
Fund balance - ending			<u>\$ 1,090,713</u>		

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Emergency Telephone System Fund-accounts for the revenues used to provide enhanced 911 services for Sampson County.

Sampson Area Transportation Fund-accounts for the revenues to operate the County's transportation system.

Head Start Grant Projects Fund-accounts for the revenues to provide preschool education and services to eligible children in Sampson County.

County Capital Reserve Fund-accounts for the accumulation of funds for major County facility construction and renovation.

Employment and Training Grant Project Fund-accounts for the revenues to provide on-the-job training, job placement, and educational opportunities to eligible participants in Sampson County.

Fire Districts Fund-accounts for the revenues of seventeen fire districts in the County.

Revaluation Fund-accounts for the revenues necessary to cover the cost of real property revaluation.

Sampson Soil & Water Conservation District Fund-accounts for the activity of the soil and water conservation district.

Community Development Block Grant Project 07-C-1244-accounts for grants received for community development activities.

Community Development Block Grant Project SFR-08-accounts for grants received for community development activities.

Governor's Highway Safety Program-accounts for grants received to fund personnel and programs related to highway safety.

Recreation Western District Park-accounts for grants received to fund development of Western District Park

Homeland Security Equipment-accounts for grant funds used purchase equipment for emergency services.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Airport Expansion Capital Project Funds-accounts for the funds used in the expansion of the Clinton-Sampson Airport.

Courthouse Annex I Construction-accounts for funds used in the construction of a new courthouse and offices for the District Attorney.

County Buildings Capital Project Fund-accounts for the funds used in the construction and renovation of various County office buildings.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources through special district ad valorem taxes and payment of school districts' long-term principal, interest and related costs.



**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	County Capital Reserve
ASSETS				
Cash and cash equivalents	\$ 659,792	\$ 95,953	\$ -	\$ 595,273
Taxes receivable (net)	-	-	-	-
Other receivables	44,450	18,851	69,925	-
TOTAL ASSETS	\$ 704,242	\$ 114,804	\$ 69,925	\$ 595,273
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 64,706	\$ 8,807	\$ 25,437	\$ -
Due to General Fund	-	-	77,169	-
Deferred tax revenue	-	-	-	-
Total Liabilities	64,706	8,807	102,606	-
Fund Balances (Deficits):				
Reserved for encumbrances	-	-	-	-
Reserved by State statute	44,450	18,851	69,925	-
Unreserved:				
Designated for subsequent years	-	97,140	132,142	18,180
Undesignated	595,086	(9,994)	(234,748)	577,093
Total Fund Balances (Deficits)	639,536	105,997	(32,681)	595,273
TOTAL LIABILITIES AND FUND BALANCES	\$ 704,242	\$ 114,804	\$ 69,925	\$ 595,273

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Special Revenue Funds			
	Employment and Training	Fire Districts	Revaluation	Soil and Water District
ASSETS				
Cash and cash equivalents	\$ -	\$ 576,887	\$ 959,051	\$ 26,610
Taxes receivable (net)	-	119,247	-	-
Other receivables	59,719	-	-	-
TOTAL ASSETS	<u>\$ 59,719</u>	<u>\$ 696,134</u>	<u>\$ 959,051</u>	<u>\$ 26,610</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 6,268	\$ -	\$ -	\$ -
Due to General Fund	53,450	-	-	-
Deferred tax revenue	-	119,247	-	-
Total Liabilities	<u>59,718</u>	<u>119,247</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Reserved for encumbrances	-	-	-	-
Reserved by State statute	59,719	-	-	-
Unreserved:				
Designated for subsequent years	-	-	-	-
Undesignated	(59,718)	576,887	959,051	26,610
Total Fund Balances (Deficits)	<u>1</u>	<u>576,887</u>	<u>959,051</u>	<u>26,610</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,719</u>	<u>\$ 696,134</u>	<u>\$ 959,051</u>	<u>\$ 26,610</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Special Revenue Funds			
	Community Development 07-C-1244	Community Development SFR-08	Govenor's Highway Safety Prog	Urgent Home Repair Project
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,916
Taxes receivable (net)	-	-	-	-
Other receivables	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 4,916
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 200
Due to General Fund	8,157	7,550	6,386	-
Deferred tax revenue	-	-	-	-
Total Liabilities	8,157	7,550	6,386	200
Fund Balances (Deficits):				
Reserved for encumbrances	-	-	-	-
Reserved by State statute	-	-	-	-
Unreserved:				
Designated for subsequent years	-	-	-	-
Undesignated	(8,157)	(7,550)	(6,386)	4,716
Total Fund Balances (Deficits)	(8,157)	(7,550)	(6,386)	4,716
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 4,916

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Special Revenue Funds		Total Nonmajor Special Revenue Funds	Capitol Project Funds
	Recreation Western Dist. Park	Homeland Security Equipment		Airport Taxiway 12.6.2
ASSETS				
Cash and cash equivalents	\$ -	\$ 24,875	\$ 2,943,357	\$ -
Taxes receivable (net)	-	-	119,247	-
Other receivables	10,680	-	203,625	-
TOTAL ASSETS	\$ 10,680	\$ 24,875	\$ 3,266,229	\$ -
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 105,418	\$ -
Due to General Fund	10,555	-	163,267	7,248
Deferred tax revenue	-	-	119,247	-
Total Liabilities	10,555	-	387,932	7,248
Fund Balances (Deficits):				
Reserved for encumbrances	-	-	-	-
Reserved by State statute	10,680	-	203,625	-
Unreserved:				
Designated for subsequent years	-	-	247,462	-
Undesignated	(10,555)	24,875	2,427,210	(7,248)
Total Fund Balances (Deficits)	125	24,875	2,878,297	(7,248)
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,680	\$ 24,875	\$ 3,266,229	\$ -

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Capital Project Funds		
	Airport Apron 19.6.1	Airport Construction 12.8.1	Courthouse Annex Renovation
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 85,613
Taxes receivable (net)	-	-	-
Other receivables	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 85,613
LIABILITIES AND FUND BALANCES			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 38,871	\$ 12,433	\$ -
Due to General Fund	93,913	36,823	-
Deferred tax revenue	-	-	-
Total Liabilities	132,784	49,256	-
Fund Balances (Deficits):			
Reserved for encumbrances	-	-	-
Reserved by State statute	-	-	-
Unreserved:			
Designated for subsequent years	-	-	-
Undesignated	(132,784)	(49,256)	85,613
Total Fund Balances (Deficits)	(132,784)	(49,256)	85,613
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 85,613

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	<u>Capital Project Funds</u>	
	<u>County Bldgs Construction & Renovation</u>	<u>Total Nonmajor Capital Project Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 85,613
Taxes receivable (net)	-	-
Other receivables	<u>15,943</u>	<u>15,943</u>
TOTAL ASSETS	<u>\$ 15,943</u>	<u>\$ 101,556</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 51,755	\$ 103,059
Due to General Fund	468,691	606,675
Deferred tax revenue	-	-
Total Liabilities	<u>520,446</u>	<u>709,734</u>
Fund Balances (Deficits):		
Reserved for encumbrances	-	-
Reserved by State statute	15,943	15,943
Unreserved:		
Designated for subsequent years	-	-
Undesignated	<u>(520,446)</u>	<u>(624,121)</u>
Total Fund Balances (Deficits)	<u>(504,503)</u>	<u>(608,178)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,943</u>	<u>\$ 101,556</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2008**

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

	Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 23,737	\$ 3,052,707
Taxes receivable (net)	-	119,247
Other receivables	-	219,568
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 23,737</u>	<u>\$ 3,391,522</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 208,477
Due to General Fund	-	769,942
Deferred tax revenue	-	119,247
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>1,097,666</u>
Fund Balances (Deficits):		
Reserved for encumbrances	-	-
Reserved by State statute	-	219,568
Unreserved:		
Designated for subsequent years	-	247,462
Undesignated	23,737	1,826,826
	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	<u>23,737</u>	<u>2,293,856</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,737</u>	<u>\$ 3,391,522</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008**

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

	Special Revenue Funds			
	Emergency Telephone System	Sampson Area Transportation	Head Start	County Capital Reserve
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	-	321,155	2,965,889	-
Fees	436,176	92,348	-	-
Investment earnings	55,700	2,113	-	19,037
Miscellaneous	-	-	-	-
Total revenues	<u>491,876</u>	<u>415,616</u>	<u>2,965,889</u>	<u>19,037</u>
Expenditures				
General government	-	-	-	-
Public safety	423,414	-	-	-
Environmental protection	-	-	-	-
Human services	-	505,229	2,650,803	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>423,414</u>	<u>505,229</u>	<u>2,650,803</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>68,462</u>	<u>(89,613)</u>	<u>315,086</u>	<u>19,037</u>
Other Financing Sources (Uses)				
Transfers in	-	54,657	-	61,680
Transfers out	(1,413,157)	-	-	(4,877)
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>(1,413,157)</u>	<u>54,657</u>	<u>-</u>	<u>56,803</u>
Net change in fund balances	(1,344,695)	(34,956)	315,086	75,840
Fund balances - beginning	<u>1,984,231</u>	<u>140,953</u>	<u>(347,767)</u>	<u>519,433</u>
Fund balances - ending	<u>\$ 639,536</u>	<u>\$ 105,997</u>	<u>\$ (32,681)</u>	<u>\$ 595,273</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008**

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

	Special Revenue Funds			
	Employment and Training	Fire Districts	Revaluation	Soil and Water District
Revenues				
Ad valorem taxes	\$ -	\$ 1,791,706	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	300,815	-	-	4,000
Fees	23,808	-	-	-
Investment earnings	-	19,244	29,224	968
Miscellaneous	-	-	-	1,428
Total revenues	<u>324,623</u>	<u>1,810,950</u>	<u>29,224</u>	<u>6,396</u>
Expenditures				
General government	-	-	54,919	-
Public safety	-	1,758,029	-	-
Environmental protection	-	-	-	2,603
Human services	341,813	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>341,813</u>	<u>1,758,029</u>	<u>54,919</u>	<u>2,603</u>
Excess (deficiency) of revenues over expenditures	<u>(17,190)</u>	<u>52,921</u>	<u>(25,695)</u>	<u>3,793</u>
Other Financing Sources (Uses)				
Transfers in	25,914	-	196,427	-
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>25,914</u>	<u>-</u>	<u>196,427</u>	<u>-</u>
Net change in fund balances	8,724	52,921	170,732	3,793
Fund balances - beginning	<u>(8,723)</u>	<u>523,966</u>	<u>788,319</u>	<u>22,817</u>
Fund balances - ending	<u>\$ 1</u>	<u>\$ 576,887</u>	<u>\$ 959,051</u>	<u>\$ 26,610</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008**

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

	Special Revenue Funds			
	Community Development 04-C-1244	Community Development 07-C-1673	Community Development SFR-08	Governor's Highway Safety Program
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	-	-	-	34,601
Fees	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,601</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	282,395
Environmental protection	-	-	-	-
Human services	731	8,157	7,550	-
Culture and recreation	-	-	-	-
Capital Expansion	-	-	-	-
Total Expenditures	<u>731</u>	<u>8,157</u>	<u>7,550</u>	<u>282,395</u>
Excess (deficiency) of revenues over expenditures	<u>(731)</u>	<u>(8,157)</u>	<u>(7,550)</u>	<u>(247,794)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	235,209
Transfers out	-	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,209</u>
Net change in fund balances	(731)	(8,157)	(7,550)	(12,585)
Fund balances - beginning	<u>731</u>	<u>-</u>	<u>-</u>	<u>6,199</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (8,157)</u>	<u>\$ (7,550)</u>	<u>\$ (6,386)</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008**

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

	Special Revenue Funds			Total Nonmajor Special Revenue Funds
	Urgent Home Repair	Recreation Western District Park	Homeland Security Equipment	
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,791,706
Sales taxes	-	-	-	-
State, federal and local grants	75,000	29,776	23,323	3,754,559
Fees	-	-	-	552,332
Investment earnings	436	-	-	126,722
Miscellaneous	-	60,635	-	62,063
Total revenues	<u>75,436</u>	<u>90,411</u>	<u>23,323</u>	<u>6,287,382</u>
Expenditures				
General government	-	-	-	54,919
Public safety	-	-	-	2,463,838
Environmental protection	-	-	-	2,603
Human services	70,660	-	-	3,584,943
Culture and recreation	-	123,164	-	123,164
Capital Expansion	-	-	-	-
Total Expenditures	<u>70,660</u>	<u>123,164</u>	<u>-</u>	<u>6,229,467</u>
Excess (deficiency) of revenues over expenditures	<u>4,776</u>	<u>(32,753)</u>	<u>23,323</u>	<u>57,915</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	573,887
Transfers out	-	-	-	(1,418,034)
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(844,147)</u>
Net change in fund balances	4,776	(32,753)	23,323	(786,232)
Fund balances - beginning	(60)	32,878	1,552	3,664,529
Fund balances - ending	<u>\$ 4,716</u>	<u>\$ 125</u>	<u>\$ 24,875</u>	<u>\$ 2,878,297</u>

**SAMPSON COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008**

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

	Capital Project Funds			
	Airport Taxiway 12.6.2	Airport Runway, Taxiway 12.5.2	Airport Apron 19.6.1	Airport Construction 12.8.1
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
State, federal and local grants	170,965	37,695	-	-
Fees	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>170,965</u>	<u>37,695</u>	<u>-</u>	<u>-</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Environmental protection	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Capital Expansion	<u>62,283</u>	<u>-</u>	<u>132,784</u>	<u>49,256</u>
Total Expenditures	<u>62,283</u>	<u>-</u>	<u>132,784</u>	<u>49,256</u>
Excess (deficiency) of revenues over expenditures	<u>108,682</u>	<u>37,695</u>	<u>(132,784)</u>	<u>(49,256)</u>
Other Financing Sources (Uses)				
Transfers in	3,279	-	-	-
Transfers out	(56,896)	-	-	-
Installment purchase debt issued	-	-	-	-
Total other financing sources (uses)	<u>(53,617)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	55,065	37,695	(132,784)	(49,256)
Fund balances - beginning	<u>(62,313)</u>	<u>(37,695)</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ (7,248)</u>	<u>\$ -</u>	<u>\$ (132,784)</u>	<u>\$ (49,256)</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008**

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

	Capital Project Funds		
	Courthouse Annex Renovations	County Bldgs Construction Renovations	Total Nonmajor Capital Project Funds
Revenues			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales taxes	-	27,486	27,486
State, federal and local grants	-	-	208,660
Fees	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>27,486</u>	<u>236,146</u>
Expenditures			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Capital Expansion	-	5,722,965	5,967,288
Total Expenditures	<u>-</u>	<u>5,722,965</u>	<u>5,967,288</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(5,695,479)</u>	<u>(5,731,142)</u>
Other Financing Sources (Uses)			
Transfers in	-	58,000	61,279
Transfers out	-	-	(56,896)
Installment purchase debt issued	-	5,150,576	5,150,576
Total other financing sources (uses)	<u>-</u>	<u>5,208,576</u>	<u>5,154,959</u>
Net change in fund balances	-	(486,903)	(576,183)
Fund balances - beginning	<u>85,613</u>	<u>(17,600)</u>	<u>(31,995)</u>
Fund balances - ending	<u>\$ 85,613</u>	<u>\$ (504,503)</u>	<u>\$ (608,178)</u>

**SAMPSON COUNTY, NORTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008**

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

	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues		
Ad valorem taxes	\$ -	\$ 1,791,706
Sales taxes	-	27,486
State, federal and local grants	-	3,963,219
Fees	-	552,332
Investment earnings	-	126,722
Miscellaneous	-	62,063
Total revenues	<u>-</u>	<u>6,523,528</u>
Expenditures		
General government	-	54,919
Public safety	-	2,463,838
Environmental protection	-	2,603
Human services	-	3,584,943
Culture and recreation	-	123,164
Capital Expansion	-	5,967,288
Total Expenditures	<u>-</u>	<u>12,196,755</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(5,673,227)</u>
Other Financing Sources (Uses)		
Transfers in	-	635,166
Transfers out	-	(1,474,930)
Installment purchase debt issued	-	5,150,576
Total other financing sources (uses)	<u>-</u>	<u>4,310,812</u>
Net change in fund balances	-	(1,362,415)
Fund balances - beginning	<u>23,737</u>	<u>3,656,271</u>
Fund balances - ending	<u>\$ 23,737</u>	<u>\$ 2,293,856</u>

**SAMPSON COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2008**

Exhibit C-3

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Wire fees	\$ 156,595	\$ 156,595	\$ -
Wireless fees	132,173	102,478	(29,695)
NC 911 PSAP fees	51,105	177,103	125,998
Investment earnings	<u>31,002</u>	<u>55,700</u>	<u>24,698</u>
Total revenues	<u>370,875</u>	<u>491,876</u>	<u>121,001</u>
Expenditures			
Wire:			
Salaries and employee benefits	40,778	40,778	-
Operations and maintenance	35,764	35,764	-
Telephone and postage	20,270	20,270	-
Contracted services	<u>28,832</u>	<u>28,832</u>	-
	<u>125,644</u>	<u>125,644</u>	-
Wireless:			
Operations and maintenance	27,073	15,948	11,125
Telephone and postage	70,100	66,452	3,648
Contracted services	<u>35,000</u>	-	<u>35,000</u>
	<u>132,173</u>	<u>82,400</u>	<u>49,773</u>
NC 911 PSAP:			
Salaries and employee benefits	45,370	36,413	8,957
Operations and maintenance	82,780	63,913	18,867
Telephone and postage	20,730	14,893	5,837
Contracted services	<u>111,023</u>	<u>100,151</u>	<u>10,872</u>
	<u>259,903</u>	<u>215,370</u>	<u>44,533</u>
Total expenditures	<u>517,720</u>	<u>423,414</u>	<u>94,306</u>
Excess (deficiency) of revenues over expenditures	(146,845)	68,462	215,307
Other Financing Sources (Uses)			
Transfer to General Fund	<u>(1,413,157)</u>	<u>(1,413,157)</u>	-
Total other financing sources (uses)	<u>(1,413,157)</u>	<u>(1,413,157)</u>	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(1,560,002)	(1,344,695)	215,307
Appropriated Fund Balance	<u>1,560,002</u>	<u>-</u>	<u>(1,560,002)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,344,695)</u>	<u>\$(1,344,695)</u>
Fund balance - beginning		<u>1,984,231</u>	
Fund balance - ending		<u>\$ 639,536</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, 2008**

Exhibit C-4

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Grants:			
Transportation-capital improvements	\$ -	\$ -	\$ -
Transportation-riders	122,428	179,451	57,023
Development funds	130,688	126,133	(4,555)
Workfirst	8,134	15,570	7,436
Mileage fees	110,850	92,349	(18,501)
Miscellaneous	-	-	-
Investment earnings	-	2,113	2,113
Total revenues	<u>372,100</u>	<u>415,616</u>	<u>43,516</u>
Expenditures			
Salaries and employee benefits	340,102	335,508	4,594
Supplies	10,609	10,201	408
Gas, oil, and tires	52,261	51,968	293
Maintenance and repairs	13,500	12,682	818
Contracted services	25,000	25,000	-
Operations	12,443	9,529	2,914
Returned to State Agency	45,742	45,741	1
Insurance and bonds	<u>16,300</u>	<u>14,600</u>	<u>1,700</u>
Total expenditures	<u>515,957</u>	<u>505,229</u>	<u>10,728</u>
Excess (deficiency) of revenues over expenditures	<u>(143,857)</u>	<u>(89,613)</u>	<u>54,244</u>
Other Financing Sources (Uses)			
Transfers:			
From General fund	<u>54,500</u>	<u>54,657</u>	<u>157</u>
Total other financing sources (uses)	<u>54,500</u>	<u>54,657</u>	<u>157</u>
Revenues and Other Finance Sources (Uses) Over (Under) Expenditures	(89,357)	(34,956)	54,401
Appropriated Fund Balance	<u>89,357</u>	<u>-</u>	<u>(89,357)</u>
Net change in fund balance	<u>\$ -</u>	<u>(34,956)</u>	<u>\$ (34,956)</u>
Fund balance - beginning		140,953	
Fund balance - ending		<u>\$ 105,997</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, 2008**

Exhibit C-5

	Final Budget	Reported in Prior Year	Current Year	Total Actual	Variance Positive (Negative)
Revenues					
State & Federal Grants:					
USDA food 9/30/07	\$ 275,212	\$ 220,352	\$ 20,850	\$ 241,202	\$ (34,010)
USDA food 9/30/08	299,789	-	224,225	224,225	(75,564)
DHHS Head Start	2,100,900	-	2,185,939	2,185,939	85,039
Sampson Co Partnership for Children	550,000	-	534,875	534,875	(15,125)
Total revenues	<u>3,225,901</u>	<u>220,352</u>	<u>2,965,889</u>	<u>3,186,241</u>	<u>(39,660)</u>
Expenditures					
Food Program Ended 9/30/07:					
Salaries and employee benefits	74,898	71,646	22,320	93,966	(19,068)
Food and provisions	199,014	161,902	25,553	187,455	11,559
Operations and maintenance	1,300	379	-	379	921
Total food program	<u>275,212</u>	<u>233,927</u>	<u>47,873</u>	<u>281,800</u>	<u>(6,588)</u>
Food Program Ending 9/30/08:					
Salaries and employee benefits	89,122	-	82,971	82,971	6,151
Food and provisions	209,504	-	204,588	204,588	4,916
Operations and maintenance	1,163	-	78	78	1,085
Total food program	<u>299,789</u>	<u>-</u>	<u>287,637</u>	<u>287,637</u>	<u>12,152</u>
Head Start Programs:					
Salaries and employee benefits	1,583,264	-	1,567,577	1,567,577	15,687
Operations and maintenance	491,194	-	406,586	406,586	84,608
PA-20 Employee training	28,798	-	28,472	28,472	326
Capital Outlay	4,011	-	4,011	4,011	-
	<u>2,107,267</u>	<u>-</u>	<u>2,006,646</u>	<u>2,006,646</u>	<u>100,621</u>
More At Four Programs:					
Salaries and employee benefits	383,387	-	304,530	304,530	78,857
Operations and maintenance	72,130	-	4,117	4,117	68,013
Food and provisions	23,556	-	-	-	23,556
Capital Outlay	70,927	-	-	-	70,927
Total head start programs	<u>550,000</u>	<u>-</u>	<u>308,647</u>	<u>308,647</u>	<u>241,353</u>
Total expenditures	<u>3,232,268</u>	<u>233,927</u>	<u>2,650,803</u>	<u>2,884,730</u>	<u>347,538</u>
Excess (deficiency) of revenues over expenditures	(6,367)	(13,575)	315,086	301,511	307,878
Appropriated Fund Balance	6,367	-	-	-	(6,367)
Net change in fund balance	<u>\$ -</u>	<u>\$ (13,575)</u>	315,086	<u>\$ 301,511</u>	<u>\$ 301,511</u>
Fund balance - beginning			(347,767)		
Fund balance - ending			<u>\$ (32,681)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COUNTY CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2008**

Exhibit C-6

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings:			
Library reserve	\$ -	\$ 748	\$ 748
Airport reserve	-	13,863	13,863
Livestock arena reserve	-	2,040	2,040
Schools capital outlay reserve	-	257	257
Recreation reserve	1,224	941	(283)
Water line repairs	-	1,188	1,188
Donation to Library reserve	-	-	-
Total revenues	<u>1,224</u>	<u>19,037</u>	<u>17,813</u>
Other Financing Sources (Uses)			
Transfers in (out)			
To Airport Capital Projects	(13,118)	(3,279)	9,839
To Western District Park Project	(26,492)	-	26,492
To General fund	(2,000)	(1,598)	402
From Airport Capital Projects	-	56,896	56,896
From General Fund for Airport Reserve	4,784	4,784	-
Total other financing sources (uses)	<u>(36,825)</u>	<u>56,803</u>	<u>93,628</u>
Excess (deficiency) of revenues over expenditures	(35,601)	75,840	111,441
Appropriated Fund Balance	<u>35,601</u>	<u>-</u>	<u>(35,601)</u>
Net change in fund balance	<u>\$ -</u>	<u>75,840</u>	<u>\$ 75,840</u>
Fund balance - beginning		<u>519,433</u>	
Fund balance - ending		<u>\$ 595,273</u>	

**SAMPSON COUNTY, NORTH CAROLINA
EMPLOYMENT AND TRAINING PROGRAMS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2008**

Exhibit C-7

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Grants:			
Workforce Investment Act Youth	\$ 95,501	\$ 113,567	\$ 18,066
Workforce Investment Act Adult	106,849	106,499	(350)
Workforce Investment Act Dislocated	69,907	34,902	(35,005)
Other grants	46,496	45,847	(649)
Miscellaneous	<u>23,808</u>	<u>23,808</u>	<u>-</u>
Total revenues	<u>342,561</u>	<u>324,623</u>	<u>(17,938)</u>
Expenditures			
Workforce Investment Act Youth	120,777	124,797	(4,020)
Workforce Investment Act Adult	106,849	103,992	2,857
Workforce Investment Act Dislocated	44,631	43,766	865
Other	<u>70,304</u>	<u>69,258</u>	<u>1,046</u>
Total expenditures	<u>342,561</u>	<u>341,813</u>	<u>748</u>
Excess (deficiency) of revenues over expenditures	-	(17,190)	(17,190)
Other Financing Sources (Uses)			
Transfer from General Fund	<u>-</u>	<u>25,914</u>	<u>-</u>
Total other financing sources (uses)	-	25,914	-
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	8,724	8,724
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	8,724	<u>\$ 8,724</u>
Fund balance - beginning		<u>(8,723)</u>	
Fund balance - ending		<u>\$ 1</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, 2008**

Exhibit C-8

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad Valorem Taxes:			
Current year	\$ 1,628,998	\$ 1,721,201	\$ 92,203
Prior year	50,240	70,505	20,265
Investment earnings	-	19,244	19,244
Total revenues	<u>1,679,238</u>	<u>1,810,950</u>	<u>131,712</u>
Expenditures			
Fire protection	<u>1,758,029</u>	<u>1,758,029</u>	-
Total expenditures	<u>1,758,029</u>	<u>1,758,029</u>	-
Excess (deficiency) of revenues over expenditures	(78,791)	52,921	131,712
Appropriated Fund Balance	<u>78,791</u>	-	<u>(78,791)</u>
Net change in fund balance	<u>\$ -</u>	52,921	<u>\$ 52,921</u>
Fund balance - beginning		<u>523,966</u>	
Fund balance - ending		<u>\$ 576,887</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, 2008**

Exhibit C-9

<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, 2007</u>	<u>Fund Balance June 30, 2008</u>
Coharie	\$ 99,661	\$ 88,095	\$ 11,566	\$ 44,259	\$ 55,825
Franklin	113,038	101,832	11,206	16,297	27,503
Godwin-Falcon	21,528	27,950	(6,422)	11,753	5,331
Halls	105,225	107,614	(2,389)	10,345	7,956
Herring	107,680	125,996	(18,316)	60,789	42,473
Honeycutt-Salemburg	122,770	116,520	6,250	23,167	29,417
Newton Grove	41,186	35,696	5,490	20,848	26,338
Piney Grove	63,927	65,644	(1,717)	12,889	11,172
Plain View	183,839	166,939	16,900	22,787	39,687
Spivey's Corner	97,048	95,450	1,598	4,867	6,465
Turkey	79,138	77,688	1,450	12,782	14,232
Vanns Crossroads	51,875	51,845	30	21,436	21,466
Clinton	337,130	317,012	20,118	90,290	110,408
Clement	127,282	136,504	(9,222)	63,367	54,145
Autryville	87,358	85,421	1,937	34,961	36,898
Garland	58,903	58,298	605	18,539	19,144
Taylor's Bridge	113,362	99,525	13,837	54,590	68,427
	<u>\$ 1,810,950</u>	<u>\$ 1,758,029</u>	<u>\$ 52,921</u>	<u>\$ 523,966</u>	<u>\$ 576,887</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, 2008**

Exhibit C-10

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Investment earnings	<u>\$ -</u>	<u>\$ 29,224</u>	<u>\$ 29,224</u>
Expenditures			
Real property appraisals	<u>196,427</u>	<u>54,919</u>	<u>141,508</u>
Excess (deficiency) of revenues over expenditures	(196,427)	(25,695)	170,732
Other Financing Sources			
Transfer from General Fund	<u>196,427</u>	<u>196,427</u>	<u>-</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures	-	170,732	170,732
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>170,732</u>	<u>\$ 170,732</u>
Fund balance - beginning		<u>788,319</u>	
Fund balance - ending		<u>\$ 959,051</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, 2008**

Exhibit C-11

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
State Grant	\$ 4,000	\$ 4,000	\$ -
Miscellaneous	1,500	1,428	(72)
Investment earnings	<u>-</u>	<u>968</u>	<u>968</u>
Total revenues	5,500	6,396	896
Expenditures			
Travel	600	390	210
Departmental supplies	<u>4,900</u>	<u>2,213</u>	<u>2,688</u>
Total expenditures	5,500	2,603	2,897
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	3,793	<u>\$ 3,793</u>
Fund balance - beginning		<u>22,817</u>	
Fund balance - ending		<u>\$ 26,610</u>	

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SCATTERED SITES PROJECT - 04-C-1244
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-12

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Total revenue	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Expenditures					
Administration	40,008	40,008	-	40,008	-
Clearance activity	33,769	33,769	-	33,769	-
Relocation assistance	389,442	389,442	-	389,442	-
Housing rehabilitation	36,781	36,050	731	36,781	-
Total expenditures	<u>500,000</u>	<u>499,269</u>	<u>731</u>	<u>500,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 731</u>	(731)	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>731</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SCATTERED SITES PROJECT - 07-C-1673
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-13

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 400,000	\$ -	\$ -	\$ -	\$ (400,000)
Total revenue	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
Expenditures					
Administration	36,500	-	4,657	4,657	31,843
Planning	3,500	-	3,500	3,500	-
Clearance activity	20,000	-	-	-	20,000
Relocation assistance	295,000	-	-	-	295,000
Housing rehabilitation	45,000	-	-	-	45,000
Total expenditures	<u>400,000</u>	<u>-</u>	<u>8,157</u>	<u>8,157</u>	<u>391,843</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(8,157)</u>	<u>\$ (8,157)</u>	<u>\$ (8,157)</u>
Fund balance - beginning			-		
Fund balance - ending			<u>\$ (8,157)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT PROJECT
SINGLE FAMILY REHABILITATION SFR-08
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-14

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 400,000	\$ -	\$ -	\$ -	\$ (400,000)
Total revenue	400,000	-	-	-	(400,000)
Expenditures					
Administration	31,995	-	7,550	7,550	24,445
Soft cost	44,190	-	-	-	44,190
Relocation assistance	1,800	-	-	-	1,800
Housing rehabilitation	322,015	-	-	-	322,015
Total expenditures	400,000	-	7,550	7,550	392,450
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	(7,550)	\$ (7,550)	\$ (7,550)
Fund balance - beginning			-		
Fund balance - ending			\$ (7,550)		

**SAMPSON COUNTY, NORTH CAROLINA
 CRIME CONTROL & PUBLIC SAFETY GRANT PROJECT
 GOVERNOR'S HIGHWAY SAFETY PROGRAM GRANT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 From Inception and for the Year Ended June 30, 2008**

Exhibit C-15

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 335,391	\$ 294,330	\$ 34,601	\$ 328,931	\$ (6,460)
Total revenue	<u>335,391</u>	<u>294,330</u>	<u>34,601</u>	<u>328,931</u>	<u>(6,460)</u>
Expenditures					
Salaries and employee benefits	759,280	458,831	282,395	741,226	18,054
Operations and maintenance	11,583	-	-	-	11,583
Total expenditures	<u>770,863</u>	<u>458,831</u>	<u>282,395</u>	<u>741,226</u>	<u>1,023,621</u>
Excess (deficiency) of revenues over expenditures	<u>(435,472)</u>	<u>(164,501)</u>	<u>(247,794)</u>	<u>(412,295)</u>	<u>23,177</u>
Other Financing Sources:					
Transfers:					
From General fund	<u>435,472</u>	<u>170,700</u>	<u>235,209</u>	<u>405,909</u>	<u>(29,563)</u>
Total other financing sources	<u>435,472</u>	<u>170,700</u>	<u>235,209</u>	<u>405,909</u>	<u>(29,563)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 6,199</u>	(12,585)	<u>\$ (6,386)</u>	<u>\$ (6,386)</u>
Net change in fund balance			(12,585)		
Fund balance - beginning			<u>6,199</u>		
Fund balance - ending			<u>\$ (6,386)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
URGENT HOME REPAIR GRANT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-16

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 125,000	\$ 50,000	\$ 75,000	\$ 125,000	\$ -
Interest earned	390	390	436	826	436
Total revenue	<u>125,390</u>	<u>50,390</u>	<u>75,436</u>	<u>125,826</u>	<u>436</u>
Expenditures					
Salaries and employee benefits	10,728	5,607	-	5,607	5,121
Department supplies	3,500	1,060	2,302	3,362	138
Contracted services	<u>111,162</u>	<u>43,783</u>	<u>68,358</u>	<u>112,141</u>	<u>(979)</u>
Total expenditures	<u>125,390</u>	<u>50,450</u>	<u>70,660</u>	<u>121,110</u>	<u>4,280</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (60)</u>	4,776	<u>\$ 4,716</u>	<u>\$ 4,716</u>
Fund balance - beginning			<u>(60)</u>		
Fund balance - ending			<u>\$ 4,716</u>		

**SAMPSON COUNTY, NORTH CAROLINA
RECREATION PARK PROJECT
WESTERN DISTRICT PARK
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-17

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Federal grants	\$ 591,423	\$ -	\$ -	\$ -	\$ (591,423)
State, and local grants	124,210	21,710	29,776	51,486	(72,724)
Donations	176,799	16,168	60,635	76,803	(99,996)
Total revenue	<u>892,432</u>	<u>37,878</u>	<u>90,411</u>	<u>128,289</u>	<u>(764,143)</u>
Expenditures					
Contingency	40,000	-	-	-	40,000
Administration	14,930	-	1,321	1,321	13,609
Engineering & contract services	115,830	-	65,719	65,719	50,111
Construction	627,220	5,000	-	5,000	622,220
Land	62,680	-	56,124	56,124	6,556
Capital Outlay	185,300	-	-	-	185,300
Total expenditures	<u>1,045,960</u>	<u>5,000</u>	<u>123,164</u>	<u>128,164</u>	<u>917,796</u>
Excess (deficiency) of revenues over expenditures	<u>(153,528)</u>	<u>32,878</u>	<u>(32,753)</u>	<u>125</u>	<u>153,653</u>
Other Financing Sources:					
Transfers:					
From General fund	<u>153,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,528)</u>
Total other financing sources	<u>153,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,528)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 32,878</u>	<u>(32,753)</u>	<u>\$ 125</u>	<u>\$ 125</u>
Net change in fund balance			(32,753)		
Fund balance - beginning			<u>32,878</u>		
Fund balance - ending			<u>\$ 125</u>		

**SAMPSON COUNTY, NORTH CAROLINA
 HOMELAND SECURITY GRANT PROJECT
 2006 EQUIPMENT
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 From Inception and for the Year Ended June 30, 2008**

Exhibit C-18

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State and local grants	\$ 50,649	\$ 52,190	\$ 23,323	\$ 75,513	\$ 24,864
Total revenue	<u>50,649</u>	<u>52,190</u>	<u>23,323</u>	<u>75,513</u>	<u>24,864</u>
Expenditures					
Department supplies	26,309	26,309	-	26,309	-
Capital Outlay	24,340	24,329	-	24,329	11
Total expenditures	<u>50,649</u>	<u>50,638</u>	<u>-</u>	<u>50,638</u>	<u>11</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 1,552</u>	23,323	<u>\$ 24,875</u>	<u>\$ 24,875</u>
Fund balance - beginning			<u>1,552</u>		
Fund balance - ending			<u>\$ 24,875</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-19

Project Number: 36237.12.6.2

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal Air-21	\$ 269,638	\$ 62,523	\$ 165,074	\$ 227,597	\$ (42,041)
City of Clinton	14,980	6,754	5,891	12,645	(2,335)
Total revenues	<u>284,618</u>	<u>69,277</u>	<u>170,965</u>	<u>240,242</u>	<u>(44,376)</u>
Expenditures					
Capital Expansion:					
Engineering	6,529	6,529	-	6,529	-
Land	109,314	61,898	12,283	74,181	35,133
Construction costs	70,537	66,637	-	66,637	3,900
Return to local grantee	50,000	-	50,000	50,000	-
Total expenditures	<u>236,380</u>	<u>135,064</u>	<u>62,283</u>	<u>197,347</u>	<u>39,033</u>
Excess (deficiency) of revenues over expenditures	<u>48,238</u>	<u>(65,787)</u>	<u>108,682</u>	<u>42,895</u>	<u>(5,343)</u>
Other Financing Sources (Uses)					
Transfer to Airport Capital Reserve	(63,218)	-	(56,896)	(56,896)	6,322
Transfer from Airport Capital Reserve	14,980	3,474	3,279	6,753	(8,227)
Total other financing sources	<u>(48,238)</u>	<u>3,474</u>	<u>(53,617)</u>	<u>(50,143)</u>	<u>(1,905)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (62,313)</u>	55,065	<u>\$ (7,248)</u>	<u>\$ (7,248)</u>
Fund balance - beginning			<u>(62,313)</u>		
Fund balance - ending			<u>\$ (7,248)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - RUNWAY, TAXIWAY REHABILITATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-20

Project Number: 36237.12.5.2

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 1,700,000	\$ 1,662,306	\$ 37,694	\$ 1,700,000	\$ -
City of Clinton	94,445	94,444	1	94,445	-
Total revenues	<u>1,794,445</u>	<u>1,756,750</u>	<u>37,695</u>	<u>1,794,445</u>	<u>-</u>
Expenditures					
Capital Expansion:					
Professional services	357,259	357,259	-	357,259	-
Administration	2,180	2,180	-	2,180	-
Equipment	2,507	2,507	-	2,507	-
Runway rehabilitation	1,526,943	1,526,943	-	1,526,943	-
Total expenditures	<u>1,888,889</u>	<u>1,888,889</u>	<u>-</u>	<u>1,888,889</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(94,444)</u>	<u>(132,139)</u>	<u>37,695</u>	<u>(94,444)</u>	<u>-</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	94,444	94,444	-	94,444	-
Total other financing sources	<u>94,444</u>	<u>94,444</u>	<u>-</u>	<u>94,444</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (37,695)</u>	<u>37,695</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>(37,695)</u>		
Fund balance - ending			<u>\$ -</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - TAXIWAY & APRON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-21

Project Number: 36244.19.6.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 720,000	\$ -	\$ -	\$ -	\$ (720,000)
City of Clinton	40,000	-	-	-	(40,000)
Total revenues	<u>760,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(760,000)</u>
Expenditures					
Capital Expansion:					
Administration	2,000	-	-	-	2,000
Engineering	331,300	-	132,784	132,784	198,516
Construction costs	466,700	-	-	-	466,700
Total expenditures	<u>800,000</u>	<u>-</u>	<u>132,784</u>	<u>132,784</u>	<u>667,216</u>
Excess (deficiency) of revenues over expenditures	<u>(40,000)</u>	<u>-</u>	<u>(132,784)</u>	<u>(132,784)</u>	<u>(92,784)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	40,000	-	-	-	(40,000)
Total other financing sources	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(132,784)</u>	<u>\$ (132,784)</u>	<u>\$ (132,784)</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ (132,784)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
AIRPORT EXPANSION CAPITAL PROJECT FUND - AIRPORT CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2008**

Exhibit C-22

Project Number: 36237.12.8.1

	Project Authorization	Actual		Inception to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
State, Federal, and Local Grants:					
Federal AIR-21	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
City of Clinton	8,334	-	-	-	(8,334)
Total revenues	<u>158,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(158,334)</u>
Expenditures					
Capital Expansion:					
Engineering	92,666	-	49,256	49,256	43,410
Land	74,001	-	-	-	74,001
Total expenditures	<u>166,667</u>	<u>-</u>	<u>49,256</u>	<u>49,256</u>	<u>117,411</u>
Excess (deficiency) of revenues over expenditures	<u>(8,334)</u>	<u>-</u>	<u>(49,256)</u>	<u>(49,256)</u>	<u>(40,923)</u>
Other Financing Sources					
Transfers In:					
From Airport Capital Reserve	8,334	-	-	-	(8,334)
Total other financing sources	<u>8,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,334)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(49,256)</u>	<u>\$ (49,256)</u>	<u>\$ (49,256)</u>
Fund balance - beginning			-		
Fund balance - ending			<u>\$ (49,256)</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, 2008**

Exhibit C-23

	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	-	3,235	-	3,235	3,235
Total revenues	<u>100,000</u>	<u>103,235</u>	<u>-</u>	<u>103,235</u>	<u>3,235</u>
Expenditures					
Capital Expansion:					
Engineering	142,104	60,051	-	60,051	82,053
Construction costs	1,849,147	1,849,147	-	1,849,147	-
Legal and administration	5,514	5,190	-	5,190	324
Capitalized interest	75,000	75,000	-	75,000	-
Contingency	-	-	-	-	-
Total expenditures	<u>2,071,765</u>	<u>1,989,388</u>	<u>-</u>	<u>1,989,388</u>	<u>82,377</u>
Excess (deficiency) of revenues over expenditures	<u>(1,971,765)</u>	<u>(1,886,153)</u>	<u>-</u>	<u>(1,886,153)</u>	<u>85,612</u>
Other Financing Sources (Uses)					
Transfer to general fund	(78,235)	(78,234)	-	(78,234)	1
Installment purchase debt issued	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>	<u>2,050,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,971,765</u>	<u>1,971,766</u>	<u>-</u>	<u>1,971,766</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 85,613</u>	<u>-</u>	<u>\$ 85,613</u>	<u>\$ 85,613</u>
Fund balance - beginning			<u>85,613</u>		
Fund balance - ending			<u>\$ 85,613</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, 2008**

Exhibit C-24

	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	-	27,486	27,486	(12,514)
Total revenues	<u>255,000</u>	<u>155,000</u>	<u>27,486</u>	<u>182,486</u>	<u>(72,514)</u>
Expenditures					
Capital Expansion					
Renovation of various buildings	\$ 912,200	\$ 58,904	\$ 59,541	\$ 118,445	\$ 793,755
County administration offices	1,068,935	241,736	653,428	895,164	173,771
Public works building	862,800	470,856	391,944	862,800	-
Animal shelter	550,000	519,547	30,453	550,000	-
Early childhood education center	5,000,000	1,747	-	1,747	4,998,253
Cooperative extension building	1,928,000	1,811,262	56,738	1,868,000	60,000
Human services building	8,614,065	2,983,086	4,530,861	7,513,947	1,100,118
Total expenditures	<u>18,936,000</u>	<u>6,087,138</u>	<u>5,722,965</u>	<u>11,810,103</u>	<u>7,125,897</u>
Excess (deficiency) of revenues over expenditures	<u>(18,681,000)</u>	<u>(5,932,138)</u>	<u>(5,695,479)</u>	<u>(11,627,617)</u>	<u>7,053,383</u>
Other Financing Sources (Uses)					
Transfer from general fund	58,000	-	58,000	58,000	-
Installment purchase debt issued	18,623,000	5,914,538	5,150,576	11,065,114	(7,557,886)
Total other financing sources	<u>18,681,000</u>	<u>5,914,538</u>	<u>5,208,576</u>	<u>11,123,114</u>	<u>(7,557,886)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (17,600)</u>	<u>(486,903)</u>	<u>\$ (504,503)</u>	<u>\$ (504,503)</u>
Fund balance - beginning			<u>(17,600)</u>		
Fund balance - ending			<u>\$ (504,503)</u>		

**SAMPSON COUNTY, NORTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2008**

Exhibit C-25

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes current year	\$ -	-	-
Ad valorem taxes prior year	-	-	-
Investment earnings	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Debt service	-	-	-
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning		<u>23,737</u>	
Fund balance - ending		<u>\$ 23,737</u>	



ENTERPRISE FUNDS

Enterprise Funds are used to account for the operation of the County's water system and it's Agri-Exposition Center. The Funds are operated and financed in a manner similar to a private business-where the intent of the governing body is that costs of providing goods and services to the general public on a continuing basis be financed or recovered through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Individual Fund Descriptions:

Water and Sewer Enterprise Fund-accounts for the operations of the County's water system within two special districts created by Sampson County.

Water and Sewer Construction Fund-accounts for the initial construction of water lines within the water districts.

Agri-Exposition Center Enterprise Fund-accounts for the operations of the Sampson Agri-Exposition Center.



**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, 2008**

Exhibit D-1

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for Services:			
Water sales	\$	\$ 1,768,687	\$
Penalties		29,252	
Tap fees		76,429	
Miscellaneous		45,454	
Total Operating Revenues	<u>1,756,957</u>	<u>1,919,822</u>	<u>162,865</u>
Nonoperating Revenues:			
Interest earnings		27,701	
Total Nonoperating Revenues	<u>-</u>	<u>27,701</u>	<u>27,701</u>
Total Revenues	<u>1,756,957</u>	<u>1,947,523</u>	<u>190,566</u>
Expenditures:			
Salaries and employee benefits		193,144	
Bulk water purchases		370,255	
Travel		727	
Contracted services		47,530	
Operations and maintenance		121,414	
Debt service principal		341,948	
Debt service interest		655,266	
Total Expenditures	<u>1,784,957</u>	<u>1,730,284</u>	<u>54,673</u>
Revenues Over (Under) Expenditures	<u>(28,000)</u>	<u>217,239</u>	<u>245,239</u>
Other Financing Sources:			
Transfer from general fund	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 245,239</u>	<u>\$ 245,239</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 245,239</u>	
Reconciling Items:			
Debt principal		341,948	
Compensated absences		722	
Accrued interest		2,161	
Depreciation		(654,507)	
Sales tax refund Water Construction Fund		193,403	
USDA grant Water Construction Fund		700,826	
Total reconciling items		<u>584,553</u>	
Change in net assets		<u>\$ 829,792</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, 2008

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	\$ 774,478	\$ -	\$ 700,826	\$ 700,826	\$ (73,652)
Sales Tax Refund	-	-	193,402	193,402	193,402
Investment earnings	-	-	-	-	-
Total Revenues	<u>774,478</u>	<u>-</u>	<u>894,228</u>	<u>894,228</u>	<u>119,750</u>
Expenditures:					
Administration	524	-	-	-	524
Engineering	286,430	-	120,149	120,149	166,281
Other professional services	65,450	-	-	-	65,450
Land	60,000	-	-	-	60,000
Construction	2,603,003	-	620,349	620,349	1,982,654
Capital outlay	14,553	-	-	-	14,553
Contingency	116,212	-	-	-	116,212
Capitalized interest	238,800	-	-	-	238,800
Legal	16,356	-	433	433	15,923
Total Expenditures	<u>3,401,328</u>	<u>-</u>	<u>740,931</u>	<u>740,931</u>	<u>2,660,397</u>
Revenues Over (Under) Expenditures	(2,626,850)	-	153,297	153,297	2,780,147
Other Financing Sources:					
Installment purchase debt proceeds	<u>2,626,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,626,850)</u>
	<u>2,626,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,626,850)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,297</u>	<u>\$ 153,297</u>	<u>\$ 153,297</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, 2008**

Exhibit D-3

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for Services:			
Water sales	\$	\$ 513,490	\$
Penalties		8,492	
Tap fees		11,300	
Miscellaneous		13,196	
Total Operating Revenues	<u>491,832</u>	<u>546,478</u>	<u>54,646</u>
Nonoperating Revenues:			
Interest earnings		32,552	
Total Nonoperating Revenues	<u>-</u>	<u>32,552</u>	<u>32,552</u>
Total Revenues	<u>491,832</u>	<u>579,030</u>	<u>87,198</u>
Expenditures:			
Salaries and employee benefits		75,852	
Bulk water purchases		188,792	
Travel		211	
Contracted services		13,799	
Operations and maintenance		38,907	
Debt service principal		37,950	
Debt service interest		58,953	
Total Expenditures	<u>491,832</u>	<u>414,464</u>	<u>77,368</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 164,566</u>	<u>\$ 164,566</u>
Reconciliation from budgetary basis (modified accrual) to full accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 164,566</u>	
Reconciling Items:			
Debt principal		37,950	
Depreciation		(100,080)	
Compensated absences		(3,890)	
Accrued interest		-	
Total reconciling items		<u>(66,020)</u>	
Change in net assets		<u>\$ 98,546</u>	

**SAMPSON COUNTY, NORTH CAROLINA
AGRI-EXPOSITION CENTER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2008**

Exhibit D-4

	2008		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for Services:			
Rental	\$	\$ 152,857	\$
Ticket sales		161,235	
Advertising		16,204	
Miscellaneous		37,713	
Total Revenues	<u>407,400</u>	<u>368,010</u>	<u>(39,390)</u>
Expenditures:			
Salaries and employee benefits		120,754	
Advertising		13,021	
Travel		3,487	
Telephone and postage		12,061	
Operations and maintenance		109,546	
Utilities		81,637	
Contracted services		263,431	
Departmental supplies		11,632	
Insurance		2,553	
Capital outlay		-	
Total Expenditures	<u>700,944</u>	<u>618,122</u>	<u>82,822</u>
Revenues Over (Under) Expenditures	<u>(293,544)</u>	<u>(250,113)</u>	<u>43,431</u>
Other Financing Sources:			
Transfer in from general fund	<u>293,544</u>	<u>293,544</u>	<u>-</u>
Revenues, Other Financing Sources, Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 43,431</u>	<u>\$ 43,431</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Revenues and Other Financing Sources Over (Under) Expenditures		<u>\$ 43,431</u>	
Reconciling Items:			
Depreciation		(99,210)	
Compensated absences		(494)	
Capital outlay		-	
Total reconciling items		<u>(99,704)</u>	
Change in net assets		<u>\$ (56,273)</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, 2008**

Exhibit D-5

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$	\$ 4,761,079	\$
Miscellaneous		<u>140,752</u>	
Total Operating Revenues	<u>5,194,443</u>	<u>4,901,830</u>	<u>(292,613)</u>
 Expenditures:			
Insurance claims paid		<u>4,467,822</u>	
Total Expenditures	<u>5,194,443</u>	<u>4,467,822</u>	<u>726,621</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 434,008</u>	<u>\$ 434,008</u>
 Reconciliation from Financial Plan Basis (Modified Accrual) to Full Accrual			
Revenues Over (Under) Expenditures		<u>\$ 434,008</u>	
Change in net assets		<u>\$ 434,008</u>	



AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Individual Fund Descriptions:

Agency Funds:

Social Services-accounts for moneys deposited with the County for the benefit of certain individuals in the County.

4-H-accounts for moneys deposited with the County for the benefit of the Sampson County 4-H club.

Tax Collection-accounts for the collection of taxes and special assessments for various towns in Sampson County

Motor Vehicle Tax Collection-accounts for the collection of motor vehicle taxes for all of the towns in Sampson County.

Fines and Forfeitures-accounts for funds received from the courts and paid to the boards of education.

Detention Center-accounts for funds received from inmates at the Sampson County Detention Center and used by the inmates to purchase items from the canteen and phone cards.

Miscellaneous-accounts for funds received from various sources and paid to County agencies and businesses.

Motor Vehicle 3% Interest-accounts for the three percent interest on the first month of delinquent motor vehicle taxes the County is required to remit to the North Carolina Department of Motor Vehicles.



SAMPSON COUNTY, NORTH CAROLINA
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 2008

Exhibit E-1
Page 1 of 2

	<u>Social Services Funds</u>	<u>4-H Funds</u>	<u>Miscellaneous</u>	<u>Property Tax Collection Funds</u>	<u>Motor Vehicle Tax Funds</u>
ASSETS					
Cash and cash equivalents	\$ 116,572	\$ 20,576	\$ 384,945	\$ 5,953	\$ 30,048
Accounts receivable	-	-	12	-	-
TOTAL ASSETS	<u>\$ 116,572</u>	<u>\$ 20,576</u>	<u>\$ 384,957</u>	<u>\$ 5,953</u>	<u>\$ 30,048</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 210	\$ 858	\$ 5,953	\$ 30,045
Miscellaneous liabilities	116,572	20,366	384,099	-	3
TOTAL LIABILITIES	<u>\$ 116,572</u>	<u>\$ 20,576</u>	<u>\$ 384,957</u>	<u>\$ 5,953</u>	<u>\$ 30,048</u>

**SAMPSON COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 June 30, 2008**

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

	<u>Fines and Forfeitures</u>	<u>Detention Center Trust</u>	<u>Motor Vehicle 3% Interest</u>	<u>Total June 30, 2008</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 67,827	\$ 4,115	\$ 630,036
Accounts receivable	<u>52,837</u>	<u>-</u>	<u>-</u>	<u>52,849</u>
TOTAL ASSETS	<u>\$ 52,837</u>	<u>\$ 67,827</u>	<u>\$ 4,115</u>	<u>\$ 682,885</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 52,837	\$ -	\$ -	\$ 89,903
Miscellaneous liabilities	<u>-</u>	<u>67,827</u>	<u>4,115</u>	<u>592,982</u>
TOTAL LIABILITIES	<u>\$ 52,837</u>	<u>\$ 67,827</u>	<u>\$ 4,115</u>	<u>\$ 682,885</u>

**SAMPSON COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES - AGENCY FUNDS
 For the Fiscal Year Ended June 30, 2008**

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

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Social Services Funds				
Assets:				
Cash and cash equivalents	\$ 54,599	\$ 386,792	\$ 324,819	\$ 116,572
Accounts receivable	-	-	-	-
	<u>54,599</u>	<u>386,792</u>	<u>324,819</u>	<u>116,572</u>
Liabilities:				
Miscellaneous liabilities	54,599	391,633	329,660	116,572
	<u>\$ 54,599</u>	<u>\$ 391,633</u>	<u>\$ 329,660</u>	<u>\$ 116,572</u>
4-H Funds				
Assets:				
Cash and cash equivalents	\$ 12,772	\$ 35,069	\$ 27,265	\$ 20,576
Accounts receivable	-	-	-	-
	<u>12,772</u>	<u>35,069</u>	<u>27,265</u>	<u>20,576</u>
Liabilities:				
Accounts payable	836	210	836	210
Miscellaneous liabilities	11,936	34,859	26,429	20,366
	<u>\$ 12,772</u>	<u>\$ 35,069</u>	<u>\$ 27,265</u>	<u>\$ 20,576</u>
Miscellaneous Agency Funds				
Assets:				
Cash and cash equivalents	\$ 64,875	\$12,326,058	\$12,005,988	\$ 384,945
Accounts receivable	-	12	-	12
	<u>64,875</u>	<u>12,326,070</u>	<u>12,005,988</u>	<u>384,957</u>
Liabilities:				
Accounts payable	32,996	858	32,996	858
Miscellaneous liabilities	31,879	12,325,212	11,972,992	384,099
	<u>\$ 64,875</u>	<u>\$12,326,070</u>	<u>\$12,005,988</u>	<u>\$ 384,957</u>
Tax Collection Funds				
Assets:				
Cash and cash equivalents	\$ 1,231	\$ 2,542,347	\$ 2,537,625	\$ 5,953
	<u>1,231</u>	<u>2,542,347</u>	<u>2,537,625</u>	<u>5,953</u>
Liabilities:				
Accounts payable	1,231	2,542,347	2,537,625	5,953
	<u>\$ 1,231</u>	<u>\$ 2,542,347</u>	<u>\$ 2,537,625</u>	<u>\$ 5,953</u>
Motor Vehicle Tax Funds				
Assets:				
Cash and cash equivalents	\$ -	\$ 421,643	\$ 391,595	\$ 30,048
	<u>-</u>	<u>421,643</u>	<u>391,595</u>	<u>30,048</u>
Liabilities:				
Accounts payable	-	30,045	-	30,045
Miscellaneous liabilities	-	391,598	391,595	3
	<u>\$ -</u>	<u>\$ 421,643</u>	<u>\$ 391,595</u>	<u>\$ 30,048</u>

**SAMPSON COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS
 AND LIABILITIES - AGENCY FUNDS
 For the Fiscal Year Ended June 30, 2008**

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

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 760,370	\$ 760,370	\$ -
Accounts receivable	125,043	52,837	125,043	52,837
	<u>125,043</u>	<u>813,207</u>	<u>885,413</u>	<u>52,837</u>
Liabilities:				
Accounts payable	43,203	52,837	43,203	52,837
Miscellaneous liabilities	81,840	-	81,840	-
	<u>\$ 125,043</u>	<u>\$ 52,837</u>	<u>\$ 125,043</u>	<u>\$ 52,837</u>
Detention Center Trust				
Assets:				
Cash and cash equivalents	\$ 34,792	\$ 51,950	\$ 18,915	\$ 67,827
	<u>34,792</u>	<u>51,950</u>	<u>18,915</u>	<u>67,827</u>
Liabilities:				
Accounts payable	4,900	12,357	17,257	-
Miscellaneous liabilities	29,892	66,336	28,401	67,827
	<u>\$ 34,792</u>	<u>\$ 78,693</u>	<u>\$ 45,658</u>	<u>\$ 67,827</u>
Motor Vehicle 3% Interest				
Assets:				
Cash and cash equivalents	\$ -	\$ 53,965	\$ 49,850	\$ 4,115
	<u>-</u>	<u>53,965</u>	<u>49,850</u>	<u>4,115</u>
Liabilities:				
Miscellaneous liabilities	-	53,965	49,850	4,115
	<u>\$ -</u>	<u>\$ 53,965</u>	<u>\$ 49,850</u>	<u>\$ 4,115</u>
Total of all Agency Funds				
Assets:				
Cash and cash equivalents	\$ 168,269	\$16,578,194	\$16,116,427	\$ 630,036
Accounts receivable	125,043	52,849	125,043	52,849
	<u>293,312</u>	<u>16,631,043</u>	<u>16,241,470</u>	<u>682,885</u>
Liabilities:				
Accounts payable	83,166	2,638,654	2,631,917	89,903
Miscellaneous liabilities	210,146	13,263,603	12,880,767	592,982
	<u>\$ 293,312</u>	<u>\$15,902,257</u>	<u>\$15,512,684</u>	<u>\$ 682,885</u>

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes, interfund and component unit transfers.

Schedule of Ad Valorem Taxes Receivables

Analysis of Current Tax Levy

Ten Largest Taxpayers

Analysis of Current Tax Levy-County-Wide and Special Districts

Schedule of Special School District Ad Valorem Tax Revenues

Schedule of Interfund Transfers



SAMPSON COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2008

Exhibit F-1

	Uncollected Balance July 1, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
County-wide:				
General County	<u>\$ 2,278,059</u>	<u>\$27,850,885</u>	<u>\$27,603,412</u>	<u>\$ 2,525,532</u>
School Districts:				
Clinton Supplemental Current Expense	<u>57,062</u>	<u>1,317,179</u>	<u>1,314,401</u>	<u>59,840</u>
Fire Districts:				
Plain View	14,134	188,303	185,385	17,052
Spivey's Corner	3,958	98,093	97,574	4,477
Halls	6,579	106,566	105,840	7,305
Franklin	9,203	115,871	113,760	11,314
Turkey	5,450	80,521	79,471	6,500
Vanns	2,370	51,947	51,458	2,859
Godwin-Falcon	846	21,142	21,179	809
Coharie	8,468	99,907	98,364	10,011
Herring	6,654	107,428	107,395	6,687
Honeycutt-Salemburg	10,116	124,304	123,094	11,326
Piney Grove	3,755	64,603	64,099	4,259
Newton Grove	3,217	41,138	40,588	3,767
Clinton	21,560	341,368	339,085	23,843
Clement	8,086	128,096	126,111	10,071
Autryville	4,689	88,287	86,908	6,068
Garland	3,930	59,370	59,102	4,198
Taylor's Bridge	3,825	106,568	106,918	3,475
Taylor's Bridge Service	550	7,911	7,835	626
	<u>117,390</u>	<u>1,831,423</u>	<u>1,814,166</u>	<u>134,647</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>\$ 2,274,711</u>	<u>\$30,999,487</u>	<u>\$30,731,979</u>	<u>\$ 2,542,219</u>
Reconciliation with Revenues				
Taxes Ad Valorem General Fund		\$27,193,250		
Penalties and interest		262,820		
Taxes Ad Valorem School District		1,290,773		
Taxes Ad Valorem Fire Districts		1,791,706		
Discounts and adjustments		154,444		
Amounts written off per statute of limitations		38,986		
Total Collections and Credits		<u>\$30,731,979</u>		

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2008**

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

	County Wide			Total Levy	
	Property Valuation	Tax Rate Per \$100 of Value	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year rate	\$ 3,310,335,432	.810	\$26,813,717	\$22,759,775	\$ 4,053,942
Motor vehicles taxed at prior year rate	-	.810	-	-	-
Total	3,310,335,432		26,813,717	22,759,775	4,053,942
Discoveries:	126,440,864	.810	1,024,171	1,024,171	-
Abatements:					
Real, personal, & business property	(10,710,864)	.810	(86,758)	(86,758)	-
Motor vehicles	(7,556,543)	.810	(61,208)	-	(61,208)
Total Property Valuation	3,418,508,889		(147,966)	(86,758)	(61,208)
Net Levy			27,689,922	23,697,188	3,992,734
Uncollected taxes at June 30, 2008			1,354,224	687,745	666,479
Current year taxes collected			26,335,698	23,009,443	3,326,255
Current levy collection percentage			95.11%	97.10%	83.31%

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Fiscal Year Ended June 30, 2008**

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)		100 %
Real property	\$	2,621,490,076
Personal property		692,930,080
Public service companies (2)		<u>104,088,733</u>
Total assessed valuation	\$	<u>3,418,508,889</u>
Tax rate per \$100		<u>0.810</u>
Levy (includes discoveries, releases and abatements) (3)	\$	<u>27,689,922</u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year ended June 30:

School district		1,311,063
Fire protection districts		<u>1,820,107</u>
Total	\$	<u><u>3,131,170</u></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, 2008

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2007 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Premium Standard Farms, Inc.	Meat Packing	\$ 70,656,854	2.07 %
Prestage Farms, Inc.	Swine/Poultry Grower	56,751,718	1.66
Progress Energy Carolina	Utility	39,623,796	1.16
South River Electric Membership Corp.	Utility	25,277,243	0.74
Murphy Farms, Inc.	Swine/Poultry Grower	24,057,023	0.70
Schindler Elevator Corp.	Escalator Manufacturer	20,102,287	0.59
Carroll's Foods, Inc.	Swine/Poultry Grower	15,396,426	0.45
Carolina Telephone	Utility	13,845,525	0.41
Four County Electric Membership Corp.	Utility	12,715,676	0.37
Allen Canning Co.	Food Packing	12,230,787	0.36
		<u>\$ 290,657,335</u>	<u>8.50 %</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2008**

**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	\$ 2,925,578,765	.810	\$22,759,775	\$ 1,024,171	\$ 86,758
Registered Motor Vehicles	492,930,124	.810	4,053,942	-	61,208
	<u>3,418,508,889</u>		<u>26,813,717</u>	<u>1,024,171</u>	<u>147,966</u>
Clinton School District Supplemental Tax	1,008,254,615	.130	<u>1,282,672</u>	<u>34,175</u>	<u>6,116</u>
Fire Districts:					
Plain View	197,824,112	.090	183,912	3,753	815
Spivey's Corner	106,313,700	.090	93,199	4,747	176
Halls	148,615,128	.070	102,127	4,404	227
Franklin	135,732,272	.080	110,221	5,463	940
Turkey	156,413,940	.050	78,356	2,075	342
Vanns	56,817,256	.090	49,981	1,953	55
Godwin-Falcon	18,475,800	.100	20,489	653	22
Coharie	158,846,769	.065	96,454	3,186	559
Herring	123,169,968	.085	103,997	3,179	601
Honeycutt-Salemburg	119,214,088	.100	118,318	5,471	207
Piney Grove	84,145,443	.075	62,020	2,530	490
Newton Grove	85,926,778	.045	39,936	1,198	182
Clinton	362,636,779	.090	331,449	9,838	1,743
Clement	153,652,739	.080	124,470	3,106	585
Autryville	88,863,284	.095	84,685	3,517	385
Garland	83,722,886	.070	57,709	1,606	301
Taylor's Bridge	137,568,028	.070	98,899	7,524	2,645
Taylor's Bridge Service	22,700,143	.035	7,452	459	10
			<u>1,763,674</u>	<u>64,662</u>	<u>10,285</u>
Grand Total			<u>\$29,860,063</u>	<u>\$ 1,123,008</u>	<u>\$ 164,367</u>

**SAMPSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE AND SPECIAL DISTRICTS
For the Fiscal Year Ended June 30, 2008**

**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	\$ 23,697,188	\$687,745	\$23,009,443	97.10	%
Registered Motor Vehicles	<u>3,992,734</u>	<u>666,479</u>	<u>3,326,255</u>	<u>83.31</u>	
	<u>27,689,922</u>	<u>1,354,224</u>	<u>26,335,698</u>	<u>95.11</u>	
Clinton School District Supplemental Tax	<u>1,310,731</u>	<u>44,275</u>	<u>1,266,456</u>	<u>96.62</u>	
Fire Districts:					
Plain View	186,850	12,100	174,750	93.52	
Spivey's Corner	97,770	3,006	94,764	96.93	
Halls	106,304	5,395	100,909	94.92	
Franklin	114,744	8,008	106,736	93.02	
Turkey	80,089	4,599	75,490	94.26	
Vanns	51,879	2,017	49,862	96.11	
Godwin-Falcon	21,120	529	20,591	97.50	
Coharie	99,081	7,263	91,818	92.67	
Herring	106,575	4,896	101,679	95.41	
Honeycutt-Salemburg	123,582	8,319	115,263	93.27	
Piney Grove	64,060	3,124	60,936	95.12	
Newton Grove	40,952	2,853	38,099	93.03	
Clinton	339,544	17,336	322,208	94.89	
Clement	126,991	7,064	119,927	94.44	
Autryville	87,817	4,656	83,161	94.70	
Garland	59,014	3,167	55,847	94.63	
Taylor's Bridge	103,778	2,401	101,377	97.69	
Taylor's Bridge Service	<u>7,901</u>	<u>464</u>	<u>7,437</u>	<u>94.13</u>	
	<u>1,818,051</u>	<u>97,197</u>	<u>1,720,854</u>	<u>94.65</u>	
Grand Total	<u>\$ 30,818,704</u>	<u>\$ 1,495,696</u>	<u>\$29,323,008</u>	<u>95.15</u>	%

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF SCHOOL DISTRICT AD VALOREM TAX REVENUES
June 30, 2008

Exhibit F-5

	<u>Ad Valorem Tax Levy</u>		<u>Total</u>
	<u>Current Year</u>	<u>Prior Years</u>	<u>Revenue</u>
Clinton Supplemental Current Expense	<u>\$ 1,254,312</u>	<u>\$ 36,461</u>	<u>\$ 1,290,773</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF INTERFUND TRANSFERS
For the Fiscal Year Ended June 30, 2008**

Exhibit F-6

	Transfers	
	From	To
Transfers From/To Other Funds		
General Fund		
Revaluation Fund	\$ -	\$ 196,427
County Capital Reserve Fund	1,598	4,784
School Capital Reserve Fund	2,266,063	-
Detention Center Capital Reserve Fund	76,716	-
Sampson Area Transportation Fund	-	54,657
Special Revenue-Governor's Highway Safety	-	235,209
Special Revenue-Emergency Telephone System	1,413,157	
Sampson County Water & Sewer District II	-	28,000
Agri-Exposition Center Fund	-	293,544
County Buildings Construction Capital Project Fund	-	58,000
Employment & Training Special Revenue Fund	-	25,914
Special Revenue Funds:		
Revaluation Fund		
General Fund	196,427	-
Employment & Training Fund		
General Fund	25,914	-
Special Revenue-Governor's Highway Safety		
General Fund	235,209	-
Special Revenue-Emergency Telephone System		
General Fund	-	1,413,157
Sampson Area Transportation Fund		
General Fund	54,657	-
County Capital Reserve Fund		
General Fund	4,784	1,598
Airport Expansion Capital Projects		
School Capital Reserve Fund		
General Fund	-	2,266,063
Capital Project Funds:		
Airport Expansion Capital Projects	3,279	56,896
County Capital Reserve Fund	56,896	3,279
Detention Center Capital Project Fund		
General Fund	-	76,716
County Buildings Construction Capital Project Fund		
General Fund	58,000	-
Enterprise Funds:		
Water & Sewer District Fund		
General Fund	28,000	-
Agri-Exposition Center Fund		
General Fund	293,544	-
Total Operating Transfers From/To Other Funds	<u>\$ 4,714,244</u>	<u>\$ 4,714,244</u>

CAPITAL ASSETS

The Capital Assets Section provides information about capital assets used in the operation of governmental funds



SAMPSON COUNTY, NORTH CAROLINA
COMPARATIVE SCHEDULE OF GENERAL CAPITAL ASSETS - BY SOURCE
June 30, 2008

Exhibit G-1

	<u>June 30, 2008</u>
General Capital Assets:	
Land and improvements	\$ 3,050,749
Buildings	27,119,604
Equipment	14,769,990
Construction in progress	<u>94,457,979</u>
	<u>\$139,398,322</u>
Investment in General Capital Assets by Source	
General Fund	\$138,324,555
Head Start Program	<u>1,073,767</u>
	<u>\$139,398,322</u>

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2008

Exhibit G-2
Page 1 of 2

	Construction in Progress	Land and Improvements	Buildings and Improvements	Equipment	Total
General Government:					
Governing Body	\$ -	\$ -	\$ -	\$ 47,107	\$ 47,107
Administration	-	-	-	27,031	27,031
Airport	-	-	-	3,372,791	3,372,791
Board of Elections	-	-	-	38,064	38,064
Criminal Justice Program	-	-	-	9,271	9,271
Finance	-	-	-	597,539	597,539
Data Processing	-	-	-	133,606	133,606
Tax Administration	-	-	-	158,007	158,007
Register of Deeds	-	-	-	76,930	76,930
Revaluation	-	-	-	10,000	10,000
Sampson Area Transportation	-	-	-	654,858	654,858
Public Buildings	-	-	26,862,800	473,542	27,336,342
Construction in progress	94,457,979	-	-	-	94,457,979
Land	-	3,050,749	-	-	3,050,749
Total General Government	<u>94,457,979</u>	<u>3,050,749</u>	<u>26,862,800</u>	<u>5,598,746</u>	<u>129,970,274</u>
Public Safety:					
Jail	-	-	-	704,265	704,265
Sheriff	-	-	-	2,051,712	2,051,712
Communications	-	-	-	669,361	669,361
Emergency Management	-	-	-	308,731	308,731
Animal Control	-	-	-	136,378	136,378
Inspections	-	-	-	8,100	8,100
Rescue	-	-	-	1,821,013	1,821,013
Courts	-	-	-	34,798	34,798
Domestic violence	-	-	-	20,634	20,634
Highway safety	-	-	-	127,029	127,029
Homeland security	-	-	-	36,477	36,477
E-911	-	-	-	458,394	458,394
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,376,892</u>	<u>6,376,892</u>
Economic and Physical Development:					
Soil Conservation	-	-	-	4,500	4,500
Industrial Development	-	-	-	76,812	76,812
Cooperative Extension	-	-	-	203,490	203,490
Total Economic and Physical Dev	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,802</u>	<u>284,802</u>
Human Services:					
Health	-	-	-	198,781	198,781
Social Services	-	-	-	873,543	873,543
Head Start Program	-	-	256,804	816,963	1,073,767
Aging	-	-	-	65,670	65,670
Juvenile Justice Programs	-	-	-	23,857	23,857
Lagoon	-	-	-	2,523	2,523
Total Human Services	<u>-</u>	<u>-</u>	<u>256,804</u>	<u>1,981,337</u>	<u>2,238,141</u>

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2008

Exhibit G-2
Page 2 of 2

	<u>Construction in Progress</u>	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Culture and Recreation:					
Library	-	-	-	236,280	236,280
Recreation	-	-	-	291,933	291,933
Total Culture and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,213</u>	<u>528,213</u>
Total General Capital Assets	<u>\$ 94,457,979</u>	<u>\$ 3,050,749</u>	<u>\$ 27,119,604</u>	<u>\$ 14,769,990</u>	<u>\$ 139,398,322</u>

SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2008

Exhibit G-3
Page 1 of 2

	<u>July 1, 2007</u>	<u>Addition and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>June 30, 2008</u>
General Government:				
Governing Body	\$ 47,107	\$ -	\$ -	\$ 47,107
Administration	30,257	-	3,226	27,031
Airport	3,439,487	-	66,696	3,372,791
Board of Elections	261,355	-	223,291	38,064
Criminal Justice Program	9,271	-	-	9,271
Finance	518,812	493,481	414,754	597,539
Data Processing	256,826	29,774	152,994	133,606
Tax Administration	182,257	-	24,250	158,007
Register of Deeds	76,930	-	-	76,930
Revaluation	10,000	-	-	10,000
Sampson Area Transportation	680,770	-	25,912	654,858
Public Buildings	22,617,192	5,429,784	453,830	27,593,146
Construction in progress	48,683,239	53,011,423	7,236,683	94,457,979
Land	2,994,626	56,123	-	3,050,749
Total General Government	<u>79,808,129</u>	<u>59,020,585</u>	<u>8,601,636</u>	<u>130,227,078</u>
Public Safety:				
Jail	720,353	7,525	23,613	704,265
Sheriff	2,384,012	37,579	369,879	2,051,712
Communications	646,611	22,750	-	669,361
Emergency Management	308,731	-	-	308,731
Animal Control	91,125	45,253	-	136,378
Inspections	8,100	-	-	8,100
Rescue	2,082,538	32,622	294,147	1,821,013
Courts	34,798	-	-	34,798
Domestic violence	20,634	-	-	20,634
Highway safety	127,029	-	-	127,029
Homeland security	36,477	-	-	36,477
E-911	458,394	-	-	458,394
Total Public Safety	<u>6,918,802</u>	<u>145,729</u>	<u>687,639</u>	<u>6,376,892</u>
Economic and Physical Development:				
Soil Conservation	4,500	-	-	4,500
Cooperative extension	82,262	121,228	-	203,490
Industrial Development	73,778	3,034	-	76,812
Total Economic and Physical Dev.	<u>160,540</u>	<u>124,262</u>	<u>-</u>	<u>284,802</u>
Human Services:				
Health	168,000	30,781	-	198,781
Social Services	275,989	617,084	19,530	873,543
Head Start Program	812,952	4,011	-	816,963
Aging	83,738	-	18,068	65,670
Juvenile Justice Programs	23,857	-	-	23,857
Lagoon	2,523	-	-	2,523
Total Human Services	<u>1,367,059</u>	<u>651,876</u>	<u>37,598</u>	<u>1,981,337</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2008**

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

	<u>July 1, 2007</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>June 30, 2008</u>
Culture and Recreation:				
Library	280,947	-	44,667	236,280
Recreation	<u>289,725</u>	<u>14,698</u>	<u>12,490</u>	<u>291,933</u>
Total Culture and Recreation	<u>570,672</u>	<u>14,698</u>	<u>57,157</u>	<u>528,213</u>
Education	<u>11,120</u>	-	<u>11,120</u>	-
Total General Capital Assets	<u>\$88,836,322</u>	<u>\$59,957,150</u>	<u>\$ 9,395,150</u>	<u>\$ 139,398,322</u>



STATISTICAL SECTION

This part of Sampson County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. The following schedules fall in this category:

- Net Assets by Component
- Changes in Net Assets
- Fund Balances, Governmental Funds
- Changes in Fund Balance, Governmental Funds

Revenue Capacity - These schedules present information to help the reader assess the factors affecting the County's ability to generate its property taxes. The following schedules fall in this category:

- Assessed Value and Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. The following schedules fall in this category:

- Ratio of Outstanding Debt by Type
- Ratio of Net General Obligation Bonded Debt Outstanding
- Legal Debt Margin Information
- Direct and Overlapping Governmental Activities Debt

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. The following schedules fall in this category:

- Demographic and Economic Statistics
- Principal Employers

Operating Information - This schedule contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. The following schedule falls in this category;

- Full-time Equivalent County Government Employees by Function



Sampson County, North Carolina
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 4,770,070	\$ 6,214,265	\$ 6,916,838	\$ 14,417,625
Restricted	3,960,218	3,052,879	4,149,800	3,940,765
Unrestricted (deficit)	<u>(2,988,039)</u>	<u>(740,005)</u>	<u>1,538,456</u>	<u>2,574,694</u>
Total governmental activities net assets	<u>\$ 5,742,249</u>	<u>\$ 8,527,139</u>	<u>\$ 12,605,094</u>	<u>\$ 20,933,084</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 11,697,995	\$ 10,666,789	\$ 11,911,028	\$ 14,519,488
Unrestricted (deficit)	<u>(1,914,995)</u>	<u>(456,576)</u>	<u>(502,369)</u>	<u>494,298</u>
Total business-type activities	<u>\$ 9,783,000</u>	<u>\$ 10,210,213</u>	<u>\$ 11,408,659</u>	<u>\$ 15,013,786</u>
Primary government				
Invested in capital assets, net of related debt	\$ 16,468,065	\$ 16,881,054	\$ 18,827,866	\$ 28,937,113
Restricted	3,960,218	3,052,879	4,149,800	3,940,765
Unrestricted (deficit)	<u>(4,903,034)</u>	<u>(1,196,581)</u>	<u>1,036,087</u>	<u>3,068,992</u>
Total primary government net assets	<u>\$ 15,525,249</u>	<u>\$ 18,737,352</u>	<u>\$ 24,013,753</u>	<u>\$ 35,946,870</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Sampson County, North Carolina
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
Governmental activities		
Invested in capital assets, net of related debt	\$ 14,513,534	\$ 17,571,903
Restricted	4,141,111	5,111,587
Unrestricted (deficit)	<u>10,656,352</u>	<u>11,475,465</u>
Total governmental activities net assets	<u>\$ 29,310,997</u>	<u>\$ 34,158,955</u>
Business-type activities		
Invested in capital assets, net of related debt	\$ 14,890,296	\$ 15,157,326
Unrestricted (deficit)	<u>909,182</u>	<u>1,514,217</u>
Total business-type activities	<u>\$ 15,799,478</u>	<u>\$ 16,671,543</u>
Primary government		
Invested in capital assets, net of related debt	\$ 29,403,830	\$ 32,729,229
Restricted	4,141,111	5,111,587
Unrestricted	<u>11,565,534</u>	<u>12,989,682</u>
Total primary government net assets	<u>\$ 45,110,475</u>	<u>\$ 50,830,498</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Sampson County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

Schedule 2
Page 1 of 4

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 5,387,213	\$ 8,959,163	\$ 9,859,556	\$ 5,532,245
Public safety	7,798,069	9,361,637	10,173,869	11,682,537
Environmental protection	635,604	665,172	780,437	798,096
Economic and physical development	955,468	748,512	1,017,777	1,130,234
Human Services	20,758,675	20,127,954	21,404,854	22,224,354
Education	9,760,219	7,980,205	9,614,322	9,185,288
Cultural and recreation	1,394,705	1,740,072	2,120,471	1,903,306
Interest on long term debt	1,302,372	1,284,727	1,260,455	1,135,689
Total governmental activities	<u>47,992,325</u>	<u>50,867,442</u>	<u>56,231,741</u>	<u>53,591,749</u>
Business-type activities:				
Water District II	755,462	823,399	1,372,357	1,628,961
Water District I	360,565	376,604	391,396	429,368
Agri-Exposition Center	551,017	697,549	768,340	804,283
Total business-type activities	<u>1,667,044</u>	<u>1,897,552</u>	<u>2,532,093</u>	<u>2,862,612</u>
Total primary government expenses	<u>49,659,369</u>	<u>52,764,994</u>	<u>58,763,834</u>	<u>56,454,361</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	763,114	4,038,094	4,702,325	1,146,298
Public safety	1,717,472	1,432,458	1,452,624	1,253,486
Environmental protection	9,901	-	81,606	104,610
Economic and physical development	12,802	-	-	-
Human Services	1,340,346	1,401,736	2,447,791	2,175,915
Education	-	-	-	-
Cultural and recreation	95,913	-	109,289	-
Operating grants and contributions:				
General government	594,957	63,087	229,048	140,000
Public safety	165,973	232,833	317,997	2,476,272
Environmental protection	69,113	74,403	4,478	4,000
Economic and physical development	363,459	55,991	-	-
Human Services	13,618,449	13,397,070	14,318,365	14,129,976
Education	-	-	-	-
Cultural and recreation	178,123	-	-	-
Capital grants and contributions:				
Public Safety	-	-	412,954	-
Economic and physical development	-	-	-	-
Education	320,000	-	57,272	-
Total governmental activities program revenues	<u>19,249,622</u>	<u>20,695,672</u>	<u>24,133,749</u>	<u>21,430,557</u>

Sampson County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

Schedule 2
Page 2 of 4

	Fiscal Year			
	2003	2004	2005	2006
Business-type activities:				
Charge for services - Water District II	751,155	862,837	994,468	1,678,400
Charge for services - Water District I	343,504	406,040	405,973	470,218
Capital contributions - Water District II	2,907,294	476,535	1,718,377	3,641,158
Charge for services - Agri-Exposition Center	312,784	340,466	308,155	332,625
Total business-type activities program revenues	<u>4,314,737</u>	<u>2,085,878</u>	<u>3,426,973</u>	<u>6,122,401</u>
Total primary government program revenues	<u>23,564,359</u>	<u>22,781,550</u>	<u>27,560,722</u>	<u>27,552,958</u>
Net (Expense)/Revenue				
Governmental activities	(28,742,703)	(30,171,770)	(32,097,992)	(32,161,192)
Business-type activities	<u>2,647,693</u>	<u>188,326</u>	<u>894,880</u>	<u>3,259,789</u>
Total primary government net (expense)/revenue	<u>\$ (26,095,010)</u>	<u>\$ (29,983,444)</u>	<u>\$ (31,203,112)</u>	<u>\$ (28,901,403)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 20,260,655	\$ 22,749,936	\$ 22,691,481	\$ 26,906,803
Local option sales tax	8,548,876	9,516,572	11,346,015	11,374,626
Investment earnings	263,471	219,830	368,657	823,001
Miscellaneous	2,049,931	1,921,073	2,013,101	1,659,953
Transfers	<u>(204,330)</u>	<u>(227,462)</u>	<u>(243,307)</u>	<u>(275,201)</u>
Total governmental activities:	<u>30,918,603</u>	<u>34,179,949</u>	<u>36,175,947</u>	<u>40,489,182</u>
Business-type activities:				
Investment earnings	9,519	11,425	60,259	70,137
Transfers	<u>204,330</u>	<u>227,462</u>	<u>243,307</u>	<u>275,201</u>
Total business-type activities	<u>213,849</u>	<u>238,887</u>	<u>303,566</u>	<u>345,338</u>
Total primary government	<u>31,132,452</u>	<u>34,418,836</u>	<u>36,479,513</u>	<u>40,834,520</u>
Change in Net Assets				
Governmental activities	2,175,900	4,008,179	4,077,955	8,327,990
Business-type activities	<u>2,861,542</u>	<u>427,213</u>	<u>1,198,446</u>	<u>3,605,127</u>
Total primary government	<u>\$ 5,037,442</u>	<u>\$ 4,435,392</u>	<u>\$ 5,276,401</u>	<u>\$ 11,933,117</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Sampson County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
Expenses		
Governmental activities:		
General government	\$ 6,003,310	\$ 7,638,303
Public safety	13,152,048	15,025,358
Environmental protection	828,321	944,896
Economic and physical development	1,150,753	1,034,515
Human Services	23,489,981	22,651,851
Education	9,481,524	10,749,244
Cultural and recreation	1,867,072	1,965,100
Interest on long term debt	<u>3,000,193</u>	<u>4,468,200</u>
Total governmental activities	<u>58,973,202</u>	<u>64,477,467</u>
Business-type activities:		
Water District II	1,999,603	2,039,960
Water District I	488,124	480,484
Agri-Exposition Center	<u>717,194</u>	<u>717,827</u>
Total business-type activities	<u>3,204,921</u>	<u>3,238,271</u>
Total primary government expenses	<u>62,178,123</u>	<u>67,715,738</u>
Program Revenues		
Governmental activities		
Charges for services:		
General government	456,896	98,421
Public safety	1,196,878	4,135,205
Environmental protection	-	1,683,258
Economic and physical development	-	101,691
Human Services	3,466,777	1,759,015
Education	-	-
Cultural and recreation	-	135,322
Operating grants and contributions:		
General government	-	447,898
Public safety	1,056,042	384,234
Environmental protection	-	178,224
Economic and physical development	-	80,000
Human Services	13,799,629	13,780,833
Education	1,719,397	-
Cultural and recreation	-	235,396
Capital grants and contributions:		
Public Safety	-	-
Economic and physical development	-	208,660
Education	<u>-</u>	<u>-</u>
Total governmental activities program revenues	<u>21,695,619</u>	<u>23,228,157</u>

Sampson County, North Carolina
Changes in Net Assets,
Last Five Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>
Business-type activities:		
Charge for services - Water District II	2,014,073	1,919,822
Charge for services - Water District I	507,112	546,478
Capital contributions - Water District II	852,898	894,229
Charge for services - Agri-Exposition Center	<u>335,720</u>	<u>368,010</u>
Total business-type activities program revenues	<u>3,709,803</u>	<u>3,728,539</u>
Total primary government program revenues	<u>3,709,803</u>	<u>3,963,935</u>
Net (Expense)/Revenue		
Governmental activities	(37,277,583)	(41,249,310)
Business-type activities	<u>504,882</u>	<u>490,268</u>
Total primary government net (expense)/revenue	<u>\$ (36,772,701)</u>	<u>\$ (40,759,042)</u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Property taxes	\$ 28,768,866	\$ 29,576,667
Local option sales tax	12,175,963	12,721,138
Investment earnings	2,950,496	2,245,314
Miscellaneous	1,984,162	1,875,693
Transfers	<u>(223,991)</u>	<u>(321,544)</u>
Total governmental activities:	<u>45,655,496</u>	<u>46,097,268</u>
Business-type activities:		
Investment earnings	56,819	60,253
Miscellaneous	-	-
Transfers	<u>223,991</u>	<u>321,544</u>
Total business-type activities	<u>280,810</u>	<u>381,797</u>
Total primary government	<u>45,936,306</u>	<u>46,479,065</u>
Change in Net Assets		
Governmental activities	8,377,913	4,847,958
Business-type activities	<u>785,692</u>	<u>872,065</u>
Total primary government	<u>\$ 9,163,605</u>	<u>\$ 5,720,023</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

Sampson County, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3
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	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund					
Reserved for:					
Inventories	\$ 5,039	\$ 20,875	\$ 20,845	\$ 14,070	\$ 14,070
Encumbrances	321,389	475,142	223,162	292,556	340,643
Prepaid expenses	-	-	-	-	-
Debt service	-	-	-	-	-
State statute	2,820,182	4,206,989	3,697,156	3,831,807	6,124,962
Law enforcement	3,448	2,591	-	37,872	37,643
Total reserved	<u>3,150,058</u>	<u>4,705,597</u>	<u>3,941,163</u>	<u>4,176,305</u>	<u>6,517,318</u>
Unreserved:					
Designated for subsequent year's expenditures	2,922,690	3,193,408	3,117,982	1,974,192	1,897,354
Undesignated	4,385,621	3,034,438	3,611,469	4,125,563	3,658,217
Total unreserved	<u>7,308,311</u>	<u>6,227,846</u>	<u>6,729,451</u>	<u>6,099,755</u>	<u>5,555,571</u>
Total General Fund	<u>\$10,458,369</u>	<u>\$10,933,443</u>	<u>\$10,670,614</u>	<u>\$10,276,060</u>	<u>\$12,072,889</u>
All Other Governmental Funds					
Reserved for:					
Encumbrances	\$ 848	\$ 27,102	\$ 1,310	\$ -	\$ 100,684
Debt service	3,847	19,648	23,577	23,737	23,737
State statute	729,984	654,138	652,419	1,366,227	305,518
Total reserved	<u>734,679</u>	<u>700,888</u>	<u>677,306</u>	<u>1,389,964</u>	<u>429,939</u>
Unreserved:					
Designated for subsequent year's expenditures	241,300	469,629	751,153	1,068,445	276,693
Unreserved, reported in:					
Special revenue funds	2,524,698	3,729,563	4,492,651	3,851,218	2,202,358
Capital project funds	21,561,705	12,021,231	4,759,685	3,226,888	1,522,968
Total unreserved	<u>24,327,703</u>	<u>16,220,423</u>	<u>10,003,489</u>	<u>8,146,551</u>	<u>4,002,019</u>
Total all other governmental funds	<u>\$25,062,382</u>	<u>\$16,921,311</u>	<u>\$10,680,795</u>	<u>\$ 9,536,515</u>	<u>\$ 4,431,958</u>

Sampson County, North Carolina
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3
Page 2 of 2

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved for:					
Inventories	\$ 14,053	\$ 14,545	\$ 7,448	\$ 9,091	\$ 9,353
Encumbrances	20,915	43,459	11,436	57,359	1,517,511
Prepaid expenses	-	379,877	323,667	-	-
Debt service	-	-	-	253,079	676,229
State statute	5,643,786	6,488,434	9,140,428	5,690,799	5,589,713
Law enforcement	37,643	59,344	78,612	73,438	255,584
Total reserved	<u>5,716,397</u>	<u>6,985,659</u>	<u>9,561,591</u>	<u>6,083,766</u>	<u>8,048,390</u>
Unreserved:					
Designated for subsequent year's expenditures	4,234,195	4,131,583	3,235,759	3,297,751	5,077,569
Undesignated	4,305,714	3,405,656	3,583,546	10,966,748	9,605,842
Total unreserved	<u>8,539,909</u>	<u>7,537,239</u>	<u>6,819,305</u>	<u>14,264,499</u>	<u>14,683,411</u>
Total General Fund	<u>\$14,256,306</u>	<u>\$14,522,898</u>	<u>\$ 16,380,896</u>	<u>\$ 20,348,265</u>	<u>\$22,731,801</u>
All Other Governmental Funds					
Reserved for:					
Encumbrances	\$ -	\$ 269,741	\$ 9,050	\$ 70,361	\$ -
Debt service	23,737	23,737	23,737	-	-
State statute	581,349	1,208,674	2,978,246	3,989,223	2,402,659
Total reserved	<u>605,086</u>	<u>1,502,152</u>	<u>3,011,033</u>	<u>4,059,584</u>	<u>2,402,659</u>
Unreserved:					
Designated for subsequent year's expenditures	45,000	-	405,843	1,581,216	685,463
Unreserved, reported in:					
Special revenue funds	2,055,364	5,317,987	5,997,379	5,890,434	6,868,949
Capital project funds	526,411	795,745	(5,053,008)	28,920,825	(956,532)
Total unreserved	<u>2,626,775</u>	<u>6,113,732</u>	<u>1,350,214</u>	<u>36,392,475</u>	<u>6,597,880</u>
Total all other governmental funds	<u>\$ 3,231,861</u>	<u>\$ 7,615,884</u>	<u>\$ 4,361,247</u>	<u>\$ 40,452,059</u>	<u>\$ 9,000,539</u>

Sampson County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 4
Page 1 of 2

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues					
Taxes:					
Property	\$ 15,687,515	\$ 16,880,751	\$ 17,523,253	\$ 18,862,125	\$ 19,782,970
Sales	<u>6,476,163</u>	<u>6,941,485</u>	<u>7,122,411</u>	<u>7,615,679</u>	<u>6,711,730</u>
Total taxes	22,163,678	23,822,236	24,645,664	26,477,804	26,494,700
Intergovernmental	18,300,957	18,088,015	14,511,564	14,110,239	14,990,074
Charges for Services	3,261,092	3,780,128	2,874,048	3,844,467	3,803,400
Interest	833,967	1,866,943	1,478,230	522,174	197,544
Miscellaneous	<u>1,741,695</u>	<u>1,843,742</u>	<u>1,357,439</u>	<u>1,610,793</u>	<u>2,186,109</u>
Total Revenues	<u>46,301,389</u>	<u>49,401,064</u>	<u>44,866,945</u>	<u>46,565,477</u>	<u>47,671,827</u>
Expenditures					
General Government	2,647,707	3,248,691	3,425,971	5,334,470	5,029,845
Public Safety	6,452,687	6,906,610	6,889,181	7,320,570	8,057,865
Environmental Protection	2,615,233	2,365,663	453,762	625,527	929,378
Economic Development	1,869,555	1,990,154	2,099,479	695,648	960,567
Human Services	14,289,544	13,209,356	14,692,248	19,240,431	20,854,407
Culture and Recreation	1,141,641	998,298	1,052,440	1,103,578	1,392,943
Education	7,476,632	7,810,493	7,855,733	8,171,368	7,659,785
Capital Outlay	11,910,343	17,094,063	11,950,826	2,102,961	2,699,514
Debt Service:					
Principal	3,081,303	1,828,775	2,147,727	2,226,102	2,309,074
Interest	415,869	1,927,103	1,409,804	1,372,527	1,302,372
Administration	<u>12,422</u>	<u>14,430</u>	<u>17,741</u>	<u>18,876</u>	<u>19,170</u>
Total Expenditures	<u>51,912,936</u>	<u>57,393,636</u>	<u>51,994,912</u>	<u>48,212,058</u>	<u>51,214,920</u>
Excess of revenues over (under) expenditures	<u>(5,611,547)</u>	<u>(7,992,572)</u>	<u>(7,127,967)</u>	<u>(1,646,581)</u>	<u>(3,543,093)</u>
Other Financing Sources (Uses)					
Transfers in	1,727,643	1,591,464	1,939,201	2,227,033	2,673,403
Transfers out	(1,727,643)	(1,617,355)	(2,192,975)	(2,452,085)	(482,124)
Bond premium	-	-	-	-	-
Proceeds from installment purchase agreements	<u>26,530,207</u>	<u>509,919</u>	<u>806,225</u>	<u>386,277</u>	<u>1,683,896</u>
Total other financing sources (uses)	<u>26,530,207</u>	<u>484,028</u>	<u>552,451</u>	<u>161,225</u>	<u>3,875,175</u>
Net change in fund balances	<u>\$ 20,918,660</u>	<u>\$ (7,508,544)</u>	<u>\$ (6,575,516)</u>	<u>\$ (1,485,356)</u>	<u>\$ 332,082</u>

Debt service as a percentage of noncapital expenditures	8.74%	9.32%	8.88%	7.80%	7.44%
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Note: Amounts shown above for years prior to fiscal 2003 have been restated to show transfers in/out with component units as revenue and expenditures.

Sampson County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 4
Page 2 of 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes:					
Property	\$ 22,733,336	\$ 22,828,603	\$ 26,613,832	\$ 28,458,069	\$ 29,247,776
Sales	<u>7,428,376</u>	<u>11,557,039</u>	<u>11,374,626</u>	<u>12,175,963</u>	<u>12,721,138</u>
Total taxes	30,161,712	34,385,642	37,988,458	40,634,032	41,968,914
Intergovernmental	13,657,708	14,683,755	16,750,248	16,575,068	15,416,936
Charges for Services	3,396,608	4,530,772	4,680,309	5,076,600	6,467,477
Interest	166,890	368,657	823,001	2,822,341	2,245,314
Miscellaneous	<u>1,921,073</u>	<u>2,048,882</u>	<u>1,659,952</u>	<u>1,984,162</u>	<u>3,219,436</u>
Total Revenues	<u>49,303,991</u>	<u>56,017,708</u>	<u>61,901,968</u>	<u>67,092,203</u>	<u>69,318,077</u>
Expenditures					
General Government	5,829,264	6,285,374	5,805,608	5,645,849	5,816,668
Public Safety	9,396,069	11,077,628	12,329,932	13,198,403	14,583,084
Environmental Protection	631,628	749,749	806,139	822,197	952,865
Economic Development	773,802	1,045,549	1,133,549	1,141,525	1,149,066
Human Services	20,104,369	21,261,281	22,380,966	23,555,964	23,874,864
Culture and Recreation	1,714,476	2,127,740	1,932,452	1,862,851	2,014,854
Education	7,980,205	8,938,317	9,185,288	9,481,524	9,459,885
Capital Outlay	2,516,259	1,155,401	14,686,905	45,132,089	53,003,588
Debt Service:					
Principal	2,570,026	2,322,639	2,254,439	2,078,613	2,431,548
Interest	1,263,322	1,240,738	1,029,830	2,784,132	4,441,481
Administration	<u>21,405</u>	<u>19,717</u>	<u>68,658</u>	<u>91,010</u>	<u>100,319</u>
Total Expenditures	<u>52,800,825</u>	<u>56,224,133</u>	<u>71,613,766</u>	<u>105,794,157</u>	<u>117,828,222</u>
Excess of revenues over (under) expenditures	<u>(3,496,834)</u>	<u>(206,425)</u>	<u>(9,711,798)</u>	<u>(38,701,954)</u>	<u>(48,510,145)</u>
Other Financing Sources (Uses)					
Transfers in	2,572,815	2,712,713	2,759,568	2,936,614	4,392,700
Transfers out	(591,132)	(2,956,020)	(2,937,337)	(3,160,606)	(4,714,244)
Bond premium	-	-	-	2,536,536	-
Proceeds from installment purchase agreements	<u>2,498,471</u>	<u>1,354,243</u>	<u>8,873,174</u>	<u>76,447,591</u>	<u>19,763,704</u>
Total other financing sources (uses)	<u>4,480,154</u>	<u>1,110,936</u>	<u>8,695,405</u>	<u>78,760,135</u>	<u>19,442,160</u>
Net change in fund balances	<u>\$ 983,320</u>	<u>\$ 904,511</u>	<u>\$ (1,016,393)</u>	<u>\$ 40,058,181</u>	<u>\$ (29,067,985)</u>

Debt service as a percentage of noncapital expenditures	7.62%	6.47%	5.77%	8.02%	10.60%
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Note: Amounts shown above for years prior to fiscal 2003 have been restated to show transfers in/out with component units as revenue and expenditures.

Sampson County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Public Service Companies (2)
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)		
1999	\$ 1,165,984,651	\$ 92,936,835	\$ 10,644,838	\$ 332,225,001	\$ 492,329,248	\$ 75,519,277
2000	1,231,199,210	101,639,800	10,199,536	327,478,738	578,923,823	66,176,056
2001	1,267,136,955	104,780,138	10,199,536	326,036,280	671,329,505	66,774,523
2002	1,293,957,063	108,785,897	10,401,496	327,500,055	614,411,385	70,588,240
2003	1,342,698,237	109,066,198	10,401,496	325,065,008	677,006,789	63,808,060
2004 (5)	1,779,628,283	129,335,287	11,030,718	410,046,632	674,945,960	81,103,237
2005	1,799,934,156	135,881,167	11,030,718	414,672,733	688,752,515	85,761,896
2006	1,814,697,116	144,666,267	11,030,718	442,290,348	727,566,741	89,984,525
2007	1,976,004,862	144,861,741	11,225,121	425,425,158	669,633,758	107,465,858
2008	2,017,453,958	145,690,958	10,715,630	447,629,530	692,930,080	104,088,733

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (5) Property in Sampson County is reassessed every eight years. The last reassessment was on January 1, 2003 and was the basis for fiscal 2003 taxes.

Sampson County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
1999	\$ 2,169,639,850	0.670	\$ 2,570,087,681
2000	2,315,617,163	0.670	2,717,701,968
2001	2,446,256,937	0.695	2,896,497,898
2002	2,425,644,136	0.725	2,936,221,186
2003	2,528,045,788	0.750	3,223,080,042
2004 (5)	3,086,090,117	0.675	3,086,090,117
2005	3,136,033,185	0.675	3,211,582,289
2006	3,230,235,715	0.770	3,434,913,437
2007	3,334,616,498	0.810	3,747,847,533
2008	3,418,508,889	0.810	3,865,960,602

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (5) Property in Sampson County is reassessed every eight years. The last reassessment was on January 1, 2003 and was the basis for fiscal 2003 taxes.

Sampson County, North Carolina
Direct and Overlapping Property Tax Rates (Rate per \$100 of Valuation)
Last Ten Fiscal Years

Schedule 6

	Fiscal Year Taxes are Payable									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004 (1)</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Sampson County	.670	.670	.695	.725	.750	.675	.068	.077	.810	.810
Town of:										
Autryville	.450	.450	.450	.450	.450	.450	.450	.500	.500	.500
Clinton	.430	.430	.430	.430	.430	.410	.410	.410	.410	.410
Garland	.700	.670	.670	.670	.670	.600	.600	.650	.690	.720
Harrells	.200	.130	.130	.130	.130	.130	.130	.130	.130	.130
Newton Grove	.360	.360	.360	.360	.360	.360	.360	.360	.360	.360
Roseboro	.700	.700	.700	.700	.700	.650	.650	.670	.710	.710
Salemburg	.370	.370	.370	.370	.370	.320	.320	.320	.320	.320
Turkey	.250	.250	.250	.250	.250	.250	.250	.250	.250	.250
Assessed by										
County for:										
School Districts										
Clinton	.120	.120	.130	.130	.130	.130	.130	.130	.130	.130
School Debt										
Service District:										
Clinton	.010	.010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Districts:										
Piney Grove	.070	.070	.070	.070	.070	.060	.070	.070	.070	.070
Plain View	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090
Halls	.060	.065	.065	.065	.065	.065	.065	.065	.070	.070
Spivey's Corner	.080	.080	.090	.090	.090	.090	.090	.090	.090	.090
Franklin	.070	.070	.070	.070	.070	.060	.060	.070	.070	.070
Turkey	.050	.050	.050	.050	.050	.040	.040	.050	.050	.050
Vanns	.090	.090	.090	.090	.090	.090	.090	.090	.090	.090
Godwin-Falcon	.100	.100	.100	.100	.100	.100	.100	.100	.100	.100
Herring	.080	.080	.080	.080	.080	.075	.075	.075	.085	.085
Coharie	.065	.065	.065	.065	.065	.055	.055	.065	.065	.065
Honeycutt-Salemburg	.060	.060	.080	.080	.080	.075	.075	.080	.100	.100
Newton Grove	.050	.050	.050	.050	.050	.045	.045	.045	.045	.045
Clinton	.060	.080	.080	.090	.090	.080	.080	.090	.090	.090
Clement	.080	.080	.080	.080	.080	.080	.080	.080	.080	.080
Autryville	.080	.080	.080	.080	.080	.080	.080	.095	.095	.095
Garland	.070	.070	.070	.070	.070	.050	.050	.050	.070	.070
Taylor's Bridge	.060	.060	.060	.070	.070	.070	.070	.070	.070	.070
Taylor's Bridge Service District	.030	.030	.030	.030	.030	.030	.030	.035	.035	.035

Note: (1) Real property was revalued on January 1, 2003

**Sampson County, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2008</u>		
		<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods/The Lundy Packing Co.	Meat Packers	\$ 70,656,854	1	2.07 %
Prestage Farms, Inc	Swine/Poultry Grower	56,751,718	2	1.66
Progress Energy Carolina	Utiities	39,623,796	3	1.16
South River Electric Membership Co.	Utiities	25,277,243	4	0.74
Murphy Farms, Inc.	Swine/Poultry Grower	24,057,023	5	0.70
Schindler Elevator Corp.	Escalator Manufacturer	20,102,287	6	0.59
Carroll's Foods Inc.	Swine/Poultry Grower Real Estate	15,396,426	7	0.45
Carolina Telephone & Telegraph Co.	Utiities	13,845,525	8	0.41
Four County Electric	Utiities	12,715,676	9	0.37
Allen Canning Co.	Food Processing & Distribution	12,230,787	10	0.36
Alamac Knits/Schlafhorst	Textile Manufacturer			
Nash Johnson & Sons Farm	Agriculture			
Totals		<u>\$ 290,657,335</u>		<u>8.50 %</u>

Source: Sampson County Tax Department

**Sampson County, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1999</u>		
		<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Smithfield Foods/The Lundy Packing Co.	Meat Packers	\$ 25,985,641	3	1.20 %
Prestage Farms, Inc	Swine/Poultry Grower	49,250,521	1	2.27
Progress Energy Carolina	Utiities	23,026,670	4	1.06
South River Electric Membership Co.	Utiities	18,906,449	5	0.87
Murphy Farms, Inc.	Swine/Poultry Grower			
Carroll's Foods Inc.	Swine/Poultry Grower Real Estate	15,959,126	6	0.74
Schindler Elevator Corp.	Escalator Manufacturer	12,185,498	8	0.56
Carolina Telephone & Telegraph Co.	Utiities	13,979,987	7	0.64
Four County Electric	Utiities	8,810,603	10	41.00%
Alamac Knits/Schlafhorst	Textile Manufacturer	26,054,028	2	1.20
Nash Johnson & Sons Farm	Agriculture	9,572,809	9	0.44
Totals		<u>\$ 203,731,332</u>		<u>9.39</u> %

Source: Sampson County Tax Department

**Sampson County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Schedule 8

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>			<u>Current Collections</u>	<u>Percentage of Adjusted Levy</u>	<u>Prior Years Collected</u>	<u>Total Collections</u>	<u>Percentage of Adjusted Levy</u>
	<u>(Original Levy)</u>	<u>Adjustments</u>	<u>Total</u>					
1999	\$ 15,705	\$ 622	\$ 16,327	\$ 15,578	95.41 %	\$ 528	\$ 16,106	98.65 %
2000	16,865	572	17,437	16,654	95.51	829	17,483	100.26
2001	18,440	599	19,039	17,708	93.01	721	18,429	96.80
2002	18,994	644	19,638	18,986	96.68	727	19,713	100.38
2003	20,466	726	21,192	19,970	94.23	765	20,735	97.84
2004	22,949	637	23,586	22,487	95.34	1,211	23,698	100.47
2005	23,236	665	23,901	22,899	95.81	948	23,847	99.77
2006	26,843	790	27,633	26,400	95.54	979	27,379	99.08
2007	28,927	1,050	29,977	28,582	95.35	1,004	29,586	98.70
2008	29,860	959	30,819	29,323	95.15	1,091	30,414	98.69

Source: Sampson County Tax Department

Sampson County, North Carolina
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		
	General Obligation Bonds	Installment Purchase Revenue Bonds	Installment Loans	Certificates of Participation	General Obligation Bonds	Installment Loans	State Clean Water Loans
1999	\$ 56,863	\$ 25,750,000	\$ 6,479,079	\$ -	\$ 1,070,000	\$ -	\$ 515,268
2000	-	25,050,000	5,767,208	-	6,473,000	-	347,650
2001	-	24,010,000	5,629,171	-	6,429,556	-	365,361
2002	-	22,970,000	4,826,346	-	8,808,583	-	327,883
2003	-	21,930,000	3,980,076	-	8,794,500	305,027	265,850
2004	-	20,890,000	6,190,094	-	9,667,000	262,556	1,172,872
2005	-	19,850,000	6,261,698	-	13,372,000	216,223	1,450,297
2006	-	18,810,000	13,920,433	-	13,253,000	175,142	2,799,224
2007	-	17,765,000	34,274,411	55,060,000	13,084,500	122,165	2,639,770
2008	-	16,720,000	52,651,707	55,060,000	12,909,000	77,222	2,480,315

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Calendar 2006 personal income not available to calculate fiscal year 2007.

* Information not available

Sampson County, North Carolina
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Primary Government</u>	<u>Per Capita (1)</u>	<u>Percentage of Personal Income (1)</u>
1999	\$ 33,871,210	\$ 635	3.14%
2000	37,637,858	695	3.05%
2001	36,434,088	606	2.84%
2002	36,932,812	611	2.91%
2003	35,275,453	572	2.63%
2004	38,182,522	614	2.63%
2005	41,150,218	657	2.66%
2006	48,957,799	773	3.15%
2007	122,945,846	1,919	*
2008	139,898,244	2,168	*

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Calendar 2006 personal income not available to calculate fiscal year 2007.

* Information not available

Sampson County, North Carolina
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Schedule 10

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Restricted to Repaying Principal</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>Per Capita(1)</u>
1999	\$ 1,126,863	\$ 3,847	\$ 1,123,016	0.05 %	\$ 21
2000	6,473,000	-	6,473,000	0.28	120
2001	6,429,556	-	6,429,556	0.26	107
2002	8,808,583	-	8,808,583	0.36	146
2003	8,794,500	-	8,794,500	0.35	143
2004	9,667,000	-	9,667,000	0.31	155
2005	13,372,000	-	13,372,000	0.43	214
2006	13,253,000	-	13,253,000	0.41	209
2007	13,084,500	-	13,084,500	0.39	204
2008	12,909,000	-	12,909,000	0.38	200

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for property value data.

Sampson County, North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Assessed Value of Property	\$ 2,169,640	\$ 2,315,617	\$ 2,446,257	\$ 2,425,644	\$ 2,528,046
Debt Limit, 8% of Assessed Value (Statutory Limitation)	173,571	179,030	195,701	194,052	202,244
Amount of Debt Applicable to Limit					
Governmental Activities					
Installment purchase debt	32,229	30,817	29,639	27,796	25,910
Gross general obligation debt	1,127	6,473	6,430	8,809	8,795
Less: Amount available for repayment of general obligation bonds	4	-	-	-	-
Less: Debt outstanding for water and sewer purposes	<u>1,070</u>	<u>6,473</u>	<u>6,430</u>	<u>8,809</u>	<u>8,795</u>
Total net debt applicable to limit	<u>32,282</u>	<u>30,817</u>	<u>29,639</u>	<u>27,796</u>	<u>25,911</u>
Legal Debt Margin	<u>\$ 141,289</u>	<u>\$ 148,213</u>	<u>\$ 166,062</u>	<u>\$ 166,256</u>	<u>\$ 176,333</u>
Total net debt applicable to the limit as a percentage of debt limit	18.60%	17.21%	15.15%	14.32%	12.81%

Note: N.C. General Statute 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: (1) money held for payment of principal; (2) debt incurred for water, sewer, gas or electric power purposes; (3) uncollected special assessments, funding and refunding bonds not yet issued; and (4) revenue bonds.

The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Sampson County, North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assessed Value of Property	\$ 3,086,090	\$ 3,136,033	\$ 3,230,236	\$ 3,334,616	\$ 3,418,509
Debt Limit, 8% of Assessed Value (Statutory Limitation)	246,887	250,883	250,883	266,769	273,481
Amount of Debt Applicable to Limit					
Governmental Activities					
Installment purchase debt	27,080	26,112	32,730	107,099	124,432
Gross general obligation debt	9,667	13,372	13,253	13,085	12,909
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-
Less: Debt outstanding for water and sewer purposes	<u>9,667</u>	<u>13,372</u>	<u>13,253</u>	<u>13,085</u>	<u>12,909</u>
Total net g.o. debt applicable to limit	<u>27,080</u>	<u>26,112</u>	<u>32,730</u>	<u>107,100</u>	<u>124,432</u>
Legal Debt Margin	<u>\$ 219,807</u>	<u>\$ 224,771</u>	<u>\$ 218,153</u>	<u>\$ 159,669</u>	<u>\$ 149,049</u>
Total net debt applicable to the limit as a percentage of debt limit	10.97%	10.41%	13.05%	40.15%	45.50%

Note: N.C. General Statute 159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: (1) money held for payment of principal; (2) debt incurred for water, sewer, gas or electric power purposes; (3) uncollected special assessments, funding and refunding bonds not yet issued; and (4) revenue bonds.

The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Sampson County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Sampson County</u>	<u>Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Sampson County	\$ 139,898,244	100.00 %	\$ 139,898,244
Other debt			
Autryville	123,332	100.00	123,332
Clinton	4,667,908	100.00	4,667,908
Garland	-	100.00	-
Harrells	-	100.00	-
Newton Grove	496,000	100.00	496,000
Roseboro	1,090,352	100.00	1,090,352
Salemburg	-	100.00	-
Turkey	-	100.00	-
Total direct and overlapping debt	<u>\$ 146,275,836</u>		<u>\$ 146,275,836</u>

Source: North Carolina Department of State Treasurer

**Sampson County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

Schedule 13

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2) (expressed in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>	<u>Number of Building Inspections Performed(5)</u>
1999	53,312	\$ 1,078,116	\$ 18,173	10,052	5.00 %	156
2000	54,155	1,235,294	20,491	10,262	4.30	409
2001	60,161	1,283,959	21,137	10,415	4.80	399
2002	60,421	1,270,284	20,777	10,527	8.30	852
2003	61,654	1,341,422	21,754	10,678	7.30	342
2004	62,206	1,453,318	23,432	10,887	5.40	266
2005	62,630	1,545,623	24,745	11,026	5.20	329
2006	63,303	1,555,862	24,697	11,187	4.70	449
2007	64,057	*	*	11,268	4.60	835
2008	64,522	*	*	11,440	4.90	*

* Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (3) N.C. Department of Public Instruction, First Month Average Daily Membership
- (4) N. C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Total number of inspections performed by Sampson County Inspections Department.

**Sampson County, North Carolina
Principal Employers
Current Year and Nine Years Ago**

**Schedule 14
Page 1 of 2**

<u>Employer</u>	<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Smithfield Foods (Lundy Packing Co.)	1,600	1	4.79 %
Sampson County Schools	1,060	2	3.18
Prestage Farms, Inc.	750	3	2.25
Sampson County Government	600	4	1.80
Sampson Regional Medical Center	500	5	1.50
Liberty Health Care Group. LLC	420	6	1.26
Clinton City Schools	410	7	1.23
State of North Carolina	350	8	1.05
Hog Slat Company, Inc.	264	9	.79
Wal-Mart Associates Inc.	250	10	.75
Carrolls Foods, Inc.			
Garland Shirt Factory			
Alamac Kint Fabrics, Inc.			

Source: Sampson County Economic Development Department and N.C. Southeast Regional Economic Development Partnership Data Book.

**Sampson County, North Carolina
Principal Employers
Current Year and Nine Years Ago**

**Schedule 14
Page 2 of 2**

<u>Employer</u>	<u>1999</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Smithfield Foods (Lundy Packing Co.)	1,151	1	4.75 %
Sampson County Schools	913	2	3.77
Prestage Farms, Inc.	703	3	2.90
Sampson County Government	436	7	1.80
Sampson Regional Medical Center	478	6	1.97
Liberty Health Care Group. LLC			
Clinton City Schools	332	8	1.37
State of North Carolina			
Hog Slat Company, Inc.	490	5	2.02
Wal-Mart Associates Inc.			
Carrolls Foods, Inc.	637	4	2.63
Garland Shirt Factory	293	9	1.21
Alamac Kint Fabrics, Inc.	238	10	.98

Source: Sampson County Economic Development Department and N.C. Southeast Regional Economic Development Partnership Data Book.

Sampson County, North Carolina
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Schedule 15

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	53	53	53	54	54	57	61	65	73	74
Public safety	127	129	130	137	148	163	173	188	191	220
Environmental protection	5	5	5	5	5	5	5	5	5	5
Economic and physical development	21	21	21	20	20	19	20	20	20	20
Human Services:										
Health	36	38	41	42	40	37	36	36	40	42
Social services	108	110	110	111	109	111	116	120	124	128
Other Human Services	<u>68</u>	<u>67</u>	<u>61</u>	<u>57</u>	<u>58</u>	<u>53</u>	<u>55</u>	<u>65</u>	<u>76</u>	<u>79</u>
Total Human Services	212	215	212	210	207	201	207	221	240	249
Cultural and recreation	14	13	13	15	29	32	32	33	35	35
Business Activity:										
Water/Sewer	2	3	4	4	4	5	5	6	6	6
Agri-Exposition Center	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>
Total Business Activity	4	5	6	6	6	7	8	9	8	9
Total	436	441	440	447	469	484	506	541	572	612

Source: County Finance Department

Note: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full-time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part-time employees has been divided by the percentage of their hours worked within a 40 hour week to arrive at full-time equivalents.

COMPLIANCE SECTION





CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:
Elizabethtown, NC
Wilmington, NC
Whiteville, NC

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

To the Board of County Commissioners
Sampson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprises Sampson County's basic financial statements and have issued our report thereon dated November 14, 2008. We did not audit the financial statements of Sampson Regional Medical Center, Inc. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Sampson Regional Medical Center, Inc., is based solely on the reports 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. The financial statements of the Sampson Regional Medical Center, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sampson County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting, item 2008-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

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

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

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

Thompson, Price, Scott, Adams & Co., PA
November 14, 2008



CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:
Elizabethtown, NC
Wilmington, NC
Whiteville, NC

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

To the Board of County Commissioners
Sampson County, North Carolina

Compliance

We have audited the compliance of Sampson County, North Carolina, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. Sampson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Sampson County's management. Our responsibility is to express an opinion on Sampson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sampson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Sampson County's compliance with those requirements.

In our opinion, Sampson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Sampson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Sampson County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

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

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

Thompson, Price, Scott, Adams & Co., PA
November 14, 2008



CERTIFIED PUBLIC ACCOUNTANTS

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

Offices:
Elizabethtown, NC
Wilmington, NC
Whiteville, NC

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

To the Board of County Commissioners
Sampson County, North Carolina

Compliance

We have audited the compliance of Sampson County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. Sampson County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Sampson County's management. Our responsibility is to express an opinion on Sampson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Sampson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Sampson County's compliance with those requirements.

In our opinion, Sampson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Sampson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Sampson County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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, as defined above.

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

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

Thompson, Price, Scott, Adams & Co., PA
November 14, 2008

**SAMPSON COUNTY, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2008**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over federal programs:

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

Type of auditor’s report issued on compliance for major federal programs: Unqualified

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

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
10.551	Food Stamp Cluster
10.766	Communities Facilities Loans & Grants
93.767	N.C. Health Choice
93.778	Title XIX Medicaid

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

Dollar threshold used to distinguish between Type A and Type B Programs	_____	\$ 2,986,728
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Auditee qualified as low-risk auditee?	_____	Yes	_____ X	No
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**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

Section I – Summary of Auditor’s Results

State Awards

Internal control over State programs:

Material Weakness(es) identified?	_____	Yes	_____	X	No
Reportable condition(s) identified that are not considered material weaknesses	_____	Yes	_____	X	None reported

Type of auditor’s report issued on compliance for major State programs: Unqualified.

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

Identification of major State programs:

Program Name

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

State/County Special Assistance for Adults
Child Care Development Cluster

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

Section II – Financial Statement Findings

Finding: 2008-1 Segregation of Duties

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

Condition: There is a lack of segregation of duties among County personnel.

Effect: Transactions could be mishandled.

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

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

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

Section III – Federal and State Awards Findings and Questioned Costs

A. Compliance Findings

None reported.

B. Internal Controls

None reported.

**SAMPSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2008**

Finding 07-1

Status: Finding did not occur this year.

Finding 07-2

Status: Finding did not occur this year.

Finding 07-3

Status: Finding did not occur this year.

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
Page 1 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
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					
Food Stamp Cluster:					
Food Stamp Prog-Direct Benefit Pymt	10.551		\$ 9,232,673	\$ -	\$ -
Food Stamp E&T & Dependant Care	10.561		2,783	-	2,783
State Administrative Matching Grants	10.561		455,798	-	455,798
Total Food Stamp Cluster			<u>9,691,254</u>	<u>-</u>	<u>458,581</u>
Passed through the N.C. Dept. of Health & Human Services Division of Public Health					
Special Supplemental Nutrition Program					
for Women, Infants & Children	10.557		298,128	-	-
Direct Benefit Payments for Special Supplemental Nutrition Program					
for Women, Infants & Children	10.557		1,704,187	-	-
Child Care & Adult Care Food Program	10.558		203,699	-	-
Total Special Supplemental Nutrition Program for Women, Infants & Children			<u>2,206,014</u>	<u>-</u>	<u>-</u>
<u>Rural Housing Service</u>					
Community Facilities Loans & Grants:					
Clinton High School Project	10.766		14,665,963	-	-
Union High School Project	10.766		-	-	16,833,294
Midway High School Project	10.766		-	-	13,859,495
Detention Center Project	10.766		55,383	-	-
Human Services/BOE Project	10.766		4,530,861	-	-
Cooperative Extension/Animal Shel.	10.766		56,738	-	-
Public Works Building	10.766		391,944	-	-
Total Community Facilities Loans & Grants			<u>19,700,889</u>	<u>-</u>	<u>30,692,789</u>
<u>Rural Business-Cooperative Service</u>					
Rural Business Enterprise Grant	10.769		80,000	-	-
<u>Rural Utilities Service</u>					
Water & Waste Disposal System Direct Program					
Water District II Phase 3	10.760		730,826	-	10,105
Total US Department of Agriculture			<u>32,408,983</u>	<u>-</u>	<u>31,161,475</u>
US Department of Housing & Urban Development					
Passed through the NC Department of Commerce					
Home Investment Partnership Program	14.239	SFR08	7,550	-	-
Community Development Block Grant	14.228	07-C-1673	8,157	-	-
Community Development Block Grant	14.228	04-C-1244	731	-	-
Total US Department of Housing & Urban Dev.			<u>16,438</u>	<u>-</u>	<u>-</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
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:					
US Department of Justice					
<u>Bureau of Justice Assistance</u>					
State Criminal Alien Assistance	16.606		\$ 20,967	\$ -	\$ -
Total US Department of Justice			<u>20,967</u>	<u>-</u>	<u>-</u>
US Department of Labor					
<u>Employment & Training Administration</u>					
Passed through the Mid-Carolina Council of Govts					
Dislocated Workers	17.255		89,613	-	-
Youth & Adult	17.250		223,000	-	-
Total US Department of Labor			<u>312,613</u>	<u>-</u>	<u>-</u>
US Department of Transportation					
<u>Federal Aviation Administration</u>					
Passed through the NC Dept. of Transportation					
State Aid to Airports:					
Taxiway and Apron	20.106	36244.19.6.1	119,506	-	13,278
Pavement Rehabilitation	20.106	36237.12.5.2	37,694	-	4,888
Airport Construction	20.106	36237.12.8.1	44,330	-	4,926
Taxiway Rehabilitation & Approach	20.106	36237.12.6.2	165,074	-	18,342
Total Federal Aviation Administration			<u>366,604</u>	<u>-</u>	<u>41,434</u>
<u>Federal Transit Administration</u>					
Passed through the NC Dept. of Transportation					
Community Transportation:					
Administration Funds	20.509	08-CT-015	118,903	7,431	22,294
<u>National Highway Traffic Administration</u>					
Governor's Highway Safety Program	20.600	PT-07-04-04-41	34,601	-	34,602
Total US Department of Transportation			<u>520,108</u>	<u>7,431</u>	<u>98,330</u>
US Department of Homeland Security					
Passed through NC Dept. of Crime Control & Public Safety					
Emergency Management Assistance	83.503		23,323	-	-
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					
Congregate Nutrition & Home Del Meal	93.045		192,040	-	21,338
Access Services	93.044		82,708	-	9,191
In-Home & Support Services	93.044		287,774	-	31,977
Total Aging Cluster			<u>562,522</u>	<u>-</u>	<u>62,506</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
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		\$ 43,414	\$ 21,698	\$ 21,716
Title IV-E Foster Care/Off Trn	93.658		90,970	-	90,970
Title IV-E Adoption Subsidy	93.659		-	-	-
Title IV-E Adoption Subsidy & Vendor	93.659		91,320	25,610	25,610
Foster Care-Direct Benefit Payments	93.658		67,089	17,909	19,529
Total Foster Care and Adoption			292,793	65,217	157,825
Temporary Assistance for Needy Families (TANF)-					
TANF-Family Preservation	93.556		6,898	-	-
TANF-TEA Foster	93.558		3,090	-	-
TANF-Domestic Violence	93.558		19,031	-	-
TANF-Direct Benefit Payments	93.558		336,473	13	355
Work First Service	93.558		316,960	-	517,210
Work First Administration	93.558		61,166	-	114,854
Work First Demonstration Grant	93.558		94,176	-	-
Child Support Enforcement	93.563		678,613	-	349,588
Crisis Intervention Program	93.568		96,701	-	-
Low Income Home Energy Assistance					
Block Grant					
Administration	93.568		12,190	-	-
Direct Benefit Payments	93.568		186,114	-	-
Child Welfare Services-					
Permanency Planning	93.645		15,864	4,824	464
SSBG-Other Service & Training	93.667		259,989	27,234	95,741
SSBG-In Home Service Fund	93.667		13,771	-	1,967
SSBG-Adult Day Care	93.667		2,138	2,603	677
Independent Living Grant	93.674		12,040	3,010	-
Direct Program:					
Head Start	93.600	01CH0319/32	2,073,658	-	697,682

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
Page 4 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards continued:					
US Dept. of Health & Human Services continued					
<u>Administration for Children and Families</u>					
Division of Social Services					
Division of Child Development					
Subsidized Child Care Cluster (Note 2)					
Child Care Development Fund Cluster					
Administration	93.596		\$ 110,076	\$ -	\$ -
Child Care & Development Discretionary	93.575		979,172	-	-
Child Care & Development Mandatory	93.596		400,646	-	-
Child Care & Development Match	93.596		490,495	274,278	-
Total Child Care Fund Cluster			<u>1,980,389</u>	<u>274,278</u>	<u>-</u>
Social Services Block Grant	93.667		11,338	-	-
TANF	93.558		349,001	-	-
Smart Start			-	23,912	-
State Appropriations			-	75,878	-
TANF-Maintenance of Effort			-	455,080	-
Total Subsidized Child Care			<u>2,340,728</u>	<u>829,148</u>	<u>-</u>
<u>Center for Medicare and Medicaid Services</u>					
Passed through the NC Dept of Health & Human Svcs.					
Division of Medical Assistance					
Medical Assistance Direct Benefit Pymts	93.778		57,182,338	29,743,800	4,030,793
Division of Social Services					
Medical Assistance Administration	93.778		1,060,297	-	1,060,297
MA Expansion	93.778		16,551	16,551	-
Adult Care Home Case Management	93.778		48,908	26,030	22,877
N.C. Health Choice	93.767		52,288	4,277	13,206
Total Division of Medical Assistance			<u>1,178,044</u>	<u>46,858</u>	<u>1,096,380</u>
Passed through the NC Dept of Health & Human Svcs.					
Division of Public Health					
Project Grants and Cooperative					
Agreements for Tuberculosis Control	93.116		46,940	-	-
Ryan White Program	93.917		73,997	-	-
Family Planning Services	93.217		58,067	-	-
TANF	93.558		9,314	-	-
Statewide Health Promotion	93.991		19,732	-	-
Immunization Program/Aid to County	93.268		18,974	-	-
Prevention Investigations & Tech Asst.	93.283		81,086	-	-
Maternal and Child Health					
Services Block Grant	93.994		201,759	-	-
Total Division of Public Health			<u>509,869</u>	<u>-</u>	<u>-</u>
Total US Dept. of Health & Human Services			<u>66,255,166</u>	<u>30,722,707</u>	<u>7,126,042</u>
Total Federal Awards			<u>99,557,598</u>	<u>30,730,138</u>	<u>38,385,847</u>

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
Page 5 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>
State Awards:					
NC Department of Health and Human Services					
<u>Division of Social Services</u>					
State/County Special Assistance for Adults-Direct Benefit Pymts			\$ -	\$ 717,528	\$ 717,528
Energy Assistance Private Grants			-	4,671	-
TANF Incentive			-	2,473	-
State Foster Home			-	51,272	51,272
State Aid to Counties			-	54,006	-
DCD Smart Start			-	45,000	-
CWS Adoption Subsidy			-	71,743	5,922
F/C At Risk			-	1,699	953
Total Division of Social Services			-	948,392	775,675
<u>Division of Public Health</u>					
General			-	82,320	-
Communicable Disease			-	3,659	-
Risk Reduction/Health Promotion			-	14,659	-
Food and Lodging			-	750	8,148
Public Health Lab			-	315	-
Aids-State			-	500	-
Women's Preventative Health			-	8,895	-
Breast & Cervical Cancer Control			-	2,667	-
Healthy Carolinas Partnership Support			-	12,048	-
Environmental Health			-	65,500	403,605
General Aid to County			-	2,708	-
Tuberculosis			-	57,080	-
Tuberculosis Medical Services			-	2,271	-
Total Division of Public Health			-	253,372	411,753
<u>Division of Aging & Adult Services</u>					
Family Caregiver Support Program			-	37,054	8,845
Total Division of Aging & Adult Services			-	37,054	8,845

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

**Exhibit K
Page 6 of 7**

Grantor/Pass-through Agency Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards continued:					
NC Department of Transportation					
Elderly and Disabled Transportation			\$ -	\$ 89,604	\$ -
Work First Transportation			-	15,570	-
Rural General Programs			-	79,896	-
Total NC Department of Transportation			-	185,070	-
NC Department of Administration					
Veterans Grant			-	2,000	-
NC Dept of Juvenile Justice & Delinquency Prevention					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	5,429	-
Teen Court & Restitution			-	75,816	-
Passed to Subrecipients:					
Eastpointe Mental Health: Juvenile Innovations Program			-	33,650	-
First Baptist Church: Structured Daycare Program			-	25,000	-
Generation Upright Skill Building Program			-	3,486	-
Mount Pleasant Church: Guided Growth Program			-	25,000	-
Total NC Dept of Juvenile Justice & Delinquency Prevention			-	168,381	-
NC Department of Cultural Resources					
Division of State Library					
State Aid to Public Libraries			-	147,370	757,147
Total NC Dept of Cultural Resources			-	147,370	757,147
NC Housing Finance Agency					
Urgent Repair Program			-	70,660	-
Total NC Housing Finance Agency			-	70,660	-
NC Health and Wellness Trust Fund					
Walking Trail Western District Park			-	28,377	33,722
Total NC Health & Wellness Trust Fund			-	28,377	33,722
Total State Awards			-	1,840,676	1,987,142
Total Federal and State Awards			\$ 99,557,598	\$32,570,814	\$40,372,989

**SAMPSON COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR JUNE 30, 2008**

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

1) Basis of Presentation

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

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

3) Loans Outstanding

Sampson County had the following loan balances outstanding at June 30, 2008. These loan balances are not included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Facilities Loans & Grants:		
Clinton High School Project	10.766	\$ 25,567,234
Detention Center Project	10.766	11,002,600
Human Services/BOE Project	10.766	7,937,659
Cooperative Extension/Animal Shel.	10.766	2,263,000
Courthouse Extension	10.766	1,896,428
Public Works Building	10.766	862,800
Total		<u>\$ 49,529,721</u>