



**SAMPSON COUNTY,
NORTH CAROLINA**

Financial Statements and
Supplementary Information

For The Year Ended June 30, 2025

SAMPSON COUNTY, NORTH CAROLINA
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June 30, 2025

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FINANCIAL SECTION

Independent Auditors' Report

To the Board of Commissioners
Sampson County
Clinton, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Sampson County Tourism Development Authority, nor did we audit the financial statements of Sampson Regional Medical Center, Inc., which represent 100 percent, 100 percent, and 100 percent of the assets, net position, and revenues, respectively, of the County's aggregate discretely presented component units as of June 30, 2025 and September 30, 2025 (i.e. fiscal year end for Sampson Regional Medical Center, Inc.), respectively, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sampson County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Sampson County Tourism Development Authority and Sampson Regional Medical Center, Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sampson County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sampson County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sampson County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sampson County, North Carolina basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards (SEFSA), as required by *Title 2, U.S. Cost of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the SEFSA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated April 21, 2026 on our consideration of Sampson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson County's internal control over financial reporting and compliance.

RH CPA_s, PLLC

Greensboro, North Carolina
April 21, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

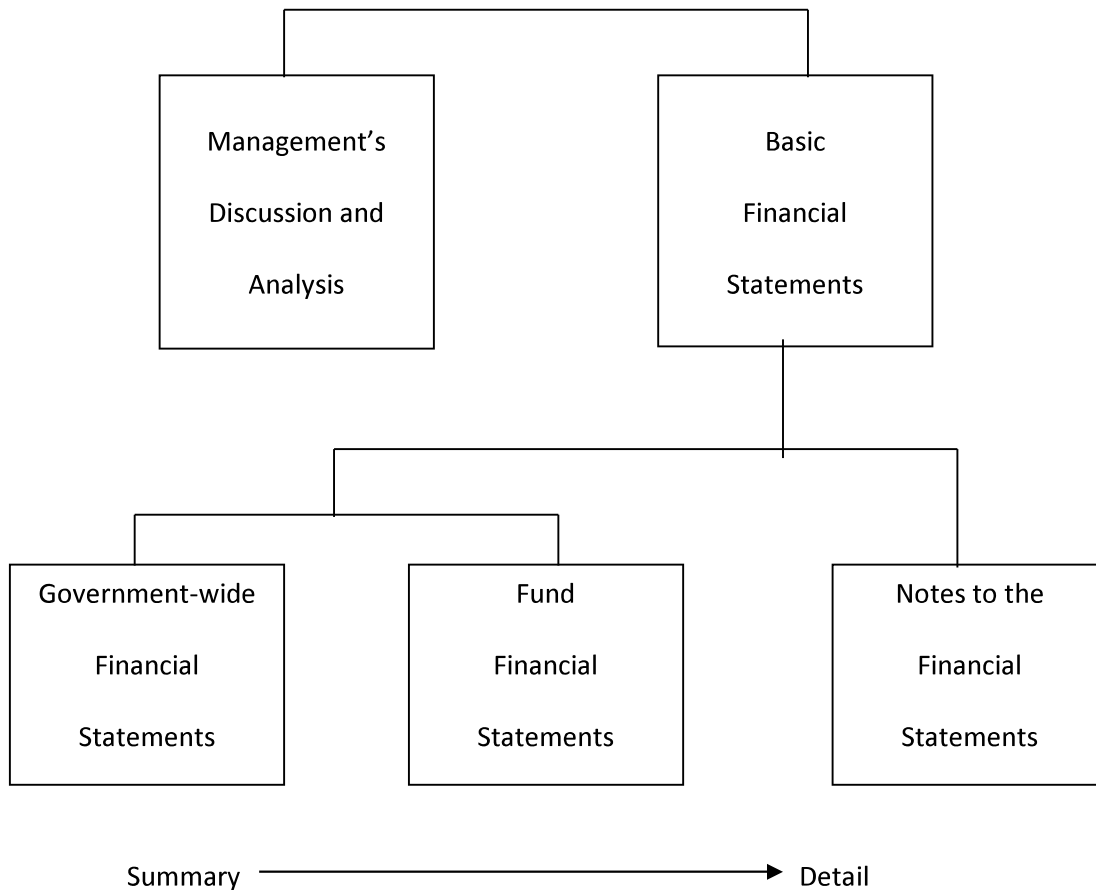
- The assets and deferred outflows of resources of Sampson County exceeded their liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$113,310,520 (*net position*).
- The government's total net position decreased by \$9,732,830, primarily due to decreases in beginning net position for Governmental Activities. The decrease in beginning net position was because of the implementation of GASB statement 101, *Compensated Absences*.
- As of the close of the current fiscal year, Sampson County's governmental funds reported combined fund balances of \$69,020,330, a net decrease of \$1,401,509. The Non-Major Governmental Funds activity increased the fund balance by \$155,937. General fund activity decreased the fund balance by \$1,557,446. Approximately twenty-eight percent (28%) of the fund balance amount, \$19,310,571, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$19,310,571, or twenty percent (20%) of total general fund expenditures for the fiscal year.
- Sampson County's total long-term obligations decreased by \$5,280,040. Scheduled payments of principal on loans and bonds led to the net decrease in total debt.

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 using government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of Sampson County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements are the first two exhibits 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 the funds of Sampson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Sampson County adopts an annual budget for its General Fund, as required by North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide

and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

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.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Sampson County exceeded their liabilities and deferred inflows of resources by \$113,310,520 as of June 30, 2025. The County's net position decreased by \$9,732,830 for the fiscal year ended June 30, 2025. The largest portion, \$71,541,631 sixty-three percent (63%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Sampson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Sampson County's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Sampson County's net position, \$23,093,588 twenty percent (20%), represents resources that are subject to external restrictions on how they may be used. The unrestricted net asset balance is \$18,675,301 sixteen percent (16%).

Sampson County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 78,048,706	\$ 80,065,718	\$ 14,546,152	\$ 16,645,872	\$ 92,594,858	\$ 96,711,590
Capital assets	136,069,610	137,944,516	43,368,692	35,896,104	179,438,302	173,840,620
Total assets	<u>\$ 214,118,316</u>	<u>\$ 218,010,234</u>	<u>\$ 57,914,844</u>	<u>\$ 52,541,976</u>	<u>\$ 272,033,160</u>	<u>\$ 270,552,210</u>
Deferred outflows of resources	<u>\$ 13,401,406</u>	<u>\$ 14,848,244</u>	<u>\$ 311,755</u>	<u>\$ 278,310</u>	<u>13,713,161</u>	<u>15,126,554</u>
Long-term liabilities outstanding	\$ 144,707,308	\$ 135,324,989	\$ 14,771,021	\$ 14,527,287	\$ 159,478,329	\$ 149,852,276
Other liabilities	6,609,275	8,146,017	2,578,177	879,842	9,187,452	9,025,859
Total liabilities	<u>\$ 151,316,583</u>	<u>\$ 143,471,006</u>	<u>\$ 17,349,198</u>	<u>\$ 15,407,129</u>	<u>\$ 168,665,781</u>	<u>\$ 158,878,135</u>
Deferred inflows of resources	<u>\$ 3,712,979</u>	<u>\$ 3,703,498</u>	<u>\$ 57,041</u>	<u>\$ 53,781</u>	<u>\$ 3,770,020</u>	<u>\$ 3,757,279</u>
Net position:						
Net investment in capital assets	\$ 41,618,251	\$ 46,494,516	\$ 29,923,380	\$ 22,574,905	\$ 71,541,631	\$ 69,069,421
Restricted	23,093,588	18,322,519	-	-	23,093,588	18,322,519
Unrestricted	<u>7,778,321</u>	<u>20,866,939</u>	<u>10,896,980</u>	<u>14,784,471</u>	<u>18,675,301</u>	<u>35,651,410</u>
Total net position	<u>\$ 72,490,160</u>	<u>\$ 85,683,974</u>	<u>\$ 40,820,360</u>	<u>\$ 37,359,376</u>	<u>\$ 113,310,520</u>	<u>\$ 123,043,350</u>

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

- Continued diligence in the collection of property taxes. The County continues to maintain a collection rate above ninety-seven percent (97%.)
- Collections in excess of budget on property taxes, rents, and sales taxes.
- Expenditures as related to budget were much lower than expected in the General Fund. Diligent efforts by County Administration and department heads to save tax dollars led to this result.

Sampson County's Changes in Net Position
Figure 3

	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 19,252,602	\$ 9,979,579	\$ 5,118,595	\$ 4,686,524	\$ 24,371,197	\$ 14,666,103
Operating grants and contributions	14,089,068	14,736,979	-	-	14,089,068	14,736,979
Capital grants and contributions	-	-	3,189,711	7,671,415	3,189,711	7,671,415
General revenues:						
Property taxes	48,895,143	48,744,804	-	-	48,895,143	48,744,804
Other taxes	20,793,170	20,149,050	-	-	20,793,170	20,149,050
Investment earnings, unrestricted	2,679,035	3,011,755	413,665	462,351	3,092,700	3,474,106
Other	6,424,689	5,262,427	-	-	6,424,689	5,262,427
Total revenues	112,133,707	101,884,594	8,721,971	12,820,290	120,855,678	114,704,884
Expenses:						
General government	24,013,402	15,414,405	-	-	24,013,402	15,414,405
Public safety	36,223,002	34,775,527	-	-	36,223,002	34,775,527
Economic and physical development	1,851,796	1,913,852	-	-	1,851,796	1,913,852
Environmental protection	576,345	1,028,806	-	-	576,345	1,028,806
Human services	27,584,743	24,175,116	-	-	27,584,743	24,175,116
Cultural and recreation	2,442,813	2,256,363	-	-	2,442,813	2,256,363
Education	18,495,889	15,994,348	-	-	18,495,889	15,994,348
Interest on long-term debt	3,340,598	3,976,337	406,838	442,978	3,747,436	4,419,315
Water and sewer Dist. I	-	-	1,183,013	1,044,590	1,183,013	1,044,590
Water and sewer Dist. II	-	-	2,888,252	2,574,231	2,888,252	2,574,231
Total expenses	114,528,588	99,534,754	4,478,103	4,061,799	119,006,691	103,596,553
Change in net position before transfers & special items	(2,394,881)	2,349,840	4,243,868	8,758,491	1,848,987	11,108,331
Transfers	-	-	-	-	-	-
Change in net position	(2,394,881)	2,349,840	4,243,868	8,758,491	1,848,987	11,108,331
Net position, beginning as previously reported	85,683,974	83,334,134	37,359,376	28,600,885	123,043,350	111,935,019
Prior period adjustment	(10,798,933)	-	(782,884)	-	(11,581,817)	-
Nwr position, beginning	74,885,041	83,334,134	36,576,492	28,600,885	111,461,533	111,935,019
Net position, ending	\$ 72,490,160	\$ 85,683,974	\$ 40,820,360	\$ 37,359,376	\$ 113,310,520	\$ 123,043,350

Governmental activities: Governmental activities led to a net decrease in the County's net position of \$13,193,814, thereby accounting for one-hundred thirty-six percent (136%) of the total decrease in net position of Sampson County. Key elements of this increase are as follows:

- Ad valorem tax revenue collections increased
- Sales tax revenue increased
- Rent revenue increased
- A prior-period adjustment related to the implementation of GASB 101, *Compensated Absences*.

Business-type activities: Business-type activities increased Sampson County's net position by \$3,460,984. Key elements of this decrease as compared to the prior year are as follows:

- Increase in water rates
- Increase in collection of water fees
- Receipt of grant funds from the State for water infrastructure

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Sampson County. At the end of the current fiscal year, the unassigned fund balance of the General fund was \$19,310,571, while total fund balance was \$50,730,579. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned balance represents twenty percent (20%) of total General Fund expenditures, while the total fund balance represents fifty-two percent (52%) percent of that same amount.

On June 30, 2025, the governmental funds of Sampson County reported a combined fund balance of \$69,020,330, a two percent (2%) decrease over last year. The primary reasons for this decrease were mentioned earlier.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,675,265 or approximately two percent (2%). The increase was due primarily to the receipt of additional grant funds and an appropriation of fund balance.

Proprietary Funds. Sampson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. During the year, net position increased by \$3,460,984. This increase was due primarily to the receipt of grant funds to expand the system.

Capital Asset and Debt Administration

Capital assets. Sampson County's capital assets for its governmental and business-type activities as of June 30, 2025, total \$179,438,302 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, and construction in progress.

Major capital asset transactions during the year include:

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

SAMPSON COUNTY'S CAPITAL ASSETS

(net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 11,700,211	\$ 11,067,564	\$ 225,319	\$ 225,319	\$ 11,925,530	\$ 11,292,883
Buildings & Systems	90,782,114	88,781,417	24,772,367	19,092,403	115,554,481	107,873,820
Machinery & Equipment	6,137,370	5,256,056	396,870	430,898	6,534,240	5,686,954
Vehicles & Motorized Equip.	5,573,581	5,038,681	257,364	251,781	5,830,945	5,290,462
Construction in Progress	21,876,334	27,808,983	17,716,772	15,895,703	39,593,106	43,704,686
Total	<u>\$ 136,069,610</u>	<u>\$ 137,952,701</u>	<u>\$ 43,368,692</u>	<u>\$ 35,896,104</u>	<u>\$ 179,438,302</u>	<u>\$ 173,848,805</u>

Additional information on the County's capital assets can be found in note 4.A.5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2025, Sampson County had total bonded debt outstanding of \$7,627,000 which is debt backed by the full faith and credit of the Water and Sewer Districts. The County also had \$81,225,000 in limited obligation bonds, \$7,135,797 outstanding in installment/purchase contracts, \$3,798,832 outstanding in state clean drinking water loans,— all of which are being paid from general fund, school capital reserve fund, NC Education Lottery funds and water district service revenues.

Sampson County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ -	\$ -	\$ 7,627,000	\$ 8,003,000	\$ 7,627,000	\$ 8,003,000
Installment Purchases	5,646,668	6,160,001	1,489,129	1,521,305	7,135,797	7,681,306
Limited Obligation Bonds	81,225,000	85,290,000	-	-	81,225,000	85,290,000
Unamortized Premium on LOBs	7,579,691	8,050,382	-	-	7,579,691	8,050,382
Unamortized Premium on GOs	-	-	530,351	558,443	530,351	558,443
State Drinking Water Loans	-	-	3,798,832	3,999,732	3,798,832	3,999,732
State Clean Water Bonds	-	-	-	92,631	-	92,631
Compensated Absences	16,875,217	2,992,694	624,878	86,977	17,500,095	3,079,671
Net Pension Liability (LGERS)	19,673,393	18,961,628	506,256	387,125	20,179,649	19,348,753
Total Pension Liability (LEOSSA)	4,074,914	3,370,827	-	-	4,074,914	3,370,827
Other Post-employment Benefits	9,632,425	10,499,457	194,575	173,543	9,827,000	10,673,000
Total	<u>\$ 144,707,308</u>	<u>\$ 135,324,989</u>	<u>\$ 14,771,021</u>	<u>\$ 14,822,756</u>	<u>\$ 159,478,329</u>	<u>\$ 150,147,745</u>

Sampson County's total outstanding debt decreased by \$5,280,040 or approximately five percent (5%) during the past fiscal year, primarily due to scheduled payments on bonds and loans.

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 \$481,118,177.

Additional information regarding Sampson County's long-term debt can be found in note 4. F. 1 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate as of December, 2024 of 3.6% was slightly lower than the State average of 3.7%.
- The property tax base increased by approximately thirty-five percent (35%). This was largely due to increases because of county-wide property revaluation.
- The tax collection rate of approximately 97.76% was slightly higher than the prior year.

Some of these factors and others were considered when management prepared Sampson County's budget ordinance for the 2025-2026 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities: In the fiscal year ending June 30, 2026, the County tax rate was increased to \$.685 cents per \$100 of value. This rate is approximately 10% higher than the prior year. The total operating budget is projected to increase due primarily to salary increases for employees and inflation.

General Fund revenues are projected to increase.

Budgeted expenditures in the General Fund are budgeted to increase.

Management continues to evaluate revenues and adjust expenditures based on the effects of inflation and other economic factors.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

SAMPSON COUNTY, NORTH CAROLINA
Statement of Net Position
June 30, 2025

Exhibit 1

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Sampson County Tourism Development Authority	Sampson County Reg. Medical Center, Inc.
ASSETS					
Current assets:					
Cash, cash equivalents, and investments	\$ 47,119,654	\$ 10,332,072	\$ 57,451,726	\$ 706,250	\$ 10,443,564
Accounts receivable, net	9,861,791	3,135,956	12,997,747	13,514	7,380,505
Taxes receivable, net	4,158,713	-	4,158,713	-	-
Water fees receivable, net	-	735,338	735,338	-	-
Inventories	11,751	342,786	354,537	-	1,849,212
Prepaid expenses	-	-	-	-	1,112,883
Restricted cash, cash equivalents, and investments	16,843,508	-	16,843,508	-	23,280,339
Total current assets	77,995,417	14,546,152	92,541,569	719,764	44,066,503
Non-current assets:					
Capital assets:					
Land and construction in progress	33,576,545	17,716,772	51,293,317	-	2,570,251
Other capital assets, net of depreciation	102,493,065	25,651,920	128,144,985	1,665	18,797,523
Total capital assets	136,069,610	43,368,692	179,438,302	1,665	21,367,774
Net pension asset (RODSPF)	53,289	-	53,289	-	-
Total non-current assets	136,122,899	43,368,692	179,491,591	1,665	21,367,774
Total assets	214,118,316	57,914,844	272,033,160	721,429	65,434,277
DEFERRED OUTFLOWS OF RESOURCES					
OPEB deferrals	1,629,092	32,907	1,661,999	-	-
Pension deferrals	11,772,314	278,848	12,051,162	-	-
Total deferred outflows of resources	13,401,406	311,755	13,713,161	-	-
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	6,609,275	2,578,177	9,187,452	7,227	11,204,223
Current portion of long-term liabilities	8,879,146	789,963	9,669,109	4,145	2,232,880
Total current liabilities	15,488,421	3,368,140	18,856,561	11,372	13,437,103
Long-term liabilities:					
Net pension liability (LGERS)	19,673,393	506,256	20,179,649	-	-
Total pension liability (LEOSSA)	4,074,914	-	4,074,914	-	-
OPEB liability	9,632,425	194,575	9,827,000	-	-
Due in more than one year	102,447,430	13,280,227	115,727,657	-	-
Total long-term liabilities	135,828,162	13,981,058	149,809,220	-	-
Total liabilities	151,316,583	17,349,198	168,665,781	11,372	13,437,103
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	87,935	-	87,935	-	-
OPEB deferrals	1,916,291	38,709	1,955,000	-	-
Pension deferrals	1,152,453	18,332	1,170,785	-	-
Deferred gains on refunding debt	556,300	-	556,300	-	-
Total deferred inflows of resources	3,712,979	57,041	3,770,020	-	-
NET POSITION					
Net investment in capital assets	41,618,251	29,923,380	71,541,631	1,665	21,367,774
Restricted for:					
Stabilization by State Statute	11,182,995	-	11,182,995	13,514	-
Public safety	1,025,704	-	1,025,704	-	-
Education	7,843,292	-	7,843,292	-	-
Opioid settlement	2,261,413	-	2,261,413	-	-
Capital acquisitions	-	-	-	-	50,462
Specific operating activities	-	-	-	-	390,532
Revaluation	780,184	-	780,184	-	-
Unrestricted	7,778,321	10,896,980	18,675,301	694,878	30,188,406
Total net position	\$ 72,490,160	\$ 40,820,360	\$ 113,310,520	\$ 710,057	\$ 51,997,174

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2025

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	Sampson County Tourism Development Authority	Sampson County Reg. Medical Center, Inc.
Primary government:								
Governmental activities:								
General government	\$ 24,013,402	\$ 9,839,990	\$ 670,692	\$ (13,502,720)	\$ -	\$ (13,502,720)		
Public safety	36,223,002	6,808,810	616,240	(28,797,952)	-	(28,797,952)		
Economic and physical development	1,851,796	-	630,117	(1,221,679)	-	(1,221,679)		
Environmental protection	576,345	-	125,105	(451,240)	-	(451,240)		
Human services	27,584,743	2,603,802	12,046,914	(12,934,027)	-	(12,934,027)		
Education	18,495,889	-	-	(18,495,889)	-	(18,495,889)		
Culture and recreation	2,442,813	-	-	(2,442,813)	-	(2,442,813)		
Interest on long-term debt	3,340,598	-	-	(3,340,598)	-	(3,340,598)		
Total governmental activities	<u>114,528,588</u>	<u>19,252,602</u>	<u>14,089,068</u>	<u>(81,186,918)</u>	<u>-</u>	<u>(81,186,918)</u>		
Business-type activities:								
Water district I	1,183,013	1,504,849	-	-	321,836	321,836		
Water district II	2,888,252	3,613,746	3,189,711	-	3,915,205	3,915,205		
Total business-type activities	<u>4,071,265</u>	<u>5,118,595</u>	<u>3,189,711</u>	<u>-</u>	<u>4,237,041</u>	<u>4,237,041</u>		
Total primary government	<u>\$ 118,599,853</u>	<u>\$ 24,371,197</u>	<u>\$ 17,278,779</u>	<u>(81,186,918)</u>	<u>4,237,041</u>	<u>(76,949,877)</u>		
Component Unit:								
Tourism Development Authority	\$ 110,672	\$ 1,755	\$ 71,364	-	-	-	\$ (37,553)	\$ -
Regional Medical Center, Inc	80,022,752	83,409,460	-	-	-	-	-	3,386,708
Total Component units	<u>\$ 80,133,424</u>	<u>\$ 83,411,215</u>	<u>\$ 71,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,553)</u>	<u>3,386,708</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose				48,895,143	-	48,895,143	-	-
Local option sales tax				20,793,170	-	20,793,170	-	-
Local occupancy tax				-	-	-	144,891	-
Other taxes				-	-	-	-	-
Unrestricted investment earnings				2,679,035	413,665	3,092,700	15	1,077,071
Miscellaneous				6,424,689	(406,838)	6,017,851	2,097	80,219
Transfers				-	-	-	-	-
Total general revenues and transfers				<u>78,792,037</u>	<u>6,827</u>	<u>78,798,864</u>	<u>147,003</u>	<u>1,157,290</u>
Change in net position				(2,394,881)	4,243,868	1,848,987	109,450	4,543,998
Net position, beginning as previously reported				85,683,974	37,359,376	123,043,350	606,624	47,453,176
Prior period adjustment				(10,798,933)	(782,884)	(11,581,817)	(6,017)	-
Net position, beginning				<u>74,885,041</u>	<u>36,576,492</u>	<u>111,461,533</u>	<u>600,607</u>	<u>47,453,176</u>
Net position, ending				<u>\$ 72,490,160</u>	<u>\$ 40,820,360</u>	<u>\$ 113,310,520</u>	<u>\$ 710,057</u>	<u>\$ 51,997,174</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2025

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Total Non-Major</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
ASSETS			
Cash, cash equivalents, and investments	\$ 44,027,070	\$ 1,772,698	\$ 45,799,768
Due from other funds	345,887	-	345,887
Accounts receivable, net	8,672,701	1,189,090	9,861,791
Taxes receivable, net	3,806,362	135,405	3,941,767
Inventories	11,751	-	11,751
Restricted cash, cash equivalents, and investments	780,183	16,063,325	16,843,508
Total assets	<u>57,643,954</u>	<u>19,160,518</u>	<u>76,804,472</u>
LIABILITIES			
Accounts payable and accrued liabilities	5,162,311	389,477	5,551,788
Due to other funds	-	345,887	345,887
Total liabilities	<u>5,162,311</u>	<u>735,364</u>	<u>5,897,675</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	1,663,129	135,403	1,798,532
Prepaid taxes	87,935	-	87,935
Total deferred inflows of resources	<u>1,751,064</u>	<u>135,403</u>	<u>1,886,467</u>
FUND BALANCES			
Nonspendable - inventory	11,751	-	11,751
Restricted:			
Stabilization by State Statute	11,161,821	21,174	11,182,995
Public safety	668,788	356,916	1,025,704
Education	-	7,843,292	7,843,292
Revaluation	780,184	-	780,184
Opioid settlement	-	2,261,413	2,261,413
Committed			
Nonmajor funds	-	7,806,956	7,806,956
Economic development	800,000	-	800,000
Capital projects	6,407,210	-	6,407,210
Assigned			
Subsequent year's expenditures	11,590,254	-	11,590,254
Unassigned	19,310,571	-	19,310,571
Total fund balances	<u>50,730,579</u>	<u>18,289,751</u>	<u>69,020,330</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,643,954</u>	<u>\$ 19,160,518</u>	<u>\$ 76,804,472</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

Exhibit 3

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

Total fund balance, governmental funds	\$ 69,020,330
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	\$ 221,431,909
Accumulated depreciation	<u>(85,362,299)</u> 136,069,610
Net pension asset (RODSPF)	53,289
Net pension liability (LGERS)	(19,673,393)
Total pension liability (LEOSSA)	(4,074,914)
OPEB liability	(9,632,425)
Deferred inflows of resources for taxes and special assessments receivable	1,798,532
Deferred inflows of resources related to gains on refunding of debt are not reported in the funds	(556,300)
Pension related deferrals	(1,152,453)
OPEB related deferrals	(1,916,291)
Deferred outflows of resources related to pensions are not reported in the funds	11,772,314
Deferred outflows of resources related to OPEB are not reported in the funds	1,629,092
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	1,116,081
Long-term liabilities, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(111,963,312)</u>
Net position of governmental activities	<u>\$ 72,490,160</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

Exhibit 4

	<u>Major Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Total Non- Major Funds</u>	<u>Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 45,163,864	\$ 4,215,666	\$ 49,379,530
Other taxes and licenses	16,829,772	3,963,398	20,793,170
Restricted intergovernmental	12,681,125	1,407,943	14,089,068
Permits and fees	1,104,000	1,076,788	2,180,788
Sales and services	8,673,780	-	8,673,780
Investment earnings	2,217,736	409,050	2,626,786
Miscellaneous	5,875,926	659,049	6,534,975
Total revenues	<u>92,546,203</u>	<u>11,731,894</u>	<u>104,278,097</u>
EXPENDITURES			
Current:			
General government	9,434,040	1,067,395	10,501,435
Public safety	29,357,846	4,235,903	33,593,749
Environmental protection	566,048	8,432	574,480
Economic and physical development	1,750,486	87,083	1,837,569
Human services	24,039,654	2,029,329	26,068,983
Education	18,492,771	278	18,493,049
Cultural and recreation	2,316,967	-	2,316,967
Debt service:		-	-
Principal	4,578,333	-	4,578,333
Interest	3,737,405	-	3,737,405
Administration	162,889	-	162,889
Capital outlay	2,841,696	2,585,523	5,427,219
Total expenditures	<u>97,278,135</u>	<u>10,013,943</u>	<u>107,292,078</u>
(Deficiency) excess of revenues over expenditures	<u>(4,731,932)</u>	<u>1,717,951</u>	<u>(3,013,981)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,174,486	-	3,174,486
Transfers out	-	(3,174,486)	(3,174,486)
Total other financing sources (uses)	<u>3,174,486</u>	<u>(3,174,486)</u>	<u>-</u>
Net change in fund balance	(1,557,446)	(1,456,535)	(3,013,981)
Fund balances, beginning, as previously reported	52,288,025	18,133,814	70,421,839
Prior period restatement	-	1,612,472	1,612,472
Fund balances, beginning	<u>52,288,025</u>	<u>19,746,286</u>	<u>72,034,311</u>
Fund balances, ending	<u>\$ 50,730,579</u>	<u>\$ 18,289,751</u>	<u>\$ 69,020,330</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2025

Exhibit 4

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

Net changes in fund balances- total governmental funds	\$	(3,013,981)
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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.

Capital outlay expenditures which were capitalized	\$ 5,427,219		
Depreciation expense for governmental assets	(6,314,759)		
Loss on disposal of surplus assets	<u>(10,820)</u>		(898,360)

Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the statement of net position.	(143,402)
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Change in deferred outflows - pension	(1,303,436)
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Change in deferred inflows - pension	(72,312)
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Change in pension liability	(550,612)
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Internal service funds are used to charge costs to individual funds. The net income of certain activities of the internal service funds are reported with governmental activities.	609,910
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premiums	559,696		
Principal payments on long-term debt	<u>4,578,333</u>		5,138,029

Change in accrued taxes receivable and related items	(484,387)
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Expenses related to compensated absences, OPEB, Law Enforcement Officers' Separation Allowance, and accrued interest reported in the statement of activities that do not pay for current financial obligations are not reported as expenditures in the governmental funds. This adjustment is the amount of net change in these balances in the current year.	<u>(1,676,330)</u>
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Total changes in net position of governmental activities	<u><u>\$ (2,394,881)</u></u>
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The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA

Exhibit 5

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025**

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 43,111,500	\$ 43,111,500	\$ 44,363,865	\$ 1,252,365
Sales taxes	15,285,800	15,285,800	16,829,772	1,543,972
Restricted intergovernmental	16,815,996	17,956,242	12,681,125	(5,275,117)
Permits and fees	1,101,000	1,101,000	1,104,000	3,000
Sales and services	7,650,346	7,739,663	8,673,780	934,117
Investment earnings	550,000	550,000	1,994,204	1,444,204
Other	4,179,334	4,625,036	5,875,926	1,250,890
Total revenues	<u>88,693,976</u>	<u>90,369,241</u>	<u>91,522,672</u>	<u>1,153,431</u>
Expenditures:				
Current:				
General government	10,912,400	11,721,886	9,725,421	1,996,465
Public safety	32,841,255	34,945,594	31,697,421	3,248,173
Environmental protection	635,715	693,651	566,048	127,603
Economic and physical development	2,733,880	2,992,112	1,822,041	1,170,071
Human services	28,028,170	28,380,240	24,160,107	4,220,133
Education	18,304,196	20,462,831	18,492,771	1,970,060
Culture and recreation	2,541,330	2,615,730	2,335,699	280,031
Debt service:				-
Principal	4,901,000	4,901,000	4,578,333	322,667
Interest and fees	3,870,891	3,870,891	3,737,405	133,486
Administration	168,183	168,183	162,889	5,294
Contingency	-	-	-	-
Total expenditures	<u>104,937,020</u>	<u>110,752,118</u>	<u>97,278,135</u>	<u>13,473,983</u>
Revenues over (under) expenditures	<u>(16,243,044)</u>	<u>(20,382,877)</u>	<u>(5,755,463)</u>	<u>14,627,414</u>
Other financing sources (uses):				
Transfers in	4,532,563	6,097,436	3,176,486	(2,920,950)
Transfers out	<u>(460,000)</u>	<u>(460,000)</u>	<u>(810,000)</u>	<u>(350,000)</u>
Total other financing sources (uses)	<u>4,072,563</u>	<u>5,637,436</u>	<u>2,366,486</u>	<u>(3,270,950)</u>
Appropriated fund balance	<u>12,170,481</u>	<u>14,745,441</u>	<u>-</u>	<u>(14,745,441)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,388,977)</u>	<u>\$ (3,388,977)</u>
Fund balance, beginning			<u>46,932,163</u>	
Fund balance, ending			<u>\$ 43,543,186</u>	

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

Ad valorem taxes	\$ 799,999
Investment earnings	223,532
Transfers to general fund	(2,000)
Transfer from general fund	<u>810,000</u>
Total net change in fund balance	(1,557,446)
Total fund balance, beginning	<u>52,288,025</u>
Total fund balance, ending	<u>\$ 50,730,579</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2025

Exhibit 6

	Major Enterprise Funds			
	Water and Sewer District I	Water and Sewer District II	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,418,639	\$ 6,913,433	\$ 10,332,072	\$ 1,319,886
Accounts receivable, net	-	3,135,956	3,135,956	-
Water fees receivable, net	46,121	689,217	735,338	-
Inventories	42,165	300,621	342,786	-
Total current assets	<u>3,506,925</u>	<u>11,039,227</u>	<u>14,546,152</u>	<u>1,319,886</u>
Noncurrent assets:				
Capital assets:				
Land and construction in progress	-	17,716,772	17,716,772	-
Other capital assets, net of depreciation	1,283,913	24,368,007	25,651,920	-
Total capital assets	<u>1,283,913</u>	<u>42,084,779</u>	<u>43,368,692</u>	<u>-</u>
Total noncurrent assets	<u>1,283,913</u>	<u>42,084,779</u>	<u>43,368,692</u>	<u>-</u>
Total assets	<u>4,790,838</u>	<u>53,124,006</u>	<u>57,914,844</u>	<u>1,319,886</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB deferrals	7,404	25,503	32,907	-
Pension deferrals	62,741	216,107	278,848	-
Other deferrals	-	-	-	-
Total deferred outflows of resources	<u>70,145</u>	<u>241,610</u>	<u>311,755</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	84,645	2,493,532	2,578,177	203,805
Compensated absences, current	45,541	74,303	119,844	-
Notes payable, current	-	268,527	268,527	-
Due to county - GO bonds, current	43,500	358,092	401,592	-
Total current liabilities	<u>173,686</u>	<u>3,194,454</u>	<u>3,368,140</u>	<u>203,805</u>
Non-current liabilities:				
Compensated absences	191,912	313,122	505,034	-
Other postemployment benefits	43,780	150,795	194,575	-
Notes payable, noncurrent	-	5,019,434	5,019,434	-
Due to county - GO bonds, noncurrent	413,500	7,342,259	7,755,759	-
Net pension liability	113,908	392,348	506,256	-
Total noncurrent liabilities	<u>763,100</u>	<u>13,217,958</u>	<u>13,981,058</u>	<u>-</u>
Total liabilities	<u>936,786</u>	<u>16,412,412</u>	<u>17,349,198</u>	<u>203,805</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB deferrals	8,710	29,999	38,709	-
Pension deferrals	4,124	14,208	18,332	-
Other	-	-	-	-
Total deferred inflows of resources	<u>12,834</u>	<u>44,207</u>	<u>57,041</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	826,913	29,096,467	29,923,380	-
Unrestricted	3,084,450	7,812,530	10,896,980	1,116,081
Total net position	<u>\$ 3,911,363</u>	<u>\$ 36,908,997</u>	<u>\$ 40,820,360</u>	<u>\$ 1,116,081</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

Exhibit 7

	Major Enterprise Funds			
	Water and Sewer District I	Water and Sewer District II	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 1,430,814	\$ 3,340,720	\$ 4,771,534	\$ 8,398,034
Tap fees	24,700	116,800	141,500	-
Miscellaneous	49,335	156,226	205,561	-
Total operating revenues	<u>1,504,849</u>	<u>3,613,746</u>	<u>5,118,595</u>	<u>8,398,034</u>
OPERATING EXPENSES				
Administration	292,732	849,314	1,142,046	-
Water distribution	387,464	132,622	520,086	-
Training	454	1,566	2,020	-
Contracted services	79,437	273,615	353,052	-
Operations and maintenance	281,576	614,447	896,023	-
Depreciation	141,350	1,016,688	1,158,038	-
Claims paid	-	-	-	7,840,373
Total operating expenses	<u>1,183,013</u>	<u>2,888,252</u>	<u>4,071,265</u>	<u>7,840,373</u>
Operating income	<u>321,836</u>	<u>725,494</u>	<u>1,047,330</u>	<u>557,661</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earned on investments	33,977	379,688	413,665	52,249
Federal and state grants	-	3,189,711	3,189,711	-
Interest on long-term debt	(25,356)	(381,482)	(406,838)	-
Total nonoperating revenues (expenses)	<u>8,621</u>	<u>3,187,917</u>	<u>3,196,538</u>	<u>52,249</u>
Change in net position	<u>330,457</u>	<u>3,913,411</u>	<u>4,243,868</u>	<u>609,910</u>
Beginning net position as previously reported	3,766,124	33,593,252	37,359,376	506,171
Prior period adjustment	(185,218)	(597,666)	(782,884)	-
Beginning net position	<u>3,580,906</u>	<u>32,995,586</u>	<u>36,576,492</u>	<u>506,171</u>
Total net position, ending	<u>\$ 3,911,363</u>	<u>\$ 36,908,997</u>	<u>\$ 40,820,360</u>	<u>\$ 1,116,081</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

Exhibit 8

	Major Enterprise Funds			Internal Service Funds
	Water and Sewer District I	Water and Sewer District II	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,571,689	\$ 1,467,222	\$ 3,038,911	\$ 8,401,376
Cash paid for goods and services	(921,462)	(282,670)	(1,204,132)	(7,766,343)
Cash paid to employees	(240,400)	(741,183)	(981,583)	-
Other operating revenues	74,035	273,026	347,061	-
Net cash provided by operating activities	<u>483,862</u>	<u>716,395</u>	<u>1,200,257</u>	<u>635,033</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(29,582)	(15,351,437)	(15,381,019)	-
Gain on the disposal of capital assets	-	6,750,393	6,750,393	-
Capital contributions - grants	-	3,189,711	3,189,711	-
Principal paid on bond maturities and equipment contracts	(41,000)	(688,798)	(729,798)	-
Interest paid on bond maturities and equipment contracts	(25,356)	(381,482)	(406,838)	-
Net cash used by capital and related financing activities	<u>(95,938)</u>	<u>(6,481,613)</u>	<u>(6,577,551)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	33,977	379,688	413,665	52,249
Net cash provided by investing activities	<u>33,977</u>	<u>379,688</u>	<u>413,665</u>	<u>52,249</u>
Net increase (decrease) in cash and cash equivalents	421,901	(5,385,530)	(4,963,629)	687,282
Balances, beginning	2,996,738	12,298,963	15,295,701	632,604
Balances, ending	<u>\$ 3,418,639</u>	<u>\$ 6,913,433</u>	<u>\$ 10,332,072</u>	<u>\$ 1,319,886</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 321,836	\$ 725,494	\$ 1,047,330	\$ 557,661
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	141,350	1,016,688	1,158,038	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net	-	(2,949,106)	(2,949,106)	3,342
(Increase) decrease in water fees receivable, net	(475)	58,920	58,445	-
Decrease in inventories	-	26,752	26,752	-
(Decrease) increase in accounts payable and accrued liabilities	(31,182)	1,729,517	1,698,335	74,030
Increase in OPEB liability	9,071	11,961	21,032	-
Increase in net pension liability	36,483	82,648	119,131	-
Increase in deferred outflows of resources for pensions	(14,483)	(18,962)	(33,445)	-
Decrease in deferred inflows of resources for pensions	2,078	1,182	3,260	-
Increase in compensated absences payable	19,184	31,301	50,485	-
Total adjustments	<u>162,026</u>	<u>(9,099)</u>	<u>152,927</u>	<u>77,372</u>
Net cash provided by operating activities	<u>\$ 483,862</u>	<u>\$ 716,395</u>	<u>\$ 1,200,257</u>	<u>\$ 635,033</u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA**Exhibit 9****Statement of Fiduciary Net Position****Fiduciary Funds****June 30, 2025**

	<u>Fiduciary Funds</u>
Assets:	
Cash and cash equivalents	\$ 263,386
Accounts receivable	<u>88,366</u>
Total assets	<u>351,752</u>
 Liabilities:	
Accounts payable	60,370
Miscellaneous liabilities	<u>286,836</u>
Total liabilities	<u>347,206</u>
 Net Position:	
Restricted for:	
Individuals, organizations, and other governments	4,546
Total fiduciary net position	<u><u>\$ 4,546</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

SAMPSON COUNTY, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

Exhibit 10

	<u>Fiduciary Funds</u>
Additions	
Collections on behalf of others	<u>\$ 82,536,507</u>
Total additions	<u>82,536,507</u>
Deductions	
Distribution of collections	<u>82,536,360</u>
Total deductions	<u>82,536,360</u>
Net increase in fiduciary net position	147
Net position, beginning, as previously reported	-
Prior period restatement	<u>4,399</u>
Net position, beginning, as restated	<u>4,399</u>
Net position, ending	<u><u>\$ 4,546</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies

The financial statements of Sampson County, North Carolina and its discretely presented component unit conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described as below.

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. The Sampson County Water Districts (the Districts which have a June 30th year-end, are presented as if they were a separate proprietary fund of the County (blended presentation). The Districts do not issue separate financial statements. The Sampson County Industrial Facility and Pollution Control Authority (the IFP Authority) exists to issue and service revenue bond and debt of private businesses for economic development purposes. The IFP Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The 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. The Sampson County Tourism Development Authority (the TDA), which has a June 30 year end and is presented as if it is a governmental fund (discrete presentation), has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County's Annual Comprehensive Financial Report (ACFR). The Sampson County Regional Medical Center, Inc. (the Hospital), which has a September 30 year end and is presented as if it is a separate proprietary fund (discrete presentation), has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County's Annual Comprehensive Financial Report (ACFR).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statement
Sampson County Water Districts	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 County Tourism Development Authority	Discrete	The Authority is governed by a twelve-member board of directors that is appointed by the County Commissioners. The County can remove any director of the Authority with or without cause.	Sampson County Finance Office PO Box 257 Clinton, NC 28329
Sampson Regional Medical Center, Inc.	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 Year Ended June 30, 2025

1. Summary of Significant Account Policies (Continued)

B. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. 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, including fiduciary fund, provide information about the County's funds. Separate statements for each category – *governmental and proprietary* – 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 or ancillary activities.

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

Sampson County Water District II Fund. This fund is used to account for the operations of Water and Sewer District II within the County. The Water and Sewer Line Construct Fund and Water and Sewer SCIF Water Projects Fund are consolidated within the Sampson County Water District II Fund (the operating fund) for financial reporting purposes.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Account Policies (Continued)

B. Basis of Presentation (Continued)

The County reports the following fund types:

Trust Funds. Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The County maintains the following trust funds: Social Services Trust Fund and Detention Center Trust Fund.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County the following custodial funds: Agency Funds and Clinton Supplemental Fund.

Internal Service Fund. This fund is used to account for the County's participation in the self-insured hospital insurance plan.

Non-major Funds. The County maintains twenty-six legally budgeted funds. The Emergency Telephone System Fund, Sampson Area Transportation Fund, Fire Districts Fund, Soil and Water Conservation District Fund, Opioid Settlement Fund, Hurricane Florence Fund, Hurricane Matthew Fund, Disaster Recovery NCEM Fund, Community Development CDBG Fund, and CARES Act Fund are reported as non-major special revenue funds. The Schools Capital Project Fund, Schools Construction Capital Project Fund, Airport Expansion Capital Project Fund, County Buildings Construction and Renovation Fund, Emergency Management Facilities Capital Project Fund, Courthouse Annex | Renovations Capital Project Fund, ARPA Projects Fund, Sheriff Department Warehouse Capital Project Fund, Emergency Management Warehouse Capital Project Fund, County and Fire Departments Capital Project Fund, Animal Shelter Renovation Capital Project Fund, Community College Building Improvements Capital Project Fund, Community Buildings Capital Project Fund, and Sheriff Department Body Cameras Capital Project Fund are reported as non-major capital project funds.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column. In accordance with North Carolina General Statutes (NCGS), all funds of the County are maintained during the year using the modified accrual basis of accounting.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and 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 and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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 flow takes 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, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease and subscription liabilities, 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2014 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (excluding grant projects), Debt Service Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Fund, the Special Revenue Grant Projects, and Enterprise Capital Project funds. The Enterprise Capital Project funds are consolidated with the enterprise operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds.

Amendments by the board are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget to cover that time until the annual ordinance can be adopted. A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30	Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.
June 1	The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
July 1	The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County, the TDA, 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's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P. The Government Portfolio is reported at fair value.

The majority of the County and the TDA's investment are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159- 30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The TDA and the Hospital consider demand deposits and investments with a maturity date of 90 days or less and which are not limited as to use to be cash and cash equivalents.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

3. Restricted Assets

Cash held for public safety is restricted as required by state statute. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per G.S. 153A-150. The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per G.S. 159-18 through 22. Restricted cash and cash equivalents consists of the following at June 30, 2025:

Governmental Activities:

General Fund	\$ 780,183
Opioid Settlement Fund	2,261,413
CARES Act Fund	44
Schools Capital Project Fund	5,982,315
Schools Construction Capital Project Fund	805,402
Emergency Management Facilities Capital Project Fund	4,563,649
ARPA Projects Fund	1,555,342
Sheriff Department Warehouse Capital Project Fund	35,819
Emergency Management Department Warehouse Capital Project Fund	205,665
Sheriff Department Body Cameras Capital Project Fund	287,327
Animal Shelter Renovation Capital Project Fund	147,311
Community Buildings Improvements Capital Project Fund	88,366
County and Fire Departments Capital Project Fund	130,672
Total governmental activities	<u>16,843,508</u>
 Total restricted cash	 <u><u>\$ 16,843,508</u></u>

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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2024. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance 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.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

6. Inventories and Prepaid Items

The inventories of the County are valued at average cost, which approximates market. The Hospital's inventories are valued at the lower of cost, derived primarily by use of the weighted average method, or market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise funds as well as those of the Hospital consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds and in the Hospital are recorded as an expense as they consumed or sold. Occasionally, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The County's minimum capitalization amount for capital assets 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. Depreciation is charged to operations using the straight-line method based on the estimated useful life of an asset. The following estimated useful lives are used to compute depreciation:

<u>Assets</u>	<u>Useful Lives</u>
Buildings	40 years
Improvements	20 years
Vehicles	3-10 years
Furniture and equipment	5-20 years
Water distribution systems	40 years

The County holds legal title to certain properties of Sampson County and Clinton City Boards of Education. These properties are not reported as capital assets by the County. Title was conveyed to the County to facilitate installment purchase financing arrangements for acquisition and construction costs and to enable the County to obtain refunds of sales taxes paid on construction expenditures.

Pursuant to agreements between the County and the Boards of Education, the Boards retain full use of the facilities and are responsible for all maintenance and operating costs. The agreements further stipulate that title to the properties will be conveyed to the Boards of Education upon satisfaction of all financing-related restrictions and sales tax reimbursement requirements. Accordingly, these properties are reported as capital assets in the financial statements of the Clinton City Boards of Education.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

7. Capital Assets (Continued)

The Hospital records capital asset acquisitions at cost. Property and equipment donated for the operations of the Hospital are recorded at acquisition value at the date of receipt. Depreciation is provided over the estimated useful life (between 3 to 40 years) of each class of depreciable asset and is computed on the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in these financial statements.

8. Deferred Outflows/Inflows of Resources

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

9. Long-term Obligations

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

10. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, several types of leave qualify for liability recognition for compensated absences – vacation leave, sick leave, bonus time, and compensatory time. The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

10. Compensated Absences (Continued)

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

The sick leave policies of the County, the TDA, 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. In accordance with GASB Statement 101 for the County's government-wide and proprietary funds, the County has analyzed the accumulated sick leave and had determined the amount likely to be paid out and has accrued this sick leave appropriately as a current or long-term liability. This determination was done using historical usage patterns.

11. Interfund Transactions

Interfund services provided are accounted for as revenue or expenses in the government-wide financial statements since they would be treated as if they involved organizations external to the County. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

13. Opioid Settlement Fund

The County, through a Memorandum of Agreement (MOA) with the State, is a party to certain opioid lawsuit and bankruptcy settlements. The amounts received and to be received are treated as exchange-like transactions. Per the MOA, the County accounts for this activity in the Opioid Settlement Fund, a special revenue fund. Unspent funds are reported as restricted (Note 1E).

14. Net Position/Fund Balances

Net Position

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

14. Net Position/Fund Balances (Continued)

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget*. Per GASB guidance, RSS is considered a resource upon which a restriction is imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

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

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

Restricted for Revaluation – portion of fund balance that can only be used for tax revaluation.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

14. Net Position/Fund Balances (Continued)

Restricted fund balance at June 30, 2025 is as follows:

Purpose	General Fund	Other Governmental Funds
Restricted:		
Stabilization by state statute	\$ 11,161,821	\$ 21,174
Public safety	668,788	356,916
Education	-	7,843,292
Revaluation	780,184	-
Opioid settlement	-	2,261,413
Total	<u>\$ 12,610,793</u>	<u>\$ 10,482,795</u>

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

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

Committed for Economic Development – portion of fund balance that can only be used for economic development.

Committed for Capital Projects - portion of fund balance that can only be used for capital improvements.

Committed fund balance at June 30, 2025 is as follows:

Purpose	General Fund	Capital Project Fund	Total Non-Major Funds
Committed:			
Various departments	\$ -	\$ -	\$ 7,806,956
Economic development	800,000	-	-
Capital projects	-	6,407,210	-
Total	<u>\$ 800,000</u>	<u>\$ 6,407,210</u>	<u>\$ 7,806,956</u>

Assigned Fund Balance – portion of fund balance that the County intends to use for specific purposes.

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity (Continued)

14. Net Position/Fund Balances (Continued)

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

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

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

15. Defined Benefit Pension Plans and OPEB Plans

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

2. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The net adjustment of \$3,469,830 consists of the following elements as follows:

Description	Amount
Gross capital assets at historical cost	\$ 221,431,909
Accumulated depreciation	(85,362,299)
Net pension asset (RODSPF)	53,289
Net pension liability (LGRS)	(19,673,393)
Total pension liability (LEOSSA)	(4,074,914)
OPEB liability	(9,632,425)
Deferred inflows of resources for taxes and special assessments receivable	1,798,532
Deferred inflows of resources related to gains on refunding of debt are not reported in the funds	(556,300)
Pension related deferrals	(1,152,453)
OPEB related deferrals	(1,916,291)
Deferred outflows of resources related to pensions are not reported in the funds	11,772,314
Deferred outflows of resources related to OPEB are not reported in the funds	1,629,092
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	1,116,081
Long-term liabilities, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(111,963,312)
Total adjustment	<u>\$ 3,469,830</u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

2. Reconciliation of Government-wide & Fund Financial Statements (Continued)

B. 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 \$619,100 as follows:

Description	Amount
Capital outlay expenditures which were capitalized	\$ 5,427,219
Depreciation expense for governmental assets	(6,314,759)
Loss on disposal of surplus assets	(10,820)
Benefit payments and administration costs for LEOSSA are deferred	(143,402)
Change in deferred outflows – pension	(1,303,436)
Change in deferred inflows – pension	(72,312)
Change in pension liability	(550,612)
Internal services funds are used to charge costs to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities	609,910
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Amortization of premiums	559,696
Principal payments on long-term debt	4,578,333
Change in accrued taxes receivable and related items	(484,387)
Expenses related to compensated absences, OPEB, Law Enforcement Officers' Separation Allowance, and accrued interest reported in the statement of activities that do not pay for current financial obligations are not reported as expenditures in the governmental funds. This adjustment is the amount of net change in these balances in the current year.	(1,676,330)
Total adjustment	<u>\$ 619,100</u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

3. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

The Local Government Commission of the North Carolina Department of State Treasurer requires the completion and submission of audited financial statements within six (6) months of year-end. The County is not in compliance with this requirement as the June 30, 2025 audit was due by December 31, 2025.

4. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County, TDA, and 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 Tourism Development Authority'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 Tourism Development Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or Tourism Development Authority under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and Tourism Development Authority rely on the State Treasurer to monitor those financial institutions. The County and Tourism Development Authority analyze the financial soundness of any other financial institution used by the County and Tourism Development Authority. The County and Tourism Development Authority comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. Neither the TDA nor the Hospital has a policy regarding custodial credit risk for deposits.

At June 30, 2025 the carrying amount of the County's deposits was \$16,518,384 and the bank balance was \$15,806,819. Of the bank balance, \$250,000 was covered by federal depository insurance and the rest was covered by collateral held under the Pooling Method. At June 30, 2025, the County had \$5,462 in petty cash.

At June 30, 2025 the carrying amount of the TDA's deposits was \$706,250 and the bank balance was \$706,815. All of the bank balance was covered by federal depository insurance and the pooling method.

At September 30, 2025 the carrying amount of the Hospital's deposits was \$9,223,821 and the bank balance was \$11,272,686. Of the bank balance, \$250,000 was covered by federal depository insurance and the rest was covered by collateral held under the Pooling Method.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

A. Assets (Continued)

2. Investments

At June 30, 2025, the County's investment balances consisted of \$58,624,697 held in the North Carolina Capital Management Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The County's investments in the North Carolina Capital Management Trust are exempt from risk categorization because the County does not own any identifiable securities in these mutual funds. The County has no policy regarding credit risk. These amounts are included within cash on the statement of net position.

At September 30, 2025, the Hospital's investments consisted of the following:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 1 Year	2-3 Years
NC Capital Management Trust – Term Portfolio	Fair Value – Level 2	\$ 24,490,082	N/A	N/A
Total		\$ 24,490,082	N/A	N/A

The Hospital had \$1,098,170 of cash equivalents and certificates of deposit as of September 30, 2025 in short-term investments and assets whose use is limited, which were not required to be included in the fair value tables. All cash and investments above have maturities of less than one year.

The NCCMT term fund is considered a Level 2 financial asset as the fund is a private pooled investment fund, with observable inputs other than Level 1.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland 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 two preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present-use value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2024	\$ 3,570,987	\$ -	\$ 3,570,987
2023	4,871,525	389,722	5,261,247
2022	4,641,288	789,019	5,430,307
2021	5,134,304	1,334,919	6,469,223
Total	\$ 18,218,104	\$ 2,513,660	\$ 20,731,764

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Receivables

Receivables at the government-wide level at June 30, 2025 were as follows:

	Accounts	Property Taxes & Related Accrued Interest	Sales Taxes Due from Other Governments	Total
Governmental Activities:				
General	\$ 8,672,701	\$ 1,973,557	\$ 2,234,089	\$ 12,880,347
Other Governmental	1,189,090	362,152	-	1,551,242
Allowance for Doubtful Accounts	-	(320,229)	(90,856)	(411,085)
Total Governmental	<u>\$ 9,861,791</u>	<u>\$ 2,015,480</u>	<u>\$ 2,143,233</u>	<u>\$ 14,020,504</u>
Business-Type Activities:				
Water District I	\$ 64,456	\$ -	\$ -	\$ 64,456
Water District II	3,929,068	-	-	3,929,068
Allowance for Doubtful Accounts	(122,230)	-	-	(122,230)
Total Business-Type	<u>\$ 3,871,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,871,294</u>

The TDA's accounts receivable are presented net of the allowance for uncollectible accounts.

The Hospital's accounts receivable are presented net of the of the allowance for uncollectible accounts of approximately \$9,403,000.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balances July 01, 2024 (As Restated)	Increases	Decreases	Adjustments	Ending Balances June 30, 2025
Governmental Activities:					
Capital assets not being depreciated					
Land	\$ 11,067,564	\$ 632,647	\$ -	\$ -	\$ 11,700,211
Construction in Progress	27,808,983	2,135,930	(8,068,579)	-	21,876,334
Total capital assets not being depreciated	<u>38,876,547</u>	<u>2,768,577</u>	<u>(8,068,579)</u>	<u>-</u>	<u>33,576,545</u>
Capital assets being depreciated					
Buildings and improvements	151,575,636	6,054,796	-	-	157,630,432
Equipment	15,197,563	1,792,233	(161,678)	-	16,828,118
Vehicles and other motor equipment	12,111,976	1,994,925	(710,087)	-	13,396,814
Total capital assets being depreciated	<u>178,885,175</u>	<u>9,841,954</u>	<u>(871,765)</u>	<u>-</u>	<u>187,855,364</u>
Less accumulated depreciation for:					
Buildings and improvements	62,794,219	4,054,099	-	-	66,848,318
Equipment	9,941,507	900,099	(150,858)	-	10,690,748
Vehicles and other motor equipment	7,073,295	1,360,561	(610,623)	-	7,823,233
Total accumulated depreciation	<u>79,809,021</u>	<u>6,314,759</u>	<u>(761,481)</u>	<u>-</u>	<u>85,362,299</u>
Total capital assets being depreciated, net	<u>99,076,154</u>				<u>102,493,065</u>
Governmental activity capital assets, net	<u>\$ 137,952,701</u>				<u>\$ 136,069,610</u>

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

General Government	\$ 4,475,057
Public Safety	1,588,831
Human Services	116,303
Economic and physical development	14,227
Environmental protection	-
Education	-
Culture and Recreational	120,341
Total Depreciation Expense	<u>\$ 6,314,759</u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets (Continued)

Business-Type Activities	Beginning Balances				Ending Balances
Water District I	June 30, 2024	Increases	Decreases	Adjustments	June 30, 2025
Capital assets not being depreciated:					
Land	\$ 16,807	\$ -	\$ -	\$ -	\$ 16,807
Total capital assets not being depreciated	16,807	-	-	-	16,807
Capital assets being depreciated:					
Distribution systems	3,931,082	-	-	-	3,931,082
Equipment	276,596	-	-	-	276,596
Vehicles	312,957	29,582	-	-	342,539
Total capital assets being depreciated	4,520,635	29,582	-	-	4,550,217
Less Accumulated Depreciation:					
Plant and systems	2,885,759	98,739	-	-	2,984,498
Equipment and furniture	63,354	15,090	-	-	78,444
Vehicles	192,648	27,521	-	-	220,169
Total accumulated depreciation	3,141,761	141,350	-	-	3,283,111
Total capital assets being depreciated, net	1,378,874				1,267,106
Water District I capital assets, net	\$ 1,395,681				\$ 1,283,913

Business-Type Activities	Beginning Balances				Ending Balances
Water District II	June 30, 2024	Increases	Decreases	Adjustments	June 30, 2025
Capital assets not being depreciated:					
Land	\$ 208,512	\$ -	\$ -	\$ -	\$ 208,512
Construction in progress	15,895,703	8,571,462	(6,750,393)	-	17,716,772
Total capital assets not being depreciated	16,104,215	8,571,462	(6,750,393)	-	17,925,284
Capital assets being depreciated:					
Distribution systems	32,351,761	6,750,393	-	-	39,102,154
Equipment	507,870	-	-	-	507,870
Vehicles	328,285	29,582	-	-	357,867
Total capital assets being depreciated	33,187,916	6,779,975	-	-	39,967,891
Less Accumulated Depreciation:					
Plant and systems	14,304,681	971,690	-	-	15,276,371
Equipment and furniture	290,214	18,938	-	-	309,152
Vehicles	196,813	26,060	-	-	222,873
Total accumulated depreciation	14,791,708	1,016,688	-	-	15,808,396
Total capital assets being depreciated, net	18,396,208				24,159,495
Water District II capital assets, net	\$ 34,500,423				\$ 42,084,779
Business-type activities capital assets, net	\$ 35,896,104				\$ 43,368,692

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

A. Assets (Continued)

The government has two active construction projects as of June 30, 2025. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Ivanhoe Watermain Extension	\$ 10,074,413	\$ 6,591,438	\$ 3,482,975
Iron & Manganese Water Treatment System	1,738,900	184,462	1,554,438
ARPA Water Infrastructure	4,989,800	770,109	4,219,691
Total:	<u>\$ 16,803,113</u>	<u>\$ 7,546,009</u>	<u>\$ 9,257,104</u>

Discretely presented component units

Capital asset activity for the Hospital for the year ended September 30, 2025 was as follows:

	<u>Beginning Balances October 01, 2024</u>	<u>Increases</u>	<u>Retirements & Adjustments</u>	<u>Ending Balances September 30, 2025</u>
Sampson Regional Medical Center				
Capital assets not being depreciated				
Land	\$ 2,106,550	\$ -	\$ -	\$ 2,106,550
Construction in Progress	262,274	463,701	(262,274)	463,701
Total capital assets not being depreciated	<u>2,368,824</u>	<u>463,701</u>	<u>(262,274)</u>	<u>2,570,251</u>
Capital assets being depreciated				
Land and improvements	2,487,406	160,301	-	2,647,707
Buildings and improvements	44,383,242	176,551	-	44,559,793
Furniture and equipment	65,806,738	2,974,453	1,012,809	69,794,000
Right-of-use assets	791,727	-	(791,727)	-
Total capital assets being depreciated	<u>113,469,113</u>	<u>3,311,305</u>	<u>221,082</u>	<u>117,001,500</u>
Less accumulated depreciation for:				
Land and improvements	2,153,732	46,075	-	2,199,807
Buildings and improvements	36,100,314	903,924	-	37,004,238
Furniture and equipment	56,706,828	1,539,023	754,081	58,999,932
Right-of-use assets	725,750	65,977	(791,727)	-
Total accumulated depreciation	<u>95,686,624</u>	<u>2,554,999</u>	<u>(37,646)</u>	<u>98,203,977</u>
Total capital assets being depreciated, net	<u>17,782,489</u>			<u>18,797,523</u>
Sampson Regional Medical Center capital assets, net	<u>\$ 20,151,313</u>			<u>\$ 21,367,774</u>

The TDA's capital assets consisted of furniture in the amount of \$1,665 as of June 30, 2025.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

7. Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2025 is composed of the following elements:

	Governmental Activities	Business-Type Activities	Sampson County Tourism Development Authority	Sampson County Regional Medical Center, Inc.
Capital assets	\$ 136,069,610	\$ 43,368,692	\$ 1,665	\$ 21,367,774
Less: long term debt	(94,451,359)	(13,445,312)	-	-
Plus: unexpended debt proceeds	-	-	-	-
Net investment in capital assets	<u>\$ 41,618,251</u>	<u>\$ 29,923,380</u>	<u>\$ 1,665</u>	<u>\$ 21,367,774</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2025, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental Activities:				
General	\$ 3,770,733	\$ 1,595,383	\$ 853,682	\$ 6,219,798
Other governmental	307,192	82,285	-	389,477
Total governmental activities	<u>\$ 4,077,925</u>	<u>\$ 1,677,668</u>	<u>\$ 853,682</u>	<u>\$ 6,609,275</u>
Business-Type Activities:				
Water District I	\$ 61,534	\$ 21,250	\$ 1,861	\$ 84,645
Water District II	2,383,401	73,195	36,936	2,493,532
Total business-type activities	<u>\$ 2,444,935</u>	<u>\$ 94,445</u>	<u>\$ 38,797</u>	<u>\$ 2,578,177</u>

Payables for the discretely presented component units at their respective fiscal year ends were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Total
Discretely Presented Component Units:				
Tourism Development Authority	\$ 7,227	\$ -	\$ -	\$ 7,227
Sampson Regional Medical Center, Inc.	7,924,733	2,429,490	850,000	11,204,223
Total discretely presented component units	<u>\$ 7,931,960</u>	<u>\$ 2,429,490</u>	<u>\$ 850,000</u>	<u>\$ 11,211,450</u>

2. Closure and Postclosure Care Costs – Landfill Facility

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations

1. Local Governmental Employees' Retirement System

Plan Description. Sampson County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS.

That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

1. Local Governmental Employees' Retirement System (Continued)

Contribution. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2025, was 14.10% of compensation for law enforcement officers and 12.85% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$4,296,989 for the year ended June 30, 2025.

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

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

At June 30, 2025, the County reported a liability of \$20,179,649 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative

to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, the County's proportion was 0.29585%, which was an increase of 0.00807% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the County recognized pension expense of \$5,862,252. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,536,239	\$ 23,777
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,743,412	-
Changes in proportion and differences between County contributions and proportionate share of contributions	538,353	706,959
County contributions subsequent to the measurement date	4,296,990	-
Total	<u>\$ 11,114,994</u>	<u>\$ 730,736</u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

1. Local Governmental Employees' Retirement System (Continued)

\$4,296,990 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2026	\$ 1,864,926
2027	3,790,947
2028	741,894
2029	(310,202)
2030	-
Thereafter	-
Total	<u>\$ 6,087,267</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group* (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

1. Local Governmental Employees' Retirement System (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

1. Local Governmental Employees' Retirement System (Continued)

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.5 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
County's proportionate share of the net pension liability (asset)	\$ 35,758,929	\$ 20,179,649	\$ 7,363,549

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

2. Law Enforcement Officers Special Separation Allowance

Plan Description. Sampson County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	8
Active Members	104
Total Membership	<u>112</u>

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

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

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

2. Law Enforcement Officers Special Separation Allowance (Continued)

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.28%
Projected salary increases	3.25-7.75%
Inflation	2.50%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions. The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$142,469 as benefits came due for the reporting period.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

2. Law Enforcement Officers Special Separation Allowance (Continued)

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

At June 30, 2025, the County reported a total pension liability of \$4,074,914. The total pension liability was measured as of June 30, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$530,084.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 664,026	\$ 61,283
Changes of assumptions and other inputs	239,865	374,409
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	<u>\$ 903,891</u>	<u>\$ 435,692</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2026	\$ 186,917
2027	68,815
2028	71,523
2029	103,475
2030	37,469
Thereafter	-
Total	<u><u>\$ 468,199</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

2. Law Enforcement Officers Special Separation Allowance (Continued)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.28 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total Pension Liability	\$ 4,402,810	\$ 4,074,914	\$ 3,776,882

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

	2025
Beginning balance	\$ 3,370,827
Service cost	170,778
Interest	131,984
Change in benefit terms	-
Difference between expected and actual experience	632,497
Changes of assumptions and other inputs	(88,703)
Benefit payments	(142,469)
Other	-
Ending balance of the total pension liability	<u>\$ 4,074,914</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent at June 30, 2024 to 4.28 percent at June 30, 2025.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

3. Registers of Deed's Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute.

Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$10,528 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$55,081 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension asset was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was 0.56246%, which was an increase of 0.00410% from its proportion measured as of June 30, 2023.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

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

For the year ended June 30, 2025, the County recognized pension expense of \$9,295. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,170	\$ 953
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	20,579	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,404
County contributions subsequent to the measurement date	10,528	-
Total	<u>\$ 32,277</u>	<u>\$ 4,357</u>

\$10,528 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2026	\$ 6,825
2027	8,626
2028	1,868
2029	74
2030	-
Thereafter	-
Total	<u>\$ 17,393</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increase	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

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

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group* (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2025, is 0.9%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (35,309)	\$ (53,289)	\$ (68,435)

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

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

The net pension liability (asset) for LGERS and RODSPF was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2024, with an actuarial valuation date of December 31, 2023. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	RODSPF	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 20,179,649	\$ (53,289)	\$ -	\$ 20,126,360
Proportion of the Net Pension Liability (Asset)	0.29585%	0.46246%	N/A	
Total Pension Liability	\$ -	\$ -	\$ 4,074,914	\$ 4,074,914
Pension Expense	\$ 5,862,252	\$ 9,295	\$ 530,184	\$ 6,401,731

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

As June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>RODSPF</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 3,536,239	\$ 1,170	\$ 664,026	\$ 4,201,435
Changes of assumptions	-	-	239,865	239,865
Net difference between projected and actual earnings on pension plan investments	2,743,412	20,579	-	2,763,991
Changes in proportion and differences between County contributions and proportionate share of contributions	538,353	-	-	538,353
County contributions (LGERS, RODSPF)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date	4,296,990	10,528	-	4,307,518
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 23,777	\$ 953	\$ 61,283	\$ 86,013
Changes of assumptions	-	-	374,409	374,409
Net difference between projected and actual earnings	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share	706,959	3,404	-	710,363

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

5. Other Postemployment Benefits Plan

Plan Description

Plan Administration. Under the County's annual budget ordinance as of July 1, 2024, Sampson County provides healthcare benefits through the Healthcare Benefits Plan (the HCB Plan) as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have worked at least 20 continuous years in local or State government with the last 10 years worked with Sampson County under the original plan. The County pays 100% of the individual premium for employees who have worked at least 15 years as stated above, must have worked for Sampson County as least 20 consecutive years and not retire before the age 58 to qualify for the plan. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. Employees who do not have at least five years creditable service in the retirement system as of July 1, 2015 are not eligible to participate in the plan. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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

Plan Membership. At July 1, 2023 (valuation date), HCB Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	0
Active plan members	109
Total	<u>158</u>

Total OPEB Liability. The County's total OPEB liability of \$9,827,000 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Discount rate	4.09%
Salary scale	2.5%
Healthcare cost trend rates	(1.60%) for fiscal year end 2024 (to reflect actual experience), then 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

5. Other Postemployment Benefits Plan (Continued)

The discount rate is based on the yield of the Municipal AA 20-year yield curve rate as of the measurement date.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.86% to 4.09%.

The Medical Trend rate was reset to 7.00% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 valuation.

Total OPEB Liability	
Beginning balance	\$ 10,673,000
Changes for the year:	
Service cost	253,000
Interest	400,000
Change in benefit terms	-
Difference between expected and actual experience	(667,000)
Changes of assumptions or other inputs	282,000
Net benefit payments	(1,114,000)
Other	-
Ending balance	<u><u>\$ 9,827,000</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current discount rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	\$ 10,394,000	\$ 9,827,000	\$ 9,285,000

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

5. Other Postemployment Benefits Plan (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 9,013,000	\$ 9,827,000	\$ 10,748,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the County recognized OPEB expense of \$695,000. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 764,000	\$ 1,181,000
Changes of assumptions or other inputs	897,999	774,000
Total	<u>\$ 1,661,999</u>	<u>\$ 1,955,000</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2026	\$ 79,000
2027	140,000
2028	(186,000)
2029	(229,000)
2030	(84,000)
Thereafter	(13,000)
Total	<u><u>\$ (293,000)</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

6. Death Benefit Plan

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

7. Sampson Regional Medical Center, Inc. Pension Plan

Benefit Plans – The Sampson Regional Medical Center, Inc. Plan (the Plan) is a single-employer defined contribution plan. Employees become eligible for the plan after completing one year of employment and 1,000 hours of service. The Hospital may contribute 2% of participant earnings. The Hospital may also make a year-end discretionary contribution which shall be determined by the Board of Trustees on an annual basis. There were no discretionary contributions for plan years 2025 and 2024.

The Hospital also has a 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% for participants with 1-9 years of service, 60% for participants with 10-14 years of service, and 80% for participants with 15 or more years of service, of the first 5% of the compensation deferred by each participant. The Hospital contributed approximately \$864,000 to the Plan for the current year.

The Hospital also maintains a self-funded health plan. The plan pays for the health care expenses of 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 in the plan. To fund the plan, participants pay a premium determined annually by the Board of Trustees and the Hospital contributes as needed to pay claims and expenses in excess of premiums paid by employees. The Hospital also purchases stop-loss insurance to fund single claims in excess of \$100,000.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

C. Pension Plan and Other Post Employment Obligations (Continued)

8. Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Pensions, OPEB) - difference between expected and actual experience	\$ 4,965,435	\$ 1,267,013
(Pensions, OPEB) - Net difference between projected and actual investment earnings	2,763,991	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	538,353	710,363
(Pensions, OPEB) - change in assumptions	1,137,864	1,148,409
Contributions to pension plan subsequent to measurement date	4,307,518	-
Gain on refunding	-	556,300
Prepaid taxes not yet earned (General)	-	87,935
Other	-	-
Total	\$ 13,713,161	\$ 3,770,020

D. 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 \$125 million and liability coverage up to \$3 million. Workers' compensation insurance provides coverage for bodily injury by accident of \$1 million for each accident and coverage for bodily injury by disease up to \$1 million for each employee. There is a policy limit of \$1 million for bodily injury by disease. Flood coverage is included within the County's property insurance policy, providing coverage of \$1 million for properties located in Zones A and V and \$2 million for properties located in all other zones. Settled claims for these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond in the amount of \$25,000 each. The following officials are separately bonded as follows: Finance Officer (\$1,000,000), Tax Collector (\$200,000), Tax Assessor (\$200,000), Assistant Tax Assessor (\$100,000), Assistant Tax Collector (\$150,000) Register of Deeds (\$50,000), and Sheriff (\$25,000).

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

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.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

D. Risk Management (Continued)

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

	<u>June 30, 2025</u>
Claims payable, beginning of year	\$ 129,775
Add: Claims received	7,845,400
Less: Claim paid	<u>7,771,370</u>
Claims payable, end of year	<u>\$ 203,805</u>

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

E. Contingent Liabilities

At June 30, 2025, in the opinion of the County's management and the County attorney, there are no legal matters that will have a material adverse effect on the County's financial position.

F. Long-Term Obligations

1. Installment Purchases

The County's installment purchase agreements payable at June 30, 2025 are comprised of the following individual issues for the Business-type activities:

Serviced by the Water and Sewer Districts:

Installment agreements with USDA for the construction of water wells, secured by the equipment and land. The total of the loans is \$1,792,000 and will be repaid in 38 annual installments of \$82,293 including interest at 2.75% & 3.5%. Principal and interest repayment will begin in fiscal year 2015-2016. At June 30, 2025, there were 27 payments remaining.

\$ 1,489,129

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

1. Installment Purchases (Continued)

Annual debt services payments of the installment purchases for the business-type activities as of June 30, 2025, including \$811,957 of interest, are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 33,230	\$ 49,063
2027	34,319	47,974
2028	35,444	46,849
2029	36,607	45,686
2030-2034	201,865	209,600
2035-2039	237,290	174,175
2040-2044	279,007	132,458
2045-2049	328,143	83,322
2050-2052	303,224	22,830
Total	<u>\$ 1,489,129</u>	<u>\$ 811,957</u>

The County also has installment purchase agreements payable at June 30, 2025 in the Governmental activities. These are comprised of the following:

Installment purchase agreement with Truist Bank for construction of new Emergency Management Facilities. The installment purchase loan in the amount of \$7,700,000 is secured by the building and land. The loan will be repaid in 15 annual installments of principal at \$513,333 plus interest at 2.21%. At June 30, 2025, there were 11 payments remaining

\$ 5,646,668

Annual debt service payments of the installment purchases for the governmental activities as of June 30, 2025, including \$748,748 of interest, are:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 513,333	\$ 124,791
2027	513,333	113,447
2028	513,333	102,102
2029	513,333	90,757
2030-2034	2,566,669	283,616
2035-2036	1,026,667	34,035
Total	<u>\$ 5,646,668</u>	<u>\$ 748,748</u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

2. General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2025 are comprised of the following individual issues:

General obligation bonds serviced by the Water and Sewer Districts:

\$1,093,000 Water and Sewer Bonds issued on August 7, 1995 and due in annual installments of \$11,500 to \$46,000 through June 1, 2035; 5.125% interest rate.	\$ 457,000
\$9,990,000 Refunding, Series 2015 General Obligation Bonds due in semi-annual installments of \$170,981 to \$558,469 through June 1, 2044; variable interest rate.	<u>7,170,000</u>
Total general obligation bonds	<u><u>\$ 7,627,000</u></u>

Annual debt service requirements to maturity for the County's general obligation bonds, including interest of \$3,247,627, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 373,500	\$ 340,053
2027	390,500	326,273
2028	416,000	311,866
2029	431,000	296,509
2030-2034	2,270,000	1,202,719
2035-2039	2,361,000	626,201
2040-2044	1,385,000	144,006
Total	<u><u>\$ 7,627,000</u></u>	<u><u>\$3,247,627</u></u>

Unamortized premiums on general obligation bonds	<u>530,351</u>
Carrying Value	<u><u>\$ 8,157,351</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

3. Revenue Bonds

On April 25, 2017, the Hospital entered into a refinancing agreement to consolidate the promissory note, Series 2004B bonds and Series 2007 bonds into one promissory note with a bank for \$5,750,000 with a variable interest rate equal to 1 month LIBOR plus 1.60%. The note will be due in 120 equal monthly installment payments of \$47,920 plus interest, beginning May 28, 2017 and maturing April 28, 2027. 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. The note was paid in full during 2025.

4. State Drinking Water and Clean Water Bond Loans

Serviced by the County's Water and Sewer Districts:

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

\$ -

The County has a State Drinking Water Loan for construction of water lines. The loan calls for 20 annual payments of \$7,406 plus interest at .13% beginning May 1, 2021. This debt is serviced by the Water and Sewer District II Enterprise Fund.

111,092

The County has a State Drinking Water Loan for construction of water lines. The loan calls for 20 annual payments of \$126,111 plus interest at 1.1% beginning November 1, 2024. This debt is serviced by the Water and Sewer District II.

2,269,993

The County has a State Drinking Water Loan for water lines. The loan calls for 20 annual payments of \$22,075 plus interest at 0%. The debt is serviced by the Water and Sewer District II.

397,350

The County has a State Drinking Water Loan for construction of water lines. The loan calls for 20 annual payments of \$62,713 plus interest at 0% beginning May 1, 2022. This debt is serviced by the Water and Sewer District II Enterprise Fund.

1,020,397

Total

\$ 3,798,832

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

4. State Drinking Water and Clean Water Bond Loans (Continued)

Debt service requirements to maturity, including interest of \$247,257, are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 235,297	\$ 26,225
2027	218,305	24,754
2028	218,305	23,284
2029	218,305	21,813
2030-2034	1,091,523	86,999
2035-2039	1,091,523	50,226
2040-2043	725,574	13,956
Total	\$ 3,798,832	\$ 247,257

5. Limited Obligation Bonds

On June 3, 2015 the County issued Limited Obligation Bonds (“LOBs”) to purchase these certificates. When debt service is due, the County will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. The Limited Obligation Bonds are appropriation-backed with bi-annual interest payments with a 3.375% average interest rate over the life of the term. As of June 30, 2025, the balance of the bonds was \$27,405,000.

On September 13, 2017 the County issued Limited Obligation Bonds (“LOBs”) to refinance prior installment agreements with the USDA. When debt service is due, the County will remit the debt service payments for their respective bond to the County, who will then remit it to the bondholder. The Limited Obligation Bonds are appropriation-backed with bi-annual interest payments with a 4.38% average interest rate over the life of the term. As of June 30, 2025, the balance of the bond was \$53,820,000.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

5. Limited Obligation Bonds (Continued)

Annual debt service requirements to maturity for the County's limited obligation bonds, including interest of \$32,633,528, are as follows:

Year Ending June 30	Governmental-type Activities	
	Principal	Interest
2026	\$ 4,125,000	\$ 3,401,431
2027	4,195,000	3,199,744
2028	4,280,000	2,987,869
2029	4,365,000	2,784,269
2030-2034	23,050,000	10,662,744
2035-2039	17,140,000	6,102,966
2040-2044	14,725,000	2,966,444
2045-2048	9,345,000	528,061
Total	\$ 81,225,000	\$ 32,633,528
Unamortized premiums on		
limited obligation bonds	7,579,691	
Total Principal	\$ 88,804,691	

6. 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.

7. Debt Related to Capital Activities

Of the total governmental activities debt listed, \$0 relates to assets the County does not hold title.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

8. Long-Term Obligation Activity

The following is a summary of the changes in the County's long-term obligations for the year ended June 30, 2025:

	Beginning Balances July 1, 2024 (As Restated)			Ending Balances June 30, 2025		Current Portion
		Increases	Decreases			
Governmental Activities:						
Installment purchases	\$ 6,160,001	\$ -	\$ (513,333)	\$ 5,646,668	\$ 513,333	
Limited obligation bonds	85,290,000	-	(4,065,000)	81,225,000	4,125,000	
Unamortized premium on LOBs	8,050,382	-	(470,691)	7,579,691	470,691	
Net pension liability (LERS)	18,961,628	711,765	-	19,673,393	-	
Total pension liability (LEOSA)	3,370,827	704,087	-	4,074,914	-	
Compensated absences	15,677,449	1,197,768	-	16,875,217	3,770,122	
Total OPEB liability	10,499,457	-	(867,032)	9,632,425	-	
Total governmental activities	\$ 148,009,744	\$ 2,613,620	\$ (5,916,056)	\$ 144,707,308	\$ 8,879,146	

*In accordance with GASB 101, *Compensated Absences*, the County has chosen to present a net change in its liability for compensated absences.

	Beginning Balances July 01, 2024 (As Restated)			Ending Balances June 30, 2025		Current Portion
		Increases	Decreases			
Business-Type Activities						
General obligation debt	\$ 8,003,000	\$ -	\$ (376,000)	\$ 7,627,000	\$ 373,500	
Installment purchases	1,521,305	-	(32,176)	1,489,129	33,230	
State Drinking Water loans	3,999,732	-	(200,900)	3,798,832	235,297	
State Clean Water bonds	92,632	-	(92,632)	-	-	
Unamortized premium on GOs	558,443	-	(28,092)	530,351	28,092	
Net pension liability (LERS)	387,125	119,131	-	506,256	-	
Net OPEB liability	173,543	21,032	-	194,575	-	
Compensated absences	574,391	50,487	-	624,878	119,844	
Total Water Activities	\$ 15,310,171	\$ 190,650	\$ (729,800)	\$ 14,771,021	\$ 789,963	

*In accordance with GASB 101, *Compensated Absences*, the County has chosen to present a net change in its liability for compensated absences.

Net pension liability, total pension liability, and net other postemployment liability for governmental activities are all typically liquidated in the general fund. Compensated absences for governmental activities typically have been liquidated in the general fund. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

F. Long-Term Obligations (Continued)

8. Long-Term Obligation Activity (Continued)

	Beginning Balances July 1, 2024 (As Restated)			Ending Balances June 30, 2025		Current Portion
		Increases	Decreases			
Tourism Development Authority						
Compensated absences	\$ 6,017	\$ -	\$ (1,872)	\$ 4,145	\$ 4,145	
Total Tourism Development Authority	\$ 6,017	\$ -	\$ (1,872)	\$ 4,145	\$ 4,145	

*In accordance with GASB 101, *Compensated Absences*, the TDA has chosen to present a net change in its liability for compensated absences.

	Beginning Balances October 01, 2024			Ending Balances September 30, 2025		Current Portion
		Increases	Decreases			
Sampson Regional Medical Center						
Revenue bonds	1,390,837	-	(1,390,837)	-	-	
Capital leases	70,131	-	(70,131)	-	-	
Compensated absences	2,177,491	55,389	-	2,232,880	2,232,880	
Total Sampson Regional Medical Center	\$ 3,638,459	\$ 55,389	\$ (1,460,968)	\$ 2,232,880	\$ 2,232,880	

*In accordance with GASB 101, *Compensated Absences*, the Hospital has chosen to present a net change in its liability for compensated absences.

G. Interfund Balances and Activity

1. Transfers to/from Other Funds

Transfers in (out) for the year ended June 30, 2025 are summarized below:

Fund	To	From
From General Fund	\$ 810,000	
To Capital Project Fund		\$ 810,000
From Capital Project Fund	2,000	
To General Fund		2,000
From Sampson Area Transportation Fund	132,995	
To General Fund		132,995
From Schools Capital Project Fund	3,041,491	
To General Fund		3,041,491
Total	\$ 3,986,486	\$ 3,986,486

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

G. Interfund Balances and Activity (Continued)

2. Interfund Balances

Interfund balances at June 30, 2025, consists of the following:

Due to General Fund from:

Airport Expansion Capital Project Fund	<u>\$ 345,887</u>
Total all funds	<u>\$ 345,887</u>

These balances are advances from the General Fund.

H. Fund Balance

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

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

Total fund balance - General Fund	\$50,730,579
Less:	
Stabilization by state statue	\$ 11,161,821
Nonspendable - inventory	11,751
Subsequent year's expenditures	11,590,254
Public Safety	668,788
Revaluation	780,184
Economic development	800,000
Capital projects	<u>6,407,210</u>
Remaining Fund Balance	<u><u>\$ 19,310,571</u></u>

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

<u>June 30</u>	<u>2025</u>
Encumbrances:	
General Fund \$	-

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

I. 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.

J. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion nationwide settlement related to multiple opioid lawsuits. These funds are disbursed to each participating State over an 18-year period according to an allocation agreement reached with participating States. The majority of the funds must be used for opioid abatement and remediation activities and programs and the distribution of the funds is front loaded. The North Carolina MOA between the State and local governments allocates funds 15% to the State, 80% to local governments, and 5% to a County incentive fund.

The County received \$648,941 in the current fiscal year, spent \$0, and, per the MOA, accounts for the amounts in a special revenue fund, the Opioid Settlement Fund (nonmajor fund).

In July 2025, Secondary Opioid Manufacturer Settlements were reached with Alvogen Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA, Indivior Inc., Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticals Inc. A settlement was also reached with Purdue Pharma L.P.'s bankruptcy plan for \$7.4 billion. The Secondary Settlements are subject to the terms of the existing MOA with the State.

K. Joint Ventures

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

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

The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2025. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$319,680 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices in Beulaville, North Carolina.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

4. Detail Notes on All Funds (Continued)

K. Joint Ventures (Continued)

2. Sampson Community College

The County, in conjunction with the State of North Carolina and the Sampson County Board of Education, participates in a joint venture to operate Sampson Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government serves as a non-voting ex officio member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,897,478 and \$318,204 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2025. 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, 2025. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Sunset Avenue, Clinton, North Carolina.

5. Summary Disclosure of Significant Commitments and Contingencies

A. Federal and State Assisted Programs

The County has received proceeds from 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 money.

6. Related Party Transactions

The County appoints the board members of the TDA based on citizens who represent lodging providers within the County. The legislation that created the TDA gives the County the authority to levy and collect an occupancy tax and remit to the TDA. For the year, \$144,891 was collected and was remitted to the Authority, and none is remaining to be distributed to the Authority. The County finance officer also serves as the finance officer of the TDA. The TDA operates an office out of a County owned facility (Agri-Expo Center).

7. Sampson Regional Medical Center, Inc. – Prior Year Presentation

In the prior year financial statements, the Hospital reported financial information as of September 30, 2023, rather than September 30, 2024. The current year presentation reflects the appropriate reporting period. Accordingly, beginning net position presented in the statement of activities does not agree to the prior year financial statements. This matter is the result of a prior year presentation error and does not represent a restatement of net position.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

8. Restatements

For the year ended June 30, 2025 and in accordance with GASB Statement No. 100, *Accounting for Changes and Error Corrections*, the County determined that the following accounting errors were in effect at the end of the prior fiscal year:

- 1) Long-term debt was not properly recorded in the prior year within the business-type activities at the government-wide level. As a result, an adjustment of \$295,468 was recorded in FY 2025 to correct the error, resulting in an increase in long-term liabilities and a corresponding decrease in beginning net position for business-type activities.
- 2) Fixed asset additions were not properly recorded in the prior year within the governmental activities at the government-wide level. As a result, an adjustment of \$8,185 was recorded in FY 2025 to correct the error, resulting in an increase in capital assets and a corresponding increase in beginning net position for governmental activities.
- 3) Income related to the opioid settlement program was not properly recorded in the prior year within the governmental activities at the government-wide level. As a result, an adjustment of \$1,612,472 was recorded in FY 2025 to correct the error, resulting in a decrease in revenue and a corresponding increase in beginning net position for governmental activities.
- 4) Accrued interest on property taxes was not properly recorded in the prior year within the governmental activities at the government-wide level. As a result, an adjustment of \$265,165 was recorded in FY 2025 to correct the error, resulting in an increase in accrued interest on property taxes and a corresponding increase in beginning net position for governmental activities.

Error Corrections: During FY 2025, the County identified errors in the Government-Wide Governmental and Business-Type Activities. The effects of these adjustments are summarized below in the “Restatement – Error Corrections per GASB 100” column in the table below.

During the fiscal year ended June 30, 2025, management identified a fiduciary activity, the Clinton Supplemental Fund (see note 1) that met the criteria for reporting under GASB Statement No. 84, *Fiduciary Activities*, but was inadvertently omitted from the County’s financial statements for the year ended June 30, 2024. As a result, the Clinton Supplemental Fund has been reported in the current year financial statements, and the beginning fiduciary net position has been restated to reflect this omission as of June 30, 2024. Therefore, an adjustment to beginning fiduciary net position has been recorded, the net effect of which increased beginning fiduciary net position by \$4,399.

Changes in Accounting Principles

For the year ended June 30, 2025, GASB Statement No. 101, *Compensated Absences*, was implemented. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – Implementation of GASB 101” column in the table below. In addition, the discretely presented component unit, the TDA, also implemented this Statement, which resulted in a restatement and reduction of beginning net position of \$6,017.

For the year ended June 30, 2025, GASB Statement No. 102, *Certain Risk Disclosures*, was implemented. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

SAMPSON COUNTY, NORTH CAROLINA
Notes to the Financial Statements
For Year Ended June 30, 2025

8. Restatements (Continued)

	Net Position/Fund Balance at June 30, 2024 As Previously Reported	Restatement - Error Corrections per GASB 100	Restatement - Implementation of GASB 101	Net Position/Fund Balance at June 30, 2024 As Restated
Government-Wide				
Governmental Activities	\$ 85,683,974	\$ 1,885,822	\$ (12,684,755)	\$ 74,885,041
Business-Type Activities	37,359,376	(295,468)	(487,416)	36,576,492
Total Government-Wide	<u>\$ 123,043,350</u>	<u>\$ 1,590,354</u>	<u>\$ (13,172,171)</u>	<u>\$ 111,461,533</u>
Governmental Funds				
Major Funds:				
General Fund	\$ 52,288,025	\$ -	\$ -	\$ 52,288,025
Nonmajor Funds	18,133,814	1,612,472	-	19,746,286
Total Governmental Funds	<u>\$ 70,421,839</u>	<u>\$ 1,612,472</u>	<u>\$ -</u>	<u>\$ 72,034,311</u>
Proprietary Funds				
Enterprise Funds				
Major Funds:				
Water and Sewer District I Fund	\$ 3,766,124	\$ -	\$ (185,218)	\$ 3,580,906
Water and Sewer District II Fund	33,593,252	(295,468)	(302,198)	32,995,586
Total Enterprise Funds	<u>\$ 37,359,376</u>	<u>\$ (295,468)</u>	<u>\$ (487,416)</u>	<u>\$ 36,576,492</u>
Internal Service Funds	<u>\$ 506,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,171</u>

9. Significant Effects of Subsequent Events

There are no subsequent events that would have a material effect on the financial statements. Subsequent events have been analyzed through April 21, 2026, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

SAMPSON COUNTY, NORTH CAROLINA
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System

Schedule A-1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) (%)	0.29585%	0.29214%	0.33251%	0.30192%	0.32138%	0.33892%	0.32086%	0.32132%	0.30882%	0.30020%
County's proportion of the net pension liability (asset) (\$)	\$ 20,179,649	\$ 19,348,753	\$ 18,758,312	\$ 4,630,233	\$ 11,484,277	\$ 9,255,641	\$ 7,611,897	\$ 4,908,879	\$ 6,554,194	\$ 1,347,286
County's covered payroll	\$ 28,470,141	\$ 26,326,088	\$ 23,065,405	\$ 21,731,628	\$ 21,796,900	\$ 21,952,460	\$ 20,094,797	\$ 19,626,173	\$ 18,168,885	\$ 17,033,631
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.88%	73.50%	81.33%	21.31%	52.69%	42.16%	37.88%	25.01%	36.07%	7.91%
Plan fiduciary net position as a percentage of the total pension liability *	86.90%	82.49%	84.14%	95.51%	88.61%	92.00%	94.18%	91.47%	98.09%	98.79%

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

Notes to the Schedule:

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
See Notes to the Schedules on the following schedule.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of County Contributions
Local Government Employees' Retirement System

Schedule A-2

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,296,989	\$ 3,735,417	\$ 3,192,466	\$ 2,652,867	\$ 2,240,194	\$ 1,989,758	\$ 1,750,269	\$ 1,540,895	\$ 1,465,307	\$ 1,240,804
Contributions in relation to the contractually required contribution	<u>4,296,989</u>	<u>3,735,417</u>	<u>3,192,466</u>	<u>2,652,867</u>	<u>2,240,194</u>	<u>1,989,758</u>	<u>1,750,269</u>	<u>1,540,895</u>	<u>1,465,307</u>	<u>1,240,804</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$30,492,610	\$28,470,141	\$26,326,088	\$ 23,065,405	\$21,731,628	\$21,796,900	\$ 21,952,460	\$20,094,797	\$ 19,626,173	\$18,168,885
Contribution as a percentage of covered payroll	14.09%	13.12%	12.13%	11.50%	10.31%	9.13%	7.97%	7.67%	7.47%	6.83%

Notes to the Schedules:

For 2023, the total pension liability for the December 31, 2021 actuarial valuation was determined using the following actuarial changes of assumptions:

Inflation and Payroll Growth	2.50% from 3.00%
Mortality Rates	RP-2010 Total Data Set for Healthy Annuitants

For 2022, the discount rate and the investment rate were changed to 6.50% from 7.0%.

For 2020, the total pension liability for the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Smoothed Fair Value
Assumptions:	
Inflation	3.00%
Discount Rate	7.00%
Real Wage Growth	0.50%
Payroll Growth	3.50%
Mortality	RP-2014 Total Data Set for Healthy Annuitants

SAMPSON COUNTY, NORTH CAROLINA
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Registers of Deeds' Supplemental Pension Fund

Schedule A-3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) %	0.462%	0.458%	0.413%	0.349%	0.387%	0.413%	0.473%	0.484%	0.501%	0.486%
County's proportion share of the net pension liability (asset) \$	\$ (53,289)	\$ (55,081)	\$ (54,672)	\$ (67,015)	\$ (88,633)	\$ (81,499)	\$ (78,389)	\$ (82,645)	\$ (93,625)	\$ (112,554)
County's covered payroll	\$ 77,386	\$ 71,645	\$ 65,289	\$ 61,082	\$ 67,275	\$ 61,032	\$ 61,032	\$ 61,005	\$ 58,872	\$ 58,464
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-68.86%	-76.88%	-83.74%	-109.71%	-131.75%	-133.53%	-128.44%	-135.47%	-159.03%	-192.52%
Plan fiduciary net position as a percentage of the total pension liability *	150.20%	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%

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

Notes to the Schedule

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
See Notes to the Schedule on the following schedule.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of County Contributions
Registers of Deeds' Supplemental Pension Fund

Schedule A-4

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 10,528	\$ 9,593	\$ 8,698	\$ 7,443	\$ 6,230	\$ 6,061	\$ 4,614	\$ 4,614	\$ 4,478	\$ 3,974
Contributions in relation to the contractually required contribution	10,528	9,593	8,698	7,443	6,230	6,061	4,614	4,614	4,478	3,974
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to the Schedule:

For 2023, the real wage growth was changed to 3.25%.

For 2022, the discount rate and the investment rate of return were changed to 3.00% from 3.75%.

For 2020, the total pension liability (asset) beginning with the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Smoothed Fair Value
Assumptions:	
Inflation	3.00%
Investment Rate of Return	3.75%
Discount Rate	3.75%
Real Wage Growth	0.50%
Mortality	RP-2014 Total Data Set for Healthy Annuitants

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Schedule A-5

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 3,370,827	\$ 3,170,497	\$ 3,256,682	\$ 3,247,167	\$ 2,120,056	\$ 1,654,448	\$ 1,581,086	\$ 1,412,568	\$ 1,334,635
Service cost	170,778	121,809	189,327	176,444	120,777	106,733	107,072	94,447	97,635
Interest on the total pension liability	131,984	134,806	72,703	62,291	68,707	59,656	49,388	54,041	47,199
Differences between expected and actual	632,497	(45,722)	282,120	(99,739)	36,273	255,133	33,538	(84,764)	-
Changes of assumptions or other inputs	(88,703)	74,932	(579,487)	(90,159)	926,327	75,156	(80,304)	129,878	(41,817)
Benefit payments	(142,469)	(85,495)	(50,848)	(39,322)	(24,973)	(31,070)	(36,332)	(25,084)	(25,084)
Ending balance of the total pension liability	<u>\$ 4,074,914</u>	<u>\$ 3,370,827</u>	<u>\$ 3,170,497</u>	<u>\$ 3,256,682</u>	<u>\$ 3,247,167</u>	<u>\$ 2,120,056</u>	<u>\$ 1,654,448</u>	<u>\$ 1,581,086</u>	<u>\$ 1,412,568</u>

Notes to the Schedule:

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

The County has no assets accumulated in a trust that meets the criteria for a pension trust as defined by GASB Statement 73.

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

See Notes to the Schedules on the following schedule.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance

Schedule A-6

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 4,074,914	\$ 3,370,827	\$ 3,170,497	\$ 3,256,682	\$ 3,247,167	\$ 2,120,056	\$ 1,654,448	\$ 1,581,086	\$ 1,412,568
Covered payroll	6,208,205	4,608,880	4,853,563	4,426,312	4,436,982	4,125,715	3,843,201	3,802,584	3,553,569
Total pension liability as a percentage of covered payroll	65.64%	73.14%	65.32%	73.58%	73.18%	51.39%	43.05%	41.58%	39.75%

Notes to the Schedules:

This schedule is intended to show 10 years of information, additional years' information will be displayed as it becomes available.

The County has no assets accumulated in a trust that meets the criteria for a pension trust as defined by GASB Statement 73.

The total pension liability was determined from an actuarial valuation as of December 31, 2024. Methods and assumptions used were: the actuarial cost method was entry-age normal; a discount rate of 4.28%; inflation at 2.50%; projected individual salary increases of 3.25% to 7.75% annually; and real wage growth of 0.75% annually.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Benefits Plan

Schedule A-7

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 253,000	\$ 329,000	\$ 422,000	\$ 415,000	\$ 364,000	\$ 399,000	\$ 442,000	\$ 431,000
Interest	400,000	434,000	248,000	270,000	334,000	380,000	427,000	426,000
Differences between expected and actual experience	(667,000)	(764,000)	702,000	942,000	91,000	153,000	(1,156,000)	-
Changes of assumptions or other inputs	282,000	(104,000)	(1,334,000)	1,248,000	478,000	340,000	(55,000)	-
Benefit payments	(1,114,000)	(1,275,000)	(998,000)	(961,000)	(926,000)	(1,229,000)	(971,000)	(740,000)
Net change in total OPEB Liability	(846,000)	(1,380,000)	(960,000)	1,914,000	341,000	43,000	(1,313,000)	117,000
Total OPEB Liability - beginning	10,673,000	12,053,000	13,013,000	11,099,000	10,758,000	10,715,000	12,028,000	11,911,000
Total OPEB Liability - ending	\$ 9,827,000	\$ 10,673,000	\$ 12,053,000	\$ 13,013,000	\$ 11,099,000	\$ 10,758,000	\$ 10,715,000	\$ 12,028,000
Plan Fiduciary Net Position								
Contributions - employer	\$ 1,114,000	\$ 1,275,000	\$ 998,000	\$ 961,000	\$ 926,000	\$ 1,229,000	\$ 971,000	\$ 740,000
Benefit payments, including refunds of employee contributions	(1,114,000)	(1,275,000)	(998,000)	(961,000)	(926,000)	(1,229,000)	(971,000)	(740,000)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
County's Net OPEB Liability - Ending	\$ 9,827,000	\$ 10,673,000	\$ 12,053,000	\$ 13,013,000	\$ 11,099,000	\$ 10,758,000	\$ 10,715,000	\$ 12,028,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

*Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SAMPSON COUNTY, NORTH CAROLINA

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 42,806,500	\$ 43,951,931	\$ 1,145,431
Interest and penalties	305,000	411,934	106,934
Total	<u>43,111,500</u>	<u>44,363,865</u>	<u>1,252,365</u>
Sales taxes:			
One cent	6,173,800	6,668,203	494,403
One half cent article 40	3,675,000	3,864,189	189,189
One half cent article 42	1,375,000	1,538,210	163,210
One half cent article 44	2,325,000	2,912,582	587,582
One quarter cent article 46	1,737,000	1,846,588	109,588
Total	<u>15,285,800</u>	<u>16,829,772</u>	<u>1,543,972</u>
Restricted intergovernmental:			
State grants	17,179,526	12,039,737	(5,139,789)
Federal grants	587,105	482,209	(104,896)
Court facility fees	163,000	132,799	(30,201)
Local grants	26,611	26,380	(231)
Total	<u>17,956,242</u>	<u>12,681,125</u>	<u>(5,275,117)</u>
Permits and fees:			
Register of deeds	374,000	461,246	87,246
Inspection	692,000	613,159	(78,841)
Franchise	35,000	29,595	(5,405)
Total	<u>1,101,000</u>	<u>1,104,000</u>	<u>3,000</u>
Sales and services:			
Tax collection fees:			
Towns	14,450	16,647	2,197
City of Clinton	67,000	75,898	8,898
Tax collection	168,000	245,411	77,411
Jail fees	1,790,800	1,505,201	(285,599)
Sheriff fees	1,541,582	1,561,553	19,971
Health fees	1,288,323	1,468,319	179,996
Ambulance fees	2,375,000	3,487,969	1,112,969
Aging services fees	494,508	312,782	(181,726)
Total	<u>7,739,663</u>	<u>8,673,780</u>	<u>934,117</u>
Other revenue:			
Investment earnings	550,000	1,994,204	1,444,204
Board of elections	4,008.00	5	(4,003)
Short-term vehicle lease	18,000	23,666	5,666
Recreation	53,990	83,705	29,715
Agri-Exposition center	293,175	233,867	(59,308)
Rent	3,621,438	4,232,717	611,279
Miscellaneous	634,425	1,301,966	667,541
Total	<u>5,175,036</u>	<u>7,870,130</u>	<u>2,695,094</u>
Total revenues	<u>\$ 90,369,241</u>	<u>\$ 91,522,672</u>	<u>\$ 1,153,431</u>

SAMPSON COUNTY, NORTH CAROLINA

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

(Continued)

	2025		Variance Positive (Negative)
	Budget	Actual	
Expenditures:			
General government:			
Governing body	\$ 166,560	\$ 147,073	\$ (19,487)
Administration	929,303	724,895	(204,408)
Human resources	734,202	688,438	(45,764)
Airport	100,538	81,419	(19,119)
Finance	1,407,264	1,222,491	(184,773)
Data processing	1,492,927	1,388,355	(104,572)
Communications tower	258,528	156,651	(101,877)
Tax administration	1,839,722	1,776,461	(63,261)
Legal	212,809	167,702	(45,107)
Courts	129,990	107,501	(22,489)
Board of elections	548,487	526,994	(21,493)
Register of deeds	527,398	511,679	(15,719)
Public buildings	3,374,158	2,225,762	(1,148,396)
Total	<u>11,721,886</u>	<u>9,725,421</u>	<u>(1,996,465)</u>
Public safety:			
Sheriff	13,454,337	13,276,924	(177,413)
Detention center	6,488,741	6,305,808	(182,933)
Communications	2,042,394	1,952,480	(89,914)
Emergency management	1,308,575	1,144,881	(163,694)
Volunteer fire departments	268,141	257,141	(11,000)
Inspections	1,014,350	831,254	(183,096)
Coroner	80,000	73,975	(6,025)
Emergency medical services	9,703,168	7,301,855	(2,401,313)
Dive team	15,940.00	-	(15,940)
Animal control	569,948	553,103	(16,845)
Total	<u>34,945,594</u>	<u>31,697,421</u>	<u>(3,248,173)</u>
Environmental protection:			
Solid waste	347,020	252,031	(94,989)
Forestry	205,029	193,040	(11,989)
Cooperative extension programs	141,602	120,977	(20,625)
Total	<u>693,651</u>	<u>566,048</u>	<u>(127,603)</u>
Economic and physical development:			
Industrial development	1,606,523	750,130	(856,393)
Industrial utility	270,581	15,716	(254,865)
N.C. cooperative extension service	759,867	706,672	(53,195)
Soil conservation	355,141	349,523	(5,618)
Total	<u>\$ 2,992,112</u>	<u>\$ 1,822,041</u>	<u>\$ (1,170,071)</u>

SAMPSON COUNTY, NORTH CAROLINA

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

(Continued)

	2025		Variance
	Budget	Actual	Positive (Negative)
Human services:			
Mental health administration	\$ 319,680	\$ 319,680	\$ -
Veterans	202,970	187,355	(15,615)
Youth needs task force	235,507	233,732	(1,775)
Health:			
Administration	98,423	53,954	(44,469)
Rural health	150,000	32,810	(117,190)
CARES act covid response	326,542	14,034	(312,508)
Enhancing detection covid	300,485	205,221	(95,264)
School nurse initiative	400,000	400,000	-
BCCCP wise woman	-	-	-
Communicable disease	362,273	343,924	(18,349)
Adult services	28,638	26,115	(2,523)
Health promotion	35,526	32,569	(2,957)
Breast and cervical cancer	26,172	18,362	(7,810)
Immunization	312,429	305,909	(6,520)
Maternal health & outreach	846,799	804,319	(42,480)
Family planning	699,444	672,537	(26,907)
WIC	527,619	482,920	(44,699)
Child services coordination	231,770	227,262	(4,508)
Pregnancy care management	353,849	259,312	(94,537)
Child health	133,097	103,298	(29,799)
Environmental health	880,348	693,216	(187,132)
Food and lodging	11,416	3,767	(7,649)
State bio-terrorism	34,230	34,154	(76)
Social services:			
Administration	15,812,439	14,808,874	(1,003,565)
Assistance	4,184,247	2,299,591	(1,884,656)
Aging and in-home services	1,866,337	1,597,192	(269,145)
Total	<u>28,380,240</u>	<u>24,160,107</u>	<u>(4,220,133)</u>
Education:			
Public schools:			
Current expense	14,485,218	14,485,218	-
Capital outlay	3,036,373	1,791,871	(1,244,502)
Community college	2,941,240	2,215,682	(725,558)
Total	<u>\$ 20,462,831</u>	<u>\$ 18,492,771</u>	<u>\$ (1,970,060)</u>

SAMPSON COUNTY, NORTH CAROLINA

Schedule 1

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

(Continued)

	2025		Variance Positive (Negative)
	Budget	Actual	
Cultural and recreation:			
Library	\$ 962,786	\$ 861,140	\$ (101,646)
Special appropriations	66,988	61,924	(5,064)
Recreation	900,699	851,527	(49,172)
Agri-exposition center	685,257	561,108	(124,149)
Total	<u>2,615,730</u>	<u>2,335,699</u>	<u>(280,031)</u>
Debt Service:			
Principal	4,901,000	4,578,333	(322,667)
Interest and fees	3,870,891	3,737,405	(133,486)
Administration	168,183	162,889	(5,294)
Total	<u>8,940,074</u>	<u>8,478,627</u>	<u>(461,447)</u>
Total expenditures	<u>110,752,118</u>	<u>97,278,135</u>	<u>(13,473,983)</u>
Revenues over (under) expenditures	<u>(20,382,877)</u>	<u>(5,755,463)</u>	<u>14,627,414</u>
Other financing sources (uses):			
Transfers in	6,097,436	3,176,486	(2,920,950)
Transfers out	(460,000)	(810,000)	(350,000)
Total	<u>5,637,436</u>	<u>2,366,486</u>	<u>(3,270,950)</u>
Appropriated fund balance	<u>14,745,441</u>	<u>-</u>	<u>(14,745,441)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,388,977)</u>	<u>\$ (3,388,977)</u>
Fund balance, beginning		<u>46,932,163</u>	
Fund balance, ending		<u>\$ 43,543,186</u>	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 2

County Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings:			
Library reserve	\$ -	\$ 5	\$ 5
Airport reserve	-	15,066	15,066
Livestock arena reserve	-	1,207	1,207
School buildings reserve	-	135,658	135,658
County buildings reserve	-	70,121	70,121
Water line repair reserve	-	1,475	1,475
Total revenues	-	223,532	223,532
Other Financing Sources (Uses)			
Transfers in	460,000	810,000	350,000
Transfers out	(549,500)	(2,000)	547,500
Total other financing sources (uses)	(89,500)	808,000	897,500
Appropriated fund balance	89,500	-	(89,500)
Net change in fund balance	\$ -	1,031,532	\$ 1,031,532
Fund balance, beginning		5,375,678	
Fund balance, ending		\$ 6,407,210	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 3

Revaluation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 800,000	\$ 799,999	\$ (1)
Total revenues	800,000	799,999	(1)
Expenditures:			
Real property appraisals	800,000	-	800,000
Total expenditures	800,000	-	800,000
Net change in fund balance	\$ -	799,999	\$ 799,999
Fund balance, beginning		(19,816)	
Fund balance, ending		\$ 780,183	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 4

**Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended June 30, 2025**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,738,086	\$ 34,612	\$ 1,772,698
Restricted cash	2,261,457	13,801,868	16,063,325
Accounts receivable, net	131,554	1,057,536	1,189,090
Taxes receivable, net	135,405	-	135,405
Total assets	<u>\$ 4,266,502</u>	<u>\$ 14,894,016</u>	<u>\$ 19,160,518</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 270,946	\$ 118,531	\$ 389,477
Due to general fund	-	345,887	345,887
Total liabilities	<u>270,946</u>	<u>464,418</u>	<u>735,364</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	135,403	-	135,403
Total deferred inflows of resources	<u>135,403</u>	<u>-</u>	<u>135,403</u>
FUND BALANCES			
Restricted			
Stabilization by State statute	21,174	-	21,174
Public Safety	356,916	-	356,916
Education	-	7,843,292	7,843,292
Opioid settlement	2,261,413	-	2,261,413
Committed			
Public Safety	573,684	287,327	861,011
Environmental protection	115,968	-	115,968
Human services	530,998	-	530,998
Education	-	-	-
Culture and recreation	-	83,766	83,766
Capital expansion	-	6,215,213	6,215,213
Unassigned	-	-	-
Total fund balances	<u>3,860,153</u>	<u>14,429,598</u>	<u>18,289,751</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,266,502</u>	<u>\$ 14,894,016</u>	<u>\$ 19,160,518</u>

SAMPSON COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Schedule 5

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
State, federal, and local grants	\$ 1,141,641	\$ 266,302	\$ 1,407,943
Fees	1,076,788	-	1,076,788
Ad valorem taxes	4,215,666	-	4,215,666
Sales taxes	-	3,963,398	3,963,398
Investment earnings	39,468	369,582	409,050
Other	659,049	-	659,049
Total revenues	<u>7,132,612</u>	<u>4,599,282</u>	<u>11,731,894</u>
EXPENDITURES			
General government	-	1,721,664	1,721,664
Public safety	4,312,715	-	4,312,715
Environmental protection	12,966	-	12,966
Human services	2,029,581	-	2,029,581
Capital expansion	-	1,937,017	1,937,017
Total expenditures	<u>6,355,262</u>	<u>3,658,681</u>	<u>10,013,943</u>
Excess (deficiency) of revenues over expenditures	<u>777,350</u>	<u>940,601</u>	<u>1,717,951</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(132,995)</u>	<u>(3,041,491)</u>	<u>(3,174,486)</u>
Total other financing sources (uses)	<u>(132,995)</u>	<u>(3,041,491)</u>	<u>(3,174,486)</u>
Net changes in fund balances	644,355	(2,100,890)	(1,456,535)
Fund balances, beginning as previously reported	1,603,326	16,530,488	18,133,814
Prior period adjustment	1,612,472	-	1,612,472
Fund balances, beginning	<u>3,215,798</u>	<u>16,530,488</u>	<u>19,746,286</u>
Fund balances, ending	<u><u>\$ 3,860,153</u></u>	<u><u>\$ 14,429,598</u></u>	<u><u>\$ 18,289,751</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

Schedule 6

	Emergency Telephone System Fund	Sampson Area Transportation Fund	Fire Districts Fund	Soil and Water Conservation District Fund	Opioid Settlement Fund	Urgent Home Repair Grant Project Fund	Hurricane Florence Fund	Hurricane Matthew Fund	Disaster Recovery NCEM Fund	Community Development ESFR-20 Fund	Community Development CDBG Fund	CARES Act Fund	Total
ASSETS													
Cash and cash equivalents	\$ 723,743	\$ 454,496	\$ 327,918	\$ 120,658	\$ -	\$ 89,376	\$ 3,532	\$ 12,471	\$ 5,509	\$ 167	\$ 216	\$ -	\$ 1,738,086
Restricted cash	-	-	-	-	2,261,413	-	-	-	-	-	-	44	2,261,457
Accounts receivable, net	21,174	68,028	42,352	-	-	-	-	-	-	-	-	-	131,554
Taxes receivable, net	-	-	135,405	-	-	-	-	-	-	-	-	-	135,405
Total assets	<u>\$ 744,917</u>	<u>\$ 522,524</u>	<u>\$ 505,675</u>	<u>\$ 120,658</u>	<u>\$ 2,261,413</u>	<u>\$ 89,376</u>	<u>\$ 3,532</u>	<u>\$ 12,471</u>	<u>\$ 5,509</u>	<u>\$ 167</u>	<u>\$ 216</u>	<u>\$ 44</u>	<u>\$ 4,266,502</u>
LIABILITIES													
Accounts payable and accrued liabilities	\$ 150,059	\$ 100,324	\$ 13,356	\$ 4,690	\$ -	\$ 2,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,946
Total liabilities	<u>150,059</u>	<u>100,324</u>	<u>13,356</u>	<u>4,690</u>	<u>-</u>	<u>2,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,946</u>
DEFERRED INFLOWS OF RESOURCES													
Deferred tax revenue	-	-	135,403	-	-	-	-	-	-	-	-	-	135,403
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>135,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,403</u>
FUND BALANCES													
Restricted													
Stabilization by State statute	21,174	-	-	-	-	-	-	-	-	-	-	-	21,174
Public safety	-	-	356,916	-	2,261,413	-	-	-	-	-	-	-	356,916
Opioid settlement	-	-	-	-	-	-	-	-	-	-	-	-	2,261,413
Committed													
Public safety	573,684	-	-	-	-	-	-	-	-	-	-	-	573,684
Environmental protection	-	-	-	115,968	-	-	-	-	-	-	-	-	115,968
Human services	-	422,200	-	-	-	86,859	3,532	12,471	5,509	167	216	44	530,998
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>594,858</u>	<u>422,200</u>	<u>356,916</u>	<u>115,968</u>	<u>2,261,413</u>	<u>86,859</u>	<u>3,532</u>	<u>12,471</u>	<u>5,509</u>	<u>167</u>	<u>216</u>	<u>44</u>	<u>3,860,153</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 744,917</u>	<u>\$ 522,524</u>	<u>\$ 505,675</u>	<u>\$ 120,658</u>	<u>\$ 2,261,413</u>	<u>\$ 89,376</u>	<u>\$ 3,532</u>	<u>\$ 12,471</u>	<u>\$ 5,509</u>	<u>\$ 167</u>	<u>\$ 216</u>	<u>\$ 44</u>	<u>\$ 4,266,502</u>

SAMPSON COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

Schedule 7

	Emergency Telephone System Fund	Sampson Area Transportation Fund	Fire Districts Fund	Soil and Water Conservation District Fund	Opioid Settlement Fund	Urgent Home Repair Grant Project Fund	Hurricane Florence Fund	Hurricane Matthew Fund	Disaster Recovery NCEM Fund	Community Development ESFR-20 Fund	Community Development CDBG Fund	CARES Act Fund	Total
REVENUES													
State, federal, and local grants	\$ -	\$ 1,008,132	\$ -	\$ 3,600	\$ -	\$ 129,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,141,641
Fees	254,087	822,701	-	-	-	-	-	-	-	-	-	-	1,076,788
Ad valorem taxes	-	-	4,215,666	-	-	-	-	-	-	-	-	-	4,215,666
Investment earnings	9,479	21,333	-	4,946	-	3,710	-	-	-	-	-	-	39,468
Other	-	7,897	-	2,211	648,941	-	-	-	-	-	-	-	659,049
Total revenues	263,566	1,860,063	4,215,666	10,757	648,941	133,619	-	-	-	-	-	-	7,132,612
EXPENDITURES													
Public safety	320,156	-	3,992,559	-	-	-	-	-	-	-	-	-	4,312,715
Environmental protection	-	-	-	12,966	-	-	-	-	-	-	-	-	12,966
Human services	-	1,897,571	-	-	-	132,010	-	-	-	-	-	-	2,029,581
Total expenditures	320,156	1,897,571	3,992,559	12,966	-	132,010	-	-	-	-	-	-	6,355,262
Excess (deficiency) of revenues over expenditures	(56,590)	(37,508)	223,107	(2,209)	648,941	1,609	-	-	-	-	-	-	777,350
OTHER FINANCING SOURCES (USES)													
Transfers out	-	(132,995)	-	-	-	-	-	-	-	-	-	-	(132,995)
Total other financing sources (uses)	-	(132,995)	-	-	-	-	-	-	-	-	-	-	(132,995)
Net change in fund balance	(56,590)	(170,503)	223,107	(2,209)	648,941	1,609	-	-	-	-	-	-	644,355
Fund balances, beginning as previously reported	651,448	592,703	133,809	118,177	-	85,250	3,532	12,471	5,509	167	216	44	1,603,326
Prior period adjustment	-	-	-	-	1,612,472	-	-	-	-	-	-	-	1,612,472
Fund balances, beginning	651,448	592,703	133,809	118,177	1,612,472	85,250	3,532	12,471	5,509	167	216	44	3,215,798
Fund balances, ending	\$ 594,858	\$ 422,200	\$ 356,916	\$ 115,968	\$ 2,261,413	\$ 86,859	\$ 3,532	\$ 12,471	\$ 5,509	\$ 167	\$ 216	\$ 44	\$ 3,860,153

SAMPSON COUNTY, NORTH CAROLINA

Schedule 8

Nonmajor Special Revenue Funds - Emergency Telephone System Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
NC 911 PSAP fees	\$ 222,626	\$ 254,087	\$ 31,461
NC 911 PSAP grants	-	-	-
Investment earnings	-	9,479	9,479
Total revenues	<u>222,626</u>	<u>263,566</u>	<u>40,940</u>
Expenditures:			
Operations and maintenance	54,575	36,219	18,356
Telephone and postage	38,662	15,329	23,333
Contracted services	132,413	90,700	41,713
Data processing	184,656	177,908	6,748
911 facility construction	-	-	-
Total expenditures	<u>410,306</u>	<u>320,156</u>	<u>90,150</u>
Revenues over (under) expenditures	<u>(187,680)</u>	<u>(56,590)</u>	<u>131,090</u>
Appropriated fund balance	<u>187,680</u>	<u>-</u>	<u>(187,680)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(56,590)</u>	<u><u>\$ (56,590)</u></u>
Fund balance, beginning		<u>651,448</u>	
Fund balance, ending		<u><u>\$ 594,858</u></u>	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 9

Nonmajor Special Revenue Funds - Sampson Area Transportation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
State grants	\$ 1,280,488	\$ 1,008,132	\$ (272,356)
Fees	1,054,621	822,701	(231,920)
Investment earnings	-	21,333	21,333
Miscellaneous revenue	-	7,897	7,897
Total revenues	<u>2,335,109</u>	<u>1,860,063</u>	<u>(475,046)</u>
Expenditures:			
Salaries and employee benefits	996,492	958,590	37,902
Gas, oil, and tires	195,339	187,015	8,324
Maintenance and repairs	45,148	36,992	8,156
Operations	39,669	36,265	3,404
Data processing	21,055	21,054	1
Insurance and bonds	38,000	3,386	34,614
Capital outlay	885,092	654,269	230,823
Total expenditures	<u>2,220,795</u>	<u>1,897,571</u>	<u>323,224</u>
Revenues over (under) expenditures	<u>114,314</u>	<u>(37,508)</u>	<u>(151,822)</u>
Other Financing Sources (Uses)			
Transfers out	(132,995)	(132,995)	-
Total other financing sources (uses)	<u>(132,995)</u>	<u>(132,995)</u>	<u>-</u>
Appropriated fund balance	<u>18,681</u>	<u>-</u>	<u>(18,681)</u>
Net change in fund balance	<u>\$ -</u>	<u>(170,503)</u>	<u>\$ (170,503)</u>
Fund balance, beginning		<u>592,703</u>	
Fund balance, ending		<u>\$ 422,200</u>	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 10

Nonmajor Special Revenue Funds - Fire Districts Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 3,826,200	\$ 4,119,938	\$ 293,738
Prior year	45,900	90,179	44,279
Penalties and interest	-	5,549	5,549
Total revenues	3,872,100	4,215,666	343,566
Expenditures:			
Fire protection	4,005,854	3,992,559	13,295
Total expenditures	4,005,854	3,992,559	13,295
Revenues over (under) expenditures	(133,754)	223,107	356,861
Appropriated fund balance	133,754	-	(133,754)
Net change in fund balance	<u>\$ -</u>	223,107	<u>\$ 223,107</u>
Fund balance, beginning		133,809	
Fund balance, ending		<u>\$ 356,916</u>	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 11

Nonmajor Special Revenue Funds - Fire Districts Fund - By District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

District	Ad Volorem Taxes	Fire Protection Transfers to Districts	Revenues Over (Under) Expenditures	Fund Balance Beginning	Fund Balance Ending
Coharie	\$ 251,731	\$ 205,354	\$ 46,377	\$ 6,808	\$ 53,185
Franklin	236,769	239,236	(2,467)	3,279	812
Godwin-Falcon	32,276	32,226	50	-	50
Halls	180,266	175,075	5,191	2,313	7,504
Herring	223,505	225,997	(2,492)	2,503	11
Honeycutt-Salemburg	221,595	217,441	4,154	5,229	9,383
Newton Grave	123,617	116,562	7,055	5,739	12,794
Piney Grove	122,266	116,015	6,251	2,607	8,858
Plain View	424,398	374,294	50,104	18,872	68,976
Spivey's Corner	214,677	206,834	7,843	4,488	12,331
Turkey	239,245	235,523	3,722	288	4,010
Vanns Crossroads	107,819	106,316	1,503	6,105	7,608
Clinton	634,261	609,579	24,682	14,682	39,364
Clement	319,216	302,072	17,144	20,662	37,806
Autryville	181,508	163,035	18,473	11,225	29,698
Garland	154,949	155,033	(84)	142	58
Taylors Bridge	444,253	401,830	42,423	11,068	53,491
Goshen	86,404	92,327	(5,923)	15,129	9,206
Jordans Chapel	9,653	8,967	686	1,067	1,753
Smith Chapel	7,258	8,843	(1,585)	1,603	18
	<u>\$ 4,215,666</u>	<u>\$ 3,992,559</u>	<u>\$ 223,107</u>	<u>\$ 133,809</u>	<u>\$ 356,916</u>

SAMPSON COUNTY, NORTH CAROLINA
Nonmajor Special Revenue Funds - Soil and Water Conservation District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
State grants	\$ 3,600	\$ 3,600	\$ -
Investment earnings	-	4,946	4,946
Miscellaneous	5,951	2,211	(3,740)
Total revenues	9,551	10,757	1,206
Expenditures:			
Travel	3,877	3,548	329
Operations and maintenance	6,335	4,884	1,451
Capital outlay	5,011	4,534	477
Total expenditures	15,223	12,966	2,257
Revenues over (under) expenditures	(5,672)	(2,209)	3,463
Appropriated fund balance	5,672	-	(5,672)
Net change in fund balance	<u>\$ -</u>	(2,209)	<u>\$ (2,209)</u>
Fund balance, beginning		118,177	
Fund balance, ending		<u>\$ 115,968</u>	

SAMPSON COUNTY, NORTH CAROLINA
Nonmajor Special Revenue Funds - Opioid Settlement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

Schedule 13

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Opioid settlement	\$ -	\$ 648,941	\$ 648,941
Total revenues	-	648,941	648,941
Net change in fund balance	<u>\$ -</u>	<u>648,941</u>	<u>\$ 648,941</u>
Fund balance, beginning as previously reported		-	
Prior period adjustment		<u>1,612,472</u>	
Fund balance, beginning		<u>1,612,472</u>	
Fund balance, ending		<u>\$ 2,261,413</u>	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 14

Nonmajor Special Revenue Funds - Urgent Home Repair Grant Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State and local grants	\$ 1,046,520	\$ 830,858	\$ 129,909	\$ 960,767	\$ (85,753)
Investment earnings	390	6,695	3,710	10,405	10,015
Total revenues	1,046,910	837,553	133,619	971,172	(75,738)
Expenditures:					
Salaries and employee benefits	5,609	5,609	-	5,609	-
Building materials	429,531	259,729	57,316	317,045	112,486
Department supplies	6,057	6,056	47	6,103	(46)
Contracted services	510,295	430,859	55,344	486,203	24,092
Capital outlay	53,553	41,865	252	42,117	11,436
Transfer to state agency	41,865	8,185	19,051	27,236	14,629
Total expenditures	1,046,910	752,303	132,010	884,313	162,597
Net change in fund balance	\$ -	\$ 85,250	1,609	\$ 86,859	\$ 86,859
Fund balance, beginning			85,250		
Fund balance, ending			\$ 86,859		

SAMPSON COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2025

Schedule 15

	Schools Capital Project Fund	Schools Construction Capital Project Fund	Airport Expansion Capital Project Fund	County Buildings Construction and Renovation Fund	Emergency Management Facilities Capital Project Fund	Courthouse Annex Renovations Capital Project Fund	ARPA Projects Fund	Sheriff Department Warehouse Capital Project Fund	Emergency Management Department Warehouse Capital Project Fund	Sheriff Department Body Cameras Capital Project Fund	Animal Shelter Renovation Capital Project Fund	Community College Building Improvements Capital Project Fund	Community Buildings Capital Project Fund	County and Fire Departments Capital Project Fund	Total
ASSETS															
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,508	\$ -	\$ 29,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,612
Restricted cash	5,982,315	805,402	-	-	4,563,649	-	1,555,342	35,819	205,665	287,327	147,311	-	88,366	130,672	13,801,868
Accounts receivable, net	1,055,575	-	1,961	-	-	-	-	-	-	-	-	-	-	-	1,057,536
Total assets	<u>7,037,890</u>	<u>805,402</u>	<u>1,961</u>	<u>5,508</u>	<u>4,563,649</u>	<u>29,104</u>	<u>1,555,342</u>	<u>35,819</u>	<u>205,665</u>	<u>287,327</u>	<u>147,311</u>	<u>-</u>	<u>88,366</u>	<u>130,672</u>	<u>14,894,016</u>
LIABILITIES															
Accounts payable and accrued liabilities	-	-	113,931	-	-	-	-	-	-	-	-	-	4,600	-	118,531
Due to general fund	-	-	345,887	-	-	-	-	-	-	-	-	-	-	-	345,887
Total liabilities	<u>-</u>	<u>-</u>	<u>459,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,600</u>	<u>-</u>	<u>464,418</u>
FUND BALANCES															
Restricted															
Education	7,037,890	805,402	-	-	-	-	-	-	-	-	-	-	-	-	7,843,292
Committed	-	-	-	-	-	-	-	-	-	287,327	-	-	-	-	287,327
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	83,766	-	83,766
Capital expansion	-	-	(457,857)	5,508	4,563,649	29,104	1,555,342	35,819	205,665	-	147,311	-	-	130,672	6,215,213
Total fund balances	<u>7,037,890</u>	<u>805,402</u>	<u>(457,857)</u>	<u>5,508</u>	<u>4,563,649</u>	<u>29,104</u>	<u>1,555,342</u>	<u>35,819</u>	<u>205,665</u>	<u>287,327</u>	<u>147,311</u>	<u>-</u>	<u>83,766</u>	<u>130,672</u>	<u>14,429,598</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,037,890</u>	<u>\$ 805,402</u>	<u>\$ 1,961</u>	<u>\$ 5,508</u>	<u>\$ 4,563,649</u>	<u>\$ 29,104</u>	<u>\$ 1,555,342</u>	<u>\$ 35,819</u>	<u>\$ 205,665</u>	<u>\$ 287,327</u>	<u>\$ 147,311</u>	<u>\$ -</u>	<u>\$ 88,366</u>	<u>\$ 130,672</u>	<u>\$ 14,894,016</u>

SAMPSON COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2025

Schedule 16

	Schools Capital Project Fund	Schools Construction Capital Project Fund	Airport Expansion Capital Project Fund	County Buildings Construction and Renovation Fund	Emergency Management Facilities Capital Project Fund	Courthouse Annex Renovations Capital Project Fund	ARPA Projects Fund	Sheriff Department Warehouse Capital Project Fund	Emergency Management Department Warehouse Capital Project Fund	Sheriff Department Body Cameras Capital Project Fund	Animal Shelter Renovation Capital Project Fund	Community College Building Improvements Capital Project Fund	Community Buildings Capital Project Fund	County and Fire Departments Capital Project Fund	Total
REVENUES															
State, federal, and local grants	\$ -	\$ -	\$ 266,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,302
Sales taxes	3,963,398	-	-	-	-	-	-	-	-	-	-	-	-	-	3,963,398
Investment earnings	363,579	5,428	-	-	575	-	-	-	-	-	-	-	-	-	369,582
Total revenues	4,326,977	5,428	266,302	-	575	-	-	-	-	-	-	-	-	-	4,599,282
EXPENDITURES															
General government	-	-	-	-	-	-	1,721,664	-	-	-	-	-	-	-	1,721,664
Capital expansion	-	278	370,461	-	9,079	-	-	63,961	241,982	-	74,990	802,562	81,813	291,891	1,937,017
Total expenditures	-	278	370,461	-	9,079	-	1,721,664	63,961	241,982	-	74,990	802,562	81,813	291,891	3,658,681
Excess (deficiency) of revenues over expenditures	4,326,977	5,150	(104,159)	-	(8,504)	-	(1,721,664)	(63,961)	(241,982)	-	(74,990)	(802,562)	(81,813)	(291,891)	940,601
OTHER FINANCING SOURCES (USES)															
Transfers out	(3,041,491)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,041,491)
Total other financing sources (uses)	(3,041,491)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,041,491)
Net change in fund balance	1,285,486	5,150	(104,159)	-	(8,504)	-	(1,721,664)	(63,961)	(241,982)	-	(74,990)	(802,562)	(81,813)	(291,891)	(2,100,890)
Fund balances, beginning	5,752,404	800,252	(353,698)	5,508	4,572,153	29,104	3,277,006	99,780	447,647	287,327	222,301	802,562	165,579	422,563	16,530,488
Fund balances, ending	\$ 7,037,890	\$ 805,402	\$ (457,857)	\$ 5,508	\$ 4,563,649	\$ 29,104	\$ 1,555,342	\$ 35,819	\$ 205,665	\$ 287,327	\$ 147,311	\$ -	\$ 83,766	\$ 130,672	\$ 14,429,598

SAMPSON COUNTY, NORTH CAROLINA

Schedule 17

Nonmajor Capital Project Funds - Schools Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and licenses	\$ 2,921,121	\$ 3,963,398	\$ 1,042,277
Investment earnings	-	363,579	363,579
Total revenues	2,921,121	4,326,977	1,405,856
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	(4,285,994)	(3,041,491)	1,244,503
Total other financing sources (uses)	(4,285,994)	(3,041,491)	1,244,503
Appropriated fund balance	1,364,873	-	(1,364,873)
Net change in fund balance	\$ -	1,285,486	\$ 1,285,486
Fund balance, beginning		5,752,404	
Fund balance, ending		\$ 7,037,890	

SAMPSON COUNTY, NORTH CAROLINA

Schedule 18

Nonmajor Capital Project Funds - Schools Construcion Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Sales tax refund	\$ -	\$ 279,498	\$ -	\$ 279,498	\$ 279,498
Investment earnings	24,000	165,585	5,428	171,013	147,013
Total revenues	24,000	445,083	5,428	450,511	426,511
Expenditures:					
School construction:					
Clinton City schools	2,024,000	2,004,307	-	2,004,307	19,693
Sampson County schools	2,000,000	1,997,257	278	1,997,535	2,465
Community facilities	2,536,536	2,520,204	-	2,520,204	16,332
Total expenditures	6,560,536	6,521,768	278	6,522,046	38,490
Other Financing Sources (Uses)					
Transfers in	-	340,401	-	340,401	340,401
COPs debt premium	2,536,536	2,536,536	-	2,536,536	-
Loan proceeds	4,000,000	4,000,000	-	4,000,000	-
Total other financing sources (uses)	6,536,536	6,876,937	-	6,876,937	340,401
Net change in fund balance	<u>\$ -</u>	<u>\$ 800,252</u>	5,150	<u>\$ 805,402</u>	<u>\$ 805,402</u>
Fund balance, beginning			<u>800,252</u>		
Fund balance, ending			<u>\$ 805,402</u>		

SAMPSON COUNTY, NORTH CAROLINA

Schedule 19

Nonmajor Capital Project Funds - Airport Expansion Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
State, federal, and local grants	\$ 6,852,916	\$ 6,173,049	\$ 266,302	\$ 6,439,351	\$ (413,565)
Total revenues	<u>6,852,916</u>	<u>6,173,049</u>	<u>266,302</u>	<u>6,439,351</u>	<u>(413,565)</u>
Expenditures:					
Capital expansion:					
Professional services	2,498,033	2,399,664	370,461	2,770,125	(272,092)
Construciton costs	3,548,295	3,452,209	-	3,452,209	96,086
Land	876,068	815,027	-	815,027	61,041
Capital outlay	<u>205,019</u>	<u>58,520</u>	<u>-</u>	<u>58,520</u>	<u>146,499</u>
Total expenditures	<u>7,127,415</u>	<u>6,725,420</u>	<u>370,461</u>	<u>7,095,881</u>	<u>31,534</u>
Other Financing Sources (Uses)					
Transfers in	<u>274,499</u>	<u>196,908</u>	<u>-</u>	<u>196,908</u>	<u>(77,591)</u>
Total other financing sources (uses)	<u>274,499</u>	<u>196,908</u>	<u>-</u>	<u>196,908</u>	<u>(77,591)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (355,463)</u>	<u>(104,159)</u>	<u>\$ (459,622)</u>	<u>\$ (459,622)</u>
Fund balance, beginning			<u>(353,698)</u>		
Fund balance, ending			<u>\$ (457,857)</u>		

SAMPSON COUNTY, NORTH CAROLINA **Schedule 20**
Nonmajor Capital Project Funds - Emergency Management Facilities Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 4,500,000	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 3,500,000
Investment earnings	-	7,830	575	8,405	8,405
Total revenues	4,500,000	8,007,830	575	8,008,405	3,508,405
Expenditures:					
Engineering	1,842,319	1,815,412	-	1,815,412	26,907
Construciton costs	10,109,324	9,314,365	9,079	9,323,444	785,880
Contingency	248,357	-	-	-	248,357
Total expenditures	12,200,000	11,129,777	9,079	11,138,856	1,061,144
Other Financing Sources (Uses)					
Installment purchase debt issued	7,700,000	7,694,100	-	7,694,100	(5,900)
Total other financing sources (uses)	7,700,000	7,694,100	-	7,694,100	(5,900)
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,572,153</u>	(8,504)	<u>\$ 4,563,649</u>	<u>\$ 4,563,649</u>
Fund balance, beginning			4,572,153		
Fund balance, ending			<u>\$ 4,563,649</u>		

SAMPSON COUNTY, NORTH CAROLINA

Schedule 21

Nonmajor Capital Project Funds - ARPA Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
State, federal, and local grants	\$ 12,340,152	\$ 12,340,152	\$ -	\$ 12,340,152	\$ -
Total revenues	<u>12,340,152</u>	<u>12,340,152</u>	<u>-</u>	<u>12,340,152</u>	<u>-</u>
Expenditures:					
Premium pay	507,873	507,298	-	507,298	575
Water infrastructure	7,332,279	4,522,092	1,755,420	6,277,512	1,054,767
Revenue replacement	4,000,000	4,000,000	-	4,000,000	-
Boardband infrastructure	<u>500,000</u>	<u>33,756</u>	<u>(33,756)</u>	<u>-</u>	<u>500,000</u>
Total expenditures	<u>12,340,152</u>	<u>9,063,146</u>	<u>1,721,664</u>	<u>10,784,810</u>	<u>1,555,342</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,277,006</u>	<u>(1,721,664)</u>	<u>\$ 1,555,342</u>	<u>\$ 1,555,342</u>
Fund balance, beginning			<u>3,277,006</u>		
Fund balance, ending			<u>\$ 1,555,342</u>		

SAMPSON COUNTY, NORTH CAROLINA
Nonmajor Capital Project Funds - Sheriff Department Warehouse Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

Schedule 22

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Investment earnings	-	36,737	-	36,737	36,737
Total revenues	1,000,000	1,036,737	-	1,036,737	36,737
Expenditures:					
Construction costs	860,175	849,986	33,245	883,231	(23,056)
Professional services	93,500	86,971	30,716	117,687	(24,187)
Contingency	46,325	-	-	-	46,325
Total expenditures	1,000,000	936,957	63,961	1,000,918	(918)
Net change in fund balance	<u>\$ -</u>	<u>\$ 99,780</u>	(63,961)	<u>\$ 35,819</u>	<u>\$ 35,819</u>
Fund balance, beginning			99,780		
Fund balance, ending			<u>\$ 35,819</u>		

SAMPSON COUNTY, NORTH CAROLINA **Schedule 23**
Nonmajor Capital Project Funds - Emergency Management Department Warehouse Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Investment earnings	-	75,782	-	75,782	75,782
Total revenues	<u>2,000,000</u>	<u>2,075,782</u>	<u>-</u>	<u>2,075,782</u>	<u>75,782</u>
Expenditures:					
Construction costs	1,728,575	1,453,340	164,585	1,617,925	110,650
Professional services	181,500	174,795	64,135	238,930	(57,430)
Capital outlay	-	-	13,262	13,262	(13,262)
Contingency	<u>89,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,925</u>
Total expenditures	<u>2,000,000</u>	<u>1,628,135</u>	<u>241,982</u>	<u>1,870,117</u>	<u>129,883</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 447,647</u>	<u>(241,982)</u>	<u>\$ 205,665</u>	<u>\$ 205,665</u>
Fund balance, beginning			<u>447,647</u>		
Fund balance, ending			<u>\$ 205,665</u>		

SAMPSON COUNTY, NORTH CAROLINA

Schedule 24

Nonmajor Capital Project Funds - Animal Shelter Renovation Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 711,435	\$ 711,435	\$ -	\$ 711,435	\$ -
Investment earnings	-	34,969	-	34,969	34,969
Total revenues	<u>711,435</u>	<u>746,404</u>	<u>-</u>	<u>746,404</u>	<u>34,969</u>
Expenditures:					
Professional services	57,000	-	13,059	13,059	43,941
Building improvements	630,000	524,103	61,931	586,034	43,966
Contingency	<u>24,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,435</u>
Total expenditures	<u>711,435</u>	<u>524,103</u>	<u>74,990</u>	<u>599,093</u>	<u>112,342</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 222,301</u>	<u>(74,990)</u>	<u>\$ 147,311</u>	<u>\$ 147,311</u>
Fund balance, beginning			<u>222,301</u>		
Fund balance, ending			<u>\$ 147,311</u>		

SAMPSON COUNTY, NORTH CAROLINA **Schedule 25**
Nonmajor Capital Project Funds - Community College Building Improvements Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Expenditures:					
Building improvements	<u>1,000,000</u>	<u>197,438</u>	<u>802,562</u>	<u>1,000,000</u>	<u>-</u>
Total expenditures	<u>1,000,000</u>	<u>197,438</u>	<u>802,562</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 802,562</u>	<u>(802,562)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>802,562</u>		
Fund balance, ending			<u>\$ -</u>		

SAMPSON COUNTY, NORTH CAROLINA
Nonmajor Capital Project Funds - Community Buildings Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

Schedule 26

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Expenditures:					
Plain view community center	350,000	193,449	77,416	270,865	79,135
Sampson history museum	<u>50,000</u>	<u>40,972</u>	<u>4,397</u>	<u>45,369</u>	<u>4,631</u>
Total expenditures	<u>400,000</u>	<u>234,421</u>	<u>81,813</u>	<u>316,234</u>	<u>83,766</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 165,579</u>	<u>(81,813)</u>	<u>\$ 83,766</u>	<u>\$ 83,766</u>
Fund balance, beginning			<u>165,579</u>		
Fund balance, ending			<u>\$ 83,766</u>		

SAMPSON COUNTY, NORTH CAROLINA

Schedule 27

Nonmajor Capital Project Funds - County & Fire Departments Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and For the Year Ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State, federal, and local grants	\$ 1,350,000	\$ 1,350,000	\$ -	\$ 1,350,000	\$ -
Investment earnings	-	44,975	-	44,975	44,975
Total revenues	<u>1,350,000</u>	<u>1,394,975</u>	<u>-</u>	<u>1,394,975</u>	<u>44,975</u>
Expenditures:					
Capital outlay - county	750,000	439,558	291,000	730,558	19,442
Capital outlay - fire departments	<u>600,000</u>	<u>532,854</u>	<u>891</u>	<u>533,745</u>	<u>66,255</u>
Total expenditures	<u>1,350,000</u>	<u>972,412</u>	<u>291,891</u>	<u>1,264,303</u>	<u>85,697</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 422,563</u>	<u>(291,891)</u>	<u>\$ 130,672</u>	<u>\$ 130,672</u>
Fund balance, beginning			<u>422,563</u>		
Fund balance, ending			<u>\$ 130,672</u>		

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds - Water and Sewer Fund - District I
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025

Schedule 28

	2025		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services:			
Water sales	\$ 1,230,861	\$ 1,428,230	\$ 197,369
Penalties	1,440	2,584	1,144
Tap fees	10,000	24,700	14,700
Miscellaneous	25,000	49,335	24,335
Total operating revenues	1,267,301	1,504,849	237,548
Non-Operating Revenues:			
Interest earnings	-	33,977	33,977
Total non-operating revenues	-	33,977	33,977
Total revenues	1,267,301	1,538,826	271,525
Expenditures:			
Operating expenditures			
Salaries and benefits	277,722	240,400	37,322
Bulk water purchases	450,000	387,464	62,536
Training	1,125	454	671
Contracted services	134,848	79,437	55,411
Operations and maintenance	304,883	281,576	23,307
Capital outlay	176,370	29,583	146,787
Total operating expenditures	1,344,948	1,018,914	326,034
Debt service			
Principal	41,000	41,000	-
Interest	26,000	25,523	477
Total debt service	67,000	66,523	477
Total expenditures	1,411,948	1,085,437	326,511
Appropriated fund balance	144,647	-	(144,647)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 453,389	\$ 453,389

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds - Water and Sewer Fund - District I
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025
(Continued)

Schedule 28

	<u>2025</u>
Reconciliation from Budgetary Basis	
(Modified Accrual) to Full Accrual Basis:	
Revenues and other financing sources over expenditures and other financing uses	\$ 453,389
Depreciation	(141,350)
Debt principal	41,000
Capital outlay	29,583
Change in accrued interest	167
Change in compensated absences	(19,184)
Change in other postemployment benefits	(9,070)
Change in deferred outflows of resources - OPEB	(9,825)
Change in deferred inflows of resources - OPEB	(5,380)
Change in net pension liability	(36,483)
Change in deferred outflows of resources - pension	24,308
Change in deferred inflows of resources - pension	<u>3,302</u>
Change in net position	<u><u>\$ 330,457</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds - Water and Sewer Fund - District II
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025

Schedule 29

	2025		
	Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services:			
Water sales	\$ 2,956,993	\$ 3,332,537	\$ 375,544
Penalties	4,560	8,183	3,623
Tap fees	130,000	116,800	(13,200)
Miscellaneous	65,000	156,226	91,226
Total operating revenues	3,156,553	3,613,746	457,193
Non-Operating Revenues:			
Interest earnings	-	14,562	14,562
Total non-operating revenues	-	14,562	14,562
Total revenues	3,156,553	3,628,308	471,755
Expenditures:			
Operating expenditures			
Salaries and benefits	836,284	741,183	95,101
Bulk water purchases	200,000	132,622	67,378
Training	3,875	1,566	2,309
Contracted services	308,919	273,615	35,304
Operations and maintenance	705,014	614,447	90,567
Capital outlay	29,792	29,582	210
Total operating expenditures	2,083,884	1,793,015	290,869
Debt service			
Principal	661,100	660,707	393
Interest	413,500	411,569	1,931
Total debt service	1,074,600	1,072,276	2,324
Total expenditures	3,158,484	2,865,291	293,193
Appropriated fund balance	1,931	-	(1,931)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 763,017	\$ 764,948

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds - Water and Sewer Fund - District II
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025
(Continued)

Schedule 29

	<u>2025</u>
Reconciliation from Budgetary Basis	
(Modified Accrual) to Full Accrual Basis:	
Revenues and other financing sources over expenditures and other financing uses	\$ 763,017
Depreciation	(1,016,688)
Amortization of bond premiums	28,092
Debt principal	660,707
Capital outlay	29,582
Capital contributions in capital projects	3,554,837
Change in accrued interest	1,995
Change in compensated absences	(31,301)
Change in other postemployment benefits	(11,962)
Change in deferred outflows of resources - OPEB	(43,412)
Change in deferred inflows of resources - OPEB	(16,682)
Change in net pension liability	(82,648)
Change in deferred outflows of resources - pension	62,374
Change in deferred inflows of resources - pension	<u>15,500</u>
Change in net position	<u><u>\$ 3,913,411</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds -Water and Sewer Line Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025

Schedule 30

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					
State, federal, and local grants	\$ 18,992,330	\$ 5,561,083	\$ 3,189,711	\$ 8,750,794	\$ (10,241,536)
Sales tax refund	116,460	116,460	-	116,460	-
Johnston County capacity assessment	450,000	1,500,000	-	1,500,000	1,050,000
Total revenues	<u>19,558,790</u>	<u>7,177,543</u>	<u>3,189,711</u>	<u>10,367,254</u>	<u>(9,191,536)</u>
Expenditures:					
Construction costs	21,520,463	10,780,805	6,252,872	17,033,677	4,486,786
Engineering	3,027,134	2,317,435	584,992	2,902,427	124,707
Legal	8,368	8,368	-	8,368	-
Other professional services	1,225,967	554,058	-	554,058	671,909
Capitalized interest	90,685	90,685	-	90,685	-
Contingency	1,407,610	-	-	-	1,407,610
Land and right of way	137,435	111,880	67,269	179,149	(41,714)
Total expenditures	<u>27,417,662</u>	<u>13,863,231</u>	<u>6,905,133</u>	<u>20,768,364</u>	<u>6,649,298</u>
Other Financing Sources (Uses):					
Transfers in	280,165	216,006	-	216,006	(64,159)
Transfers out	(64,160)	-	-	-	64,160
Installment purchase water debt proceeds	1,792,000	1,792,000	-	1,792,000	-
Loan proceeds	5,850,867	4,151,338	-	4,151,338	(1,699,529)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,858,872</u>	<u>6,159,344</u>	<u>-</u>	<u>6,159,344</u>	<u>(1,699,528)</u>
Revenues and other financing sources over (under)					
expenditures and other financing uses	<u>\$ -</u>	<u>\$ (526,344)</u>	<u>\$ (3,715,422)</u>	<u>\$ (4,241,766)</u>	<u>\$ (4,241,766)</u>

SAMPSON COUNTY, NORTH CAROLINA
Major Enterprise Funds -Water and Sewer SCIF Water Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2025

Schedule 31

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
State SCIF grant	\$ 14,485,100	\$ 14,485,100	\$ -	\$ 14,485,100	\$ -
Investment earnings	-	555,842	365,126	920,968	920,968
Total revenues	14,485,100	15,040,942	365,126	15,406,068	920,968
Expenditures:					
Construction costs	13,015,100	3,956,466	1,312,937	5,269,403	(7,745,697)
Engineering	900,000	728,986	350,558	1,079,544	179,544
Other professional services	150,000	1,173	-	1,173	(148,827)
Contingency	370,000	-	-	-	(370,000)
Land and right of way	50,000	24,997	2,834	27,831	(22,169)
Total expenditures	14,485,100	4,711,622	1,666,329	6,377,951	(8,107,149)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 10,329,320	\$ (1,301,203)	\$ 9,028,117	\$ 9,028,117

SAMPSON COUNTY, NORTH CAROLINA
Internal Service Funds - Hospitalization Trust Fund
Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)
For the Year Ended June 30, 2025

Schedule 32

	2025		
	Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 8,003,904	\$ 8,398,034	\$ 394,130
Total operating revenues	8,003,904	8,398,034	394,130
Non-Operating Revenues:			
Interest on investments	-	52,249	52,249
Total non-operating revenues	-	52,249	52,249
Total revenues	8,003,904	8,450,283	446,379
Operating Expenditures:			
Claims paid	8,003,904	7,840,373	(163,531)
Total operating expenditures	8,003,904	7,840,373	(163,531)
Revenues over (under) expenditures	\$ -	609,910	\$ 609,910
Fund balance, beginning		506,171	
Fund balance, ending		\$ 1,116,081	

SAMPSON COUNTY, NORTH CAROLINA
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

Schedule 33

Assets:

	Social Services Trust	Detention Center Trust	Agency Funds	Clinton Supplemental	Total Fiduciary Funds
Cash and cash equivalents	\$ 167,244	\$ 80,139	\$ -	\$ 16,003	\$ 263,386
Accounts receivable	-	-	71,969	16,397	88,366
Total assets	<u>167,244</u>	<u>80,139</u>	<u>71,969</u>	<u>32,400</u>	<u>351,752</u>

Liabilities:

Accounts payable	-	-	32,516	27,854	60,370
Miscellaneous liabilities	167,244	80,139	39,453	-	286,836
Total liabilities	<u>167,244</u>	<u>80,139</u>	<u>71,969</u>	<u>27,854</u>	<u>347,206</u>

Net Position:

Restricted for:					
Individuals, organizations, and other governments	-	-	-	4,546	4,546
Total fiduciary net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,546</u>	<u>\$ 4,546</u>

SAMPSON COUNTY, NORTH CAROLINA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

Schedule 34

	<u>Social Services Trust</u>	<u>Detention Center Trust</u>	<u>Agency Funds</u>	<u>Clinton Supplemental</u>	<u>Fiduciary Funds</u>
Additions					
Collections on behalf of others	\$ 350,439	\$ 636,470	\$ 79,333,864	2,215,734	\$ 82,536,507
Total additions	<u>350,439</u>	<u>636,470</u>	<u>79,333,864</u>	<u>2,215,734</u>	<u>82,536,507</u>
Deductions					
Distribution of collections	350,439	636,470	79,333,864	2,215,587	82,536,360
Total deductions	<u>350,439</u>	<u>636,470</u>	<u>79,333,864</u>	<u>2,215,587</u>	<u>82,536,360</u>
Net increase in fiduciary net position	-	-	-	147	147
Net position, beginning, as previously reported	-	-	-	-	-
Prior period restatement	-	-	-	4,399	4,399
Net position, beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,399</u>	<u>4,399</u>
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,546</u>	<u>\$ 4,546</u>

OTHER SCHEDULES

SAMPSON COUNTY, NORTH CAROLINA

Schedule H-1

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2025

		Uncollected Balance June 30, 2024	Additions	Collections And Credits	Uncollected Balance June 30, 2025
General County:					
Tax Year	Fiscal Year				
2024	2025	\$ -	\$ 45,383,188	\$ 44,364,866	\$ 1,018,322
2023	2024	1,143,671	-	811,917	331,754
2022	2023	329,766	-	181,446	148,320
2021	2022	149,431	-	77,638	71,793
2020	2021	141,877	-	33,814	108,063
2019	2020	84,516	-	24,838	59,678
2018	2019	63,122	-	15,595	47,527
2017	2018	64,216	-	12,108	52,108
2016	2017	63,213	-	6,739	56,474
2015	2016	49,184	-	(30,334)	79,518
2014	2015	21,224	-	21,224	-
Total General County		2,110,220	45,383,188	45,519,851	1,973,557
Fire Districts:					
District					
Plain View		10,796	430,719	431,378	10,137
Spivey's Corner		5,359	218,674	218,258	5,775
Halls		7,314	182,351	182,942	6,723
Franklin		10,257	240,087	240,192	10,152
Turkey		6,934	243,103	242,886	7,151
Vanns		3,431	110,148	109,528	4,051
Godwin-Falcon		722	32,901	32,825	798
Cohaire		12,792	258,679	255,606	15,865
Herring		7,363	227,622	226,910	8,075
Honeycutt-Salemburg		10,857	225,886	225,297	11,446
Piney Grove		3,507	122,589	123,676	2,420
Newton Grove		5,410	124,999	126,220	4,189
Clinton		19,183	646,417	645,355	20,245
Clement		10,939	324,745	324,127	11,557
Herring		5,490	183,520	183,757	5,253
Honeycutt-Salemburg		9,989	156,642	158,245	8,386
Piney Grove		18,701	445,331	452,230	11,802
Newton Grove		1,047	86,504	86,681	870
Clinton		300	9,711	9,773	238
Clement		750	6,832	7,512	70
Total Fire Districts		\$ 151,141	\$ 4,277,460	\$ 4,283,398	145,203
Less: Allowance for uncollectable taxes					(320,228)
Ad valorem taxes, net					\$ 1,798,532

SAMPSON COUNTY, NORTH CAROLINA
General Fund
Schedule of Ad Valorem Taxes Receivable (Continued)
June 30, 2025

Schedule H-1

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 44,751,830
Ad valorem taxes - Fire Districts	4,210,115
Reconciling items:	
Penalties and Interest	411,934
Discounts Allowed	267,923
Property Tax Allocated to the Revaluation Fund	-
Amounts Written Off per Statute of Limitations	<u>21,224</u>
Total Reconciling Items	701,081
Total Collections and Credits	<u><u>\$ 49,663,026</u></u>

SAMPSON COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2025

Schedule H - 2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 6,945,623,840	0.6250%	\$ 43,410,149	\$ 37,704,162	\$ 5,705,987
Total Original Levy	<u>6,945,623,840</u>		<u>43,410,149</u>	<u>37,704,162</u>	<u>5,705,987</u>
Discoveries:					
Current year taxes	<u>327,615,360</u>	0.6250%	<u>2,047,596</u>	<u>2,040,308</u>	<u>7,288</u>
Total Discoveries	<u>327,615,360</u>		<u>2,047,596</u>	<u>2,040,308</u>	<u>7,288</u>
Abatements					
Real, personal, and business property	(11,550,560)	0.6250%	(72,191)	(72,191)	-
Motor vehicles at current year rate	<u>(378,560)</u>	0.6250%	<u>(2,366)</u>	<u>-</u>	<u>(2,366)</u>
Total Abatements	<u>(11,929,120)</u>		<u>(74,557)</u>	<u>(72,191)</u>	<u>(2,366)</u>
Total for Year	<u>\$ 7,261,310,080</u>		<u>45,383,188</u>	<u>39,672,279</u>	<u>5,710,909</u>
Uncollected taxes at June 30, 2025			<u>1,018,322</u>	<u>980,440</u>	<u>37,882</u>
Current year's taxes collected			<u>\$ 44,364,866</u>	<u>\$ 38,691,839</u>	<u>\$ 5,673,027</u>
Current levy collection percentage			<u>97.76%</u>	<u>97.53%</u>	<u>99.34%</u>

SAMPSON COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy (Continued)
County - Wide Levy
For the Fiscal Year Ended June 30, 2025

Schedule H - 2

Secondary Market Disclosures:

Assessed Valuation:

Assesment ratio (1)	100%
Real property	\$3,723,385,131
Personal property	3,332,499,132
Public service companies (2)	<u>205,425,817</u>
Total assessed valuation	\$7,261,310,080
Tax rate per \$100	<u>0.625</u>
Levy (includes discoveries, releases and abatements) (3)	\$ 45,383,188

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2025:

Fire protection districts	<u>\$ 3,644,401</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

Schedule H - 3

Ten Largest Taxpayers

For the Fiscal Year Ended June 30, 2025

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2024 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Duke Energy Progress Inc	Utility	\$ 190,347,506	2.62%
Smithfield Packing Co.	Meat Packing	99,032,630	1.36%
Enviva Pellets Sampson LLC	Manufacturing	128,126,274	1.76%
South River EMC	Utility	94,053,614	1.30%
Piedmont Natural Gas Co	Utility	84,603,432	1.17%
Prestage Farms	Swine/Poultry Grower	64,507,045	0.89%
Four County EMC	Utility	36,713,213	0.51%
USCOC of Greater N.C.	Cellular towers	20,679,444	0.28%
Prestage AG Energy of NC LLC	Utility	14,131,787	0.19%
Schindler Corporation	Manufacturing	14,506,148	0.20%
		<u>\$ 746,701,093</u>	<u>10.28%</u>

SAMPSON COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
County-Wide and Special Districts
For the Fiscal Year Ended June 30, 2025

Schedule H - 4

	Total Property Valuation	Rate Per \$100 of Value	Amount of Levy	Discoveries	Abatements	Net Tax Levy for Year	Uncollected Taxes	Current Year Collected	Percent Collected
County-Wide									
Real, Personal, and Business Property	\$ 6,347,564,257	0.625	\$ 37,704,162	\$ 2,040,308	\$ 72,191	\$ 39,672,279	\$ 980,440	\$ 38,691,839	97.53%
Registered Motor Vehicles	912,579,742	0.625	5,705,987	7,288	2,366	5,710,909	37,882	5,673,027	99.34%
	<u>7,260,143,999</u>		<u>43,410,149</u>	<u>2,047,596</u>	<u>74,557</u>	<u>45,383,188</u>	<u>1,018,322</u>	<u>44,364,866</u>	<u>97.76%</u>
Fire Districts:									
Plain View	537,887,500	0.080	416,944	13,775	409	430,310	7,419	422,891	98.28%
Spivey's Corner	291,377,333	0.075	204,916	13,757	140	218,533	3,543	214,990	98.38%
Halls	331,340,000	0.055	173,231	9,120	114	182,237	5,200	177,037	97.15%
Franklin	319,893,333	0.075	231,830	8,257	167	239,920	7,062	232,858	97.06%
Turkey	303,492,500	0.080	232,047	11,055	308	242,794	4,967	237,827	97.95%
Vanns	137,577,500	0.080	104,442	5,706	86	110,062	2,413	107,649	97.81%
Godwin-Falcon	38,691,765	0.085	31,632	1,268	12	32,888	589	32,299	98.21%
Coharie	304,196,471	0.085	243,745	14,935	113	258,567	11,841	246,726	95.42%
Herring	283,565,000	0.080	210,130	17,492	770	226,852	5,360	221,492	97.64%
Honeycutt-Salemburg	300,737,333	0.075	210,962	14,925	334	225,553	7,657	217,896	96.61%
Piney Grove	204,301,667	0.060	114,318	8,271	8	122,581	1,715	120,866	98.60%
Newton Grove	207,081,667	0.060	116,984	8,015	750	124,249	2,601	121,648	97.91%
Clinton	807,576,250	0.080	615,643	30,774	356	646,061	13,001	633,060	97.99%
Clement	405,661,250	0.080	312,463	12,283	217	324,529	8,477	316,052	97.39%
Autryville	229,248,750	0.080	176,940	6,580	121	183,399	3,601	179,798	98.04%
Garland	208,645,333	0.075	150,444	6,198	158	156,484	4,874	151,610	96.89%
Taylor's Bridge	523,488,235	0.085	425,861	19,470	366	444,965	8,485	436,480	98.09%
Goshen	144,166,667	0.060	85,432	1,072	4	86,500	697	85,803	99.19%
Jordans Chapel	17,656,364	0.055	9,239	472	-	9,711	228	9,483	97.65%
Smith Chapel	13,664,000	0.050	6,806	26	-	6,832	67	6,765	99.02%
			<u>4,074,009</u>	<u>203,451</u>	<u>4,433</u>	<u>4,273,027</u>	<u>99,797</u>	<u>4,173,230</u>	<u>97.66%</u>
Grand Total			<u>\$ 47,484,158</u>	<u>\$ 2,251,047</u>	<u>\$ 78,990</u>	<u>\$ 49,656,215</u>	<u>\$ 1,118,119</u>	<u>\$ 48,538,096</u>	<u>97.75%</u>

COMPLIANCE SECTION

**Independent Auditors' 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 Commissioners
Sampson County
Clinton, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, , the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sampson County (the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 21, 2026.

Our report includes a reference to other auditors who audited the financial statements of the Sampson County Tourism Development Authority (the TDA) and Sampson Regional Medical Center, Inc. (the Hospital), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the TDA and the Hospital, discretely presented component units, were not audited in accordance with Government Auditing Standards.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-01, that we consider to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-02, 2025-03, 2025-04, 2025-05 and 2025-06, that we consider to be significant deficiencies.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sampson County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

Purpose of this Report

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

RH CPA_s, PLLC

Greensboro, North Carolina
April 21, 2026

**Independent Auditors' Report On Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance; With OMB Uniform Guidance and
the State Single Audit Implementation Act**

To the Board of Commissioners
Sampson County
Clinton, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sampson County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Governmental Commission that could have a direct and material effect on each of Sampson County's major federal programs for the year ended June 30, 2025. Sampson County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sampson County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Sampson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contract or grant agreements applicable to Sampson County's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sampson County, NC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sampson County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sampson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sampson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Sampson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2025-07, that we consider to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The County is responsible for preparing a corrective action plan to address each finding included in our auditors' report. The County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, according, we express no opinion on it.

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

RH CPA_s, PLLC

Greensboro, North Carolina
April 21, 2026

Independent Auditors' Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In Accordance with Uniform Guidance; and the State Single Audit Implementation Act

To the Board of Commissioners
Sampson County
Clinton, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Sampson County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Governmental Commission that could have a direct and material effect on each of Sampson County's major state programs for the year ended June 30, 2025. Sampson County's major program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sampson County complied, in all material respects, with the types of compliance requirements referred to that could have a direct and material effect on its major state program for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sampson County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Sampson County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contract or grant agreements applicable to Sampson County's state program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Sampson County, NC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Sampson County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Sampson County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sampson County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Sampson County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2025-07, that we consider to be a significant deficiency.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Government Auditing Standards requires the auditor to perform limited procedures on the County's response to internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The County is responsible for preparing a corrective action plan to address each finding included in our auditors' report. The County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, according, we express no opinion on it.

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

RH CPA_s, PLLC

Greensboro, North Carolina
April 21, 2026

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

✓

yes

 no

Significant deficiency(s)

✓

yes

 none reported

Noncompliance material to financial statements noted

yes

✓

no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

yes

✓

no

Significant deficiency(s)

✓

yes

 none reported

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

Unmodified

Noncompliance material to financial statements noted

yes

✓

no

Identification of major Federal programs:

AL Number	Program Name
10.561	Food Stamp Fraud Administration - Nutrition Assistance Program
21.027	Coronavirs State and Local Fiscal Recovery Fund
21.027	Clement Area System Expansion
21.027	Ivanhoe Water System
93.563	IV-D Administration
93.778	Medical Assistance Program (Title XIX - Medicaid)
93.558	Work First Service

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes

✓

no

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

State Awards

Internal control over major state programs:

Material weaknesses identified?	_____	yes	_____ ☒	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____ ☒	yes	_____	none reported

Type of auditors' report issued on whether the financial statements audited were prepared in accordance to GAAP:	Unmodified
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Noncompliance material to financial statements noted	_____	yes	_____ ☒	no
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Identification of major state program:

Program Name

State Capital and Infrastructure Fund

State Administrative Matching Grants for the Medical Assistance Program (#93.778) are State matches on Federal Programs. Therefore, they have been included in the list of major federal programs.

Auditee qualified as low-risk auditee?	_____	yes	_____ ☒	no
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SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2025-01 Prior Period Adjustments

Criteria: Management is responsible for the accurate recording and reporting of financial transactions in accordance with GAAP. This includes ensuring that account balances are properly recorded in the correct period at both the fund level and the government-wide level.

Condition: We determined that certain balances in fiscal year 2024 were not accurately or completely recorded. As a result, multiple prior period adjustments were required in fiscal year 2025 to correct those errors at both the fund level and the government-wide level.

Effect: Ending fund balance and net position in the prior year were materially misstated in the prior fiscal year.

Recommendation: We encourage management to implement a more detailed review process over year-end financial reporting, including reconciliation of significant accounts and review of journal entries, to ensure balances are properly recorded in the correct period and in accordance with GAAP.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 146.

Significant Deficiencies

2025-02 Property Taxes Receivable Subsidiary Ledger

Criteria: Management is responsible for maintaining accurate accounting records, including detailed subsidiary ledger for its property taxes receivable that support general ledger balances, in accordance with GAAP.

Condition: We determined that management did not maintain a completely reconciled subsidiary ledger or any other report that provides the detailed property taxes receivable listing at individual tax payers level.

Effect: The lack of an accurate and reconcilable subsidiary ledger increases the risk of misstatement in property taxes receivable and related revenue balances and reduces the ability to detect and correct errors in a timely and complete manner and to address any collectability issue for any individual tax payer.

Recommendation: We encourage management to maintain a complete and accurate subsidiary ledger for property taxes receivable showing details of outstanding receivable for each taxpayer and perform periodic reconciliations to the general ledger. Any differences identified during the reconciliation process should be investigated and resolved in a timely manner.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 147.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2025-03 Untimely Filing of Sales Tax Refund Claims

Criteria: Management is responsible for maintaining effective internal controls over financial reporting, including timely filing of claims and proper recording and collection of receivables, to ensure amounts are accurately reported in accordance with GAAP.

Condition: We noted that sales tax refundable recorded in fiscal year 2025 relates to sales taxes paid on various County expenditures incurred during the current and prior three fiscal years. The County has not been timely in reconciling and filing sales tax refund claims and, as of the date of audit, has only filed the refund claim for fiscal year 2022, resulting in a backlog of unfiled claims.

Effect: Delays in filing sales tax refund claims may postpone the recovery of amounts due to the County and increase the risk of errors or omissions in track and substantiating claims over multiple years. Additionally, prolonged delays could impact the collectability of the recorded receivable.

Recommendation: We encourage management to develop and implement procedures to ensure sales tax refund claims are prepared and filed on a timely basis. Management should also establish a plan to eliminate the current backlog and submit future claims in accordance with applicable filing requirements.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 148.

2025-04 Long-Standing Property Taxes Receivable and Accrued Interest

Criteria: Management is responsible for ensuring that receivables are reported at their net realizable value in accordance with GAAP. This includes evaluating the collectability of outstanding balances and recording an allowance for doubtful accounts, as necessary.

Condition: We determined that a significant portion of recorded property taxes receivable and accrued interest receivable relates to older tax years, with outstanding receivables dating back to fiscal year 2009.

Effect: The extended aging of these receivables indicates potential challenges in collection and increases the risk that a portion of the outstanding taxes and related accrued interest may not be fully collectible. Additionally, continued accrual of interest on long-standing balances may result in receivable amounts that are not realizable, potentially leading to overstatement of assets and revenues.

Recommendation: We encourage management to perform a comprehensive evaluation of the collectability of long-standing property taxes receivable and related accrued interest. Based on this assessment, management should consider adjusting the allowance for doubtful accounts. Additionally, we encourage management to evaluate and strengthen its collection efforts and implement policies or procedures to address delinquent accounts in a timely manner.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 149.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

2025-05 Financial Close and Record Keeping

Criteria: Management is responsible for implementing and maintaining appropriate financial reporting and record keeping process, including maintaining reconciled subsidiary ledgers and detailed listings to support recorded balances and to maintain appropriate audit trails, to ensure amounts are accurately and completely reported and appropriately reconciled and supportive.

Condition: Certain source documents for financial transactions were missing or not readily available and initial schedules had unreconciled differences. Also, accurate mapping of general ledger accounts to financial statement line items was not available.

Effect: Lack of sufficient documentation for financial transactions could make fraud prevention and detection difficult, and could potentially lead to misstated financial statements and noncompliance with regulatory requirements. Significant audit effort and time was required to obtain and validate supporting information.

Recommendation: We encourage management to implement a structured year-end close process, including preparation of reconciled schedules, supporting documentation for all significant balances, and a documented financial statement mapping prior to the start of the audit.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 150.

2025-06 Inventory Valuation and Recordkeeping

Criteria: Management is responsible for implementing and maintaining appropriate records for inventory count and valuation, to ensure amounts are accurately recorded and valued at year end.

Condition: Management does not maintain detailed records supporting the actual cost of inventory items and inventory movement is not regularly updated as it is adjusted based on year end inventory count.

Effect: Inventory is recorded through a single year-end adjustment, and the valuation is based on the most recent purchase cost. As a result, all inventory on hand, regardless of purchase date, is valued using the latest cost, rather than actual or historical cost or any other appropriate basis of valuation.

Recommendation: We recommend that management maintain detailed inventory records, including quantities and actual purchase costs, and implement a consistent inventory valuation method (e.g., FIFO or weighted average) to ensure inventory is recorded in accordance with applicable accounting standards.

Views of responsible officials and planned corrective actions: The Board agrees with this finding and will adhere to the corrective action plan on page 151.

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiency

Finding: 2025-07

SEFSA Preparation

Criteria: Management is responsible for preparing the Schedule of Expenditures of Federal and State Awards (SEFSA) in accordance with applicable reporting requirements. The SEFSA should be supported by underlying accounting records and reconciled to the general ledger to ensure completeness and accuracy of reported expenditures.

Condition: We determined that management did not maintain sufficient and reconciled expenses details for the amounts reported on the SEFSA. Specifically, the reported amounts could not be readily reconciled to the underlying accounting records and general ledger.

Questioned Costs (QC): There was no affect to eligibility and there were no questioned costs.

Context: The SEFSA was prepared using summary-level information without adequate supporting schedules to substantiate the reported balances. As a result, a formal reconciliation between the SEFSA and the general ledger could not be readily performed.

Effect: The lack of supporting documentation and reconciliation increases the risk that federal and state expenditures reported on the SEFSA may be misstated and not in compliance with reporting requirements.

Cause: This condition is the result of the inadequate maintenance of detailed supporting documentation for the amounts reported on the SEFSA.

Recommendation: Detailed supporting schedules for all amounts reported on the SEFSA need to maintained and reconciliations of the SEFSA to the general ledger need to be completed, at minimum, on an annual basis. This reconciliation should be reviewed for completeness and accuracy, and any differences should be investigated and resolved in a timely manner.

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiency

Finding: 2025-07

SEFSA Preparation

See Finding 2025-07 reported in Section III - Federal Award Findings and Questioned Costs, which also applies to State awards.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-01

Description of Deficiency: Prior Period Adjustments

Finding: Certain financial transactions and activities were not properly included or stated in the prior year's financial statements, resulting in prior period restatements to ensure the financial statements were complete, accurate, and prepared in accordance with GAAP.

Corrective Action

To address this finding, the County will implement additional review procedures over the year-end financial reporting process.

Specifically, the County will take the following actions:

- Perform a more detailed review of year-end account balances, journal entries, and supporting information used in the preparation of the financial statements.
- Conduct an enhanced management-level review of draft financial statements, including review of significant changes and related disclosures.
- Maintain ongoing communication during the financial reporting process to support accurate and complete financial reporting.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-02

Description of Deficiency: Property Taxes Receivable Subsidiary Ledgers

Finding: Complete and accurate subsidiary ledgers for property taxes receivable that could be reconciled with the general ledger were not maintained during the current fiscal year.

Corrective Action

To address this finding, the County will maintain complete and accurate subsidiary ledgers and will perform periodic reconciliations to the general ledger. Any differences identified during these reconciliations will be investigated and resolved in a timely manner.

Specifically, the County will take the following actions:

- Perform a more detailed review of year-end account balances and supporting information used in the preparation of the financial statements.
- Conduct an enhanced management-level review of draft financial statements, including review of significant changes and related disclosures.
- Maintain ongoing communication during the financial reporting process to support accurate and complete financial reporting.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-03

Description of Deficiency: Untimely Filing of Sales Tax Refund Claims

Finding: Significant sales tax refundable was recorded in fiscal year 2025; however, this balance relates to sales taxes paid on various County expenditures during the current and prior three fiscal years. The sales tax refund claim for the fiscal year 2022 was not filed until December 2025, resulting in a backlog of claims.

Corrective Action

To address this finding, the County will implement enhanced procedures over the preparation, tracking, and timely submission of sales tax refund claims.

Specifically, the County will take the following actions:

- Develop and maintain a tracking schedule of all eligible sales tax refund amounts by fiscal year to ensure completeness and timely filing.
- Establish formal procedures requiring sales tax refund claims to be prepared and submitted within established filing timeframes.
- Assign responsibility to designated personnel for the preparation and review of sales tax refund claims to ensure accountability.
- Perform periodic management-level review of the tracking schedule and status of submitted and outstanding claims.
- Develop and implement a plan to eliminate the existing backlog of unfiled claims.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-04

Description of Deficiency: Long-Standing Property taxes Receivable and Accrued Interest

Finding: A significant portion of property taxes receivable and related accrued interest balances at year end are outstanding from prior fiscal years, including balances dated back to fiscal year 2009; which increases the risk that such amounts may not be fully collectible.

Corrective Action

To address this finding, the County will implement enhanced procedures to evaluate the collectability of property taxes receivable and strengthen its monitoring and collection process for delinquent accounts.

Specifically, the County will take the following actions:

- Perform a comprehensive review of aged property taxes receivable and accrued interest, with a focus on older tax years, to assess collectability.
- Develop and implement a methodology for calculating and recording an allowance for doubtful accounts, as appropriate.
- Establish a formal process for periodic review of receivable aging reports and collection status.
- Strengthen collection efforts for delinquent accounts, including follow-up procedures and enforcement actions, where applicable.
- Evaluate existing policies related to the accrual of interest on long-standing balances and determine whether adjustments are necessary.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-05

Description of Deficiency: Financial Close and Record Keeping

Finding: Certain source documents for financial transactions were missing or not readily available, and initial schedules contained unreconciled differences. Additionally, accurate mapping of general ledger accounts to financial statement line items was not available.

Corrective Action

To address this finding, the County will implement a more structured and controlled financial close and recordkeeping process to ensure completeness, accuracy, and proper support for all reported balances.

Specifically, the County will take the following actions:

- Develop and implement a formal year-end close process, including standardized procedures and timelines.
- Ensure all significant account balances are supported by reconciled schedules and appropriate documentation.
- Maintain organized and accessible supporting documentation for all financial transactions.
- Establish and document a comprehensive mapping of general ledger accounts to financial statement line items.
- Perform supervisory reviews of reconciliations, schedules, and financial statement mappings to ensure accuracy and completeness prior to finalization.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-06

Description of Deficiency: Inventory Valuation and Recordkeeping

Finding: The County does not maintain detailed records supporting the actual cost of inventory items, and inventory movements are not regularly updated. Inventory is recorded through a single year-end adjustment and valued based on the most recent purchase cost rather than appropriate cost flows assumption.

Corrective Action

To address this finding, the County will enhance its inventory tracking and valuation process to ensure inventory is accurately recorded and valued in accordance with applicable accounting standards.

Specifically, the County will take the following actions:

- Implement and maintain detailed inventory records, including quantities, costs, and inventory movements throughout the year.
- Establish procedures to record inventory activity on a periodic basis rather than relying solely on year-end adjustments.
- Adopt and consistently apply an appropriate inventory valuation method (e.g., FIFO or weighted average).
- Provide training to personnel responsible for inventory management to ensure proper procedures are followed.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

Corrective Action Plan

Audit Period: 2025

Audit Finding Reference Number: 2025-07

Description of Deficiency: SEFSA Preparation

Finding: During compliance testing, it was noted that certain amounts reported on the Schedule of Expenditures of Federal and State Awards could not be readily reconciled to the general ledger.

Corrective Action

To address this finding, the County will implement enhanced procedures over the preparation and review of the SEFSA.

Specifically, the County will take the following actions:

- Maintain more detailed supporting documentation for all SEFSA balances to ensure amounts reported can be traced to the general ledger.
- Perform a formal reconciliation of the SEFSA to the general ledger as part of the year-end reporting process.
- Conduct an enhanced management-level review of the SEFSA, including verification of reconciliations and significant amounts.
- Provide ongoing training and guidance to staff involved in SEFSA preparation to support accurate and complete reporting.

This Corrective Action Plan is implemented for the fiscal year ending June 30, 2026 and ongoing thereafter.

SAMPSON COUNTY, NORTH CAROLINA
Summary Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2025

Prior Year Findings

Status: 2024-01 Resolved

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
FEDERAL AWARDS					
<u>U.S. Department of Agriculture</u>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Food Stamp Fraud Administration	10.561		\$ 54,250	\$ -	\$ 54,250
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		886,231	12,371	873,860
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		480,692	-	-
Child and Adult Care Food Program	10.558		26,771	-	-
Total U.S. Department of Agriculture			1,447,944	12,371	928,110
<u>U.S. Department of Justice</u>					
Asset Forfeiture Fund:					
Equitable Sharing Funds	16.922		109,847	-	-
Office of Justice Programs:					
Bulletproof Vest Partnership Assist.	16.607		9,804	-	-
FY 24 Edward Byrne Memorial Justice Assistance Discretionary Grant	16.738		220,000	-	-
Total U.S. Department of Justice			339,651	-	-
<u>U.S. Department of Transportation</u>					
Federal Aviation Administration:					
Passed through the NC Department of Transportation:					
State Aid to Airports:					
Airfield Lighting and Signage Imp.	20.106	36237.12.19.1	156,755	-	-
Federal Transit Administration:					
Passed through the NC Department of Transportation:					
Community Transportation:					
Administration Funds (25-CT-015)	20.509	36233.94.26.1	201,393	12,587	37,761
Administration Funds (24-CT-015)	20.509	36233.94.25.1	16,974	1,061	3,183
ED Operating Funds (24-ED-015)	20.513	51001.53.6.2	3,636	-	-
Capital Funds I (22-CT-015)	20.509	36233.94.26.6	77,424	-	-
Capital Funds I (25-CT-015)	20.509	36233.94.26.3	327,304	40,913	40,913
Capital Funds II (25-CT-015)	20.509	36233.94.26.4	22,720	2,840	2,840
Capital Funds II (24-CT-015)	20.509	36233.94.25.4	73,079	9,135	9,135
ED Operating Funds (23-ED-015)	20.513	51001.53.7.2	-	13,548	-
Total U.S. Department of Transportation			\$ 879,285	\$ 80,084	\$ 93,832

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<u>U.S. Environmental Protection Agency</u>					
Capitalization Grants for Drinking Water State Revolving Funds:					
Passed through NC Department of Environmental Quality:					
Division of Water Infrastructure:					
Production Well and Treatment System	66.468	H-SRP-D-18-0168	\$ 544,923	\$ -	\$ -
Total U.S. Environmental Protection Agency			<u>544,923</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>					
Clement Area System Expansion (COVID-19)	21.027	SRP-D-ARP-0002	500	-	-
Ivanhoe Water System (COVID-19)	21.027	SRP-D-ARP-0114	5,850,003	-	-
Coronavirus State and Local Fiscal Recovery Fund (COVID-19)	21.027		1,721,664	-	-
Total U.S. Department of the Treasury			<u>7,572,167</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>					
Passed through the NC Department of Public Safety:					
TS Debby	97.036	FM B5109 3608	22,891	-	-
FY 2024 EMPG	97.042		36,730	-	-
Total U.S. Department of Homeland Security			<u>59,621</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Health & Human Services</u>					
Passed through Mid-Carolina Council of Governments:					
Division of Aging and Adult Services:					
<u>Aging Cluster:</u>					
Congregate Nutrition and Home Del Meal	93.045		197,347	-	21,927
Access Services	93.044		183,627	-	16,526
In-Home and Support Services	93.044		213,062	-	23,674
Total Aging Cluster			<u>594,036</u>	<u>-</u>	<u>62,127</u>
Administration for Children and Families:					
Passed through NC Department of Health and Human Services:					
Division of Social Services:					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E CPS	93.658		172,896	36,325	136,571
Title IV-E Foster Care Trn	93.658		2,896	-	965.00
Title IV-E Foster Care/Off Trn	93.658		487,943	-	487,943
Title IV-E Adoption/Off Trn	93.659		9,175	-	9,175
Title IV-E Admin Co Paid to CCI	93.658		122,453	61,226	61,227
Title IV-E Admin Foster Care	93.658		4,153	-	4,153
Title IV-E Foster Care & Extend Max	93.658		25,368	10,556	3,060
Title IV-E Foster Care & Extend Reg	93.658		233,735	73,620	51,039
Title IV-E Max Level III	93.658		1,651	-	879
Title IV-E Adopt & Vendor & GUA	93.659		468,488	96,257	154,517
Title IV-E PRE Training CWS	93.658		81,304	4,169	29,425
Foster Care	N/A		92,631	-	135,951
Total Foster Care and Adoption Cluster			<u>1,702,693</u>	<u>282,153</u>	<u>1,074,905</u>

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<u>Temporary Assistance for Needy Families Cluster:</u>					
TANF-Family Preservation	93.556		\$ 18,511	\$ -	\$ -
Work First Service	93.558		462,303	-	611,435
Work First Administration	93.558		58,718	-	113,789
TANF Payments & Penalties	93.558		115,807	-	-
AFDC Payments and Penalties	93.560		(185)	(51)	(51)
IV-D Administration	93.563		921,241	-	474,579
IV-D Offset Fees-Federal	93.563		55	(1,039)	1,067
Refugee Assit Admin	93.566		913	-	-
Refugee Assistance Payments	93.566		2,316	-	-
Low Income Home Energy Assistance Block Grant: Administration	93.568		53,686	-	-
Total Temporary Assistance for Needy Families Cluster			1,633,365	(1,090)	1,200,819
 Child Welfare Services:					
Permanency Planning Spec	93.645		14,957	-	-
SSBG-Other Service and Training	93.667		339,360	-	113,120
SSBG-Adult Protective Service	93.667		14,678	-	-
SSBG-In Home Services	93.667		7,493	-	1,070
SSBG-In Home Services Over 60	93.667		3,692	-	527
Independent Living Grant (LINKS)	93.674		19,931	4,983	-
Total Child Welfare Services			400,111	4,983	114,717
 Public Health Emergency Preparedness	93.069		35,794	-	-
 Division of Social Services:					
Administration (CCDF)	93.568		154,796	-	-
Total Administration for Children and Families			3,926,759	286,046	2,390,441
 Center for Medicare and Medicaid Services:					
Passed through the NC Department of Health and Human Services:					
Division of Social Services:					
Medical Assistance Administration	93.778		2,348,664	246,324	766,822
Medical Transportation Administration	93.778		161,092	-	161,092
MAC	93.778		305,411	-	305,411
Adult Care Home Case Management	93.778		9,686	4,781	4,905
State/County Special Assistance	93.778		72,013	-	30,314
NC Health Choice/MIC1	93.767		193,787	62,170	-
Total Center for Medicare and Medicaid Services			3,090,653	313,275	1,268,544
 Centers for Disease Control:					
Passed through the NC Department of Health and Human Services:					
Division of Public Health:					
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		24,311	-	-
Preventive Health & Human Services	93.991		30,741	-	-
Immunization Cooperation Agreements	93.268		25,056	-	-
COVID-10 Immunization Agreements	93.268		34,776	-	-
Total Centers for Disease Control			\$ 114,884	\$ -	\$ -

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
Health Resources and Services Administration:					
Passed through the NC Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		\$ 44,109	\$ 13,826	\$ -
Sexually Transmitted Diseases Control	93.977		58	-	-
Cancer Prevention and Control Programs	93.898		7,475	-	-
Temporary Assistance for Needy Families	93.558		10,922	-	-
HIV Care Formula Grants-Ryan White	93.917		1,257	-	-
Collaboration with Academia to Strengthen Public Health	93.967		1,900	-	-
Family Planning Services	93.217		58,171	-	-
Total Health Resources and Services Administration			123,892	13,826	-
Total U.S. Department of Health and Human Services			7,850,224	613,147	3,721,112
Total Federal Awards			18,693,815	705,602	4,743,054
STATE AWARDS					
<u>N.C. Department of Transportation</u>					
ROAD RGP		36228.22.13.1	-	103,257	-
ROAD EDTAP		36220.10.13.1	-	81,717	-
ROAD Employment		36236.11.12.1	-	15,443	-
Runway Rehabilitation Design Bid		47178.1.1	-	213,706	-
Operating		36223.126.3.2	-	11,136	-
Total N.C. Department of Transportation			-	425,259	-
<u>N.C. Housing Finance Agency</u>					
Urgent Home Repair Program			-	132,010	-
Total N.C. Housing Finance Agency			-	132,010	-
<u>N.C. Department of Public Safety</u>					
Capacity Building Competitive Grant		2294013	-	92,379	-
Total N.C. Department of Public Safety			\$ -	\$ 92,379	\$ -

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<u>N.C. Department of Health and Human Services</u>					
Division of Aging and Adult Services					
Garland Senior Center			\$ -	\$ 14,855	\$ -
Health Promotion			-	2,314	-
Total Division of Aging and Adult Services			-	17,169	-
Division of Social Services					
For Adults-Direct Benefit Payments			-	475,110	475,110
AFDC Incentive Program Integrity			-	1,006	-
State Foster Home			-	176,826	-
SFHF Maximization			-	320,129	128,266
St Child Welfare/CPS/CS LD			-	5,727	-
Emergency Placement Foster Care			-	52,670	-
CWS Adoption Subsidy			-	113,094	34,898
Foster Care Kinship			-	20,551	20,551
Extended FC/Max Non IV-E			-	52	-
F/C Risk Maximization			-	32,225	17,186
Total Division of Social Services			-	1,197,390	676,011
Division of Public Health					
Other Receipts / State Supported Expenditures					
Child Fatality Case Reporting			-	1,970	-
Communicable Disease Pandemic Recover			-	71,021	-
Breast and Cervical Cancer Control			-	12,025	-
Family Planning - State			-	36,713	-
Child Health			-	1,922	-
Gen. Communicable Disease Control			-	3,659	-
Food and Lodging			-	8,044	-
Healthy Communities			-	3,785	-
School Nurse Funding Initiative			-	400,000	-
DPH-Aid to Counties			-	130,364	-
High Risk Maternity Clinics			-	59,611	-
State Fiscal Recovery Funds			-	72,699	-
Tuberculosis Control			-	62,434	-
Supporting Women Health Services			-	150,000	-
Total Division of Public Health			-	1,014,247	-
Total N.C. Department of Health and Human Services			-	2,228,806	676,011
<u>N.C. Department of Cultural Resources</u>					
Division of State Library					
State Aid to Public Libraries			-	153,091	708,048
Total N.C. Department of Cultural Resources			\$ -	\$ 153,091	\$ 708,048

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<u>N.C. Office of State Budget and Management</u>					
SCIF-Sheriff Department Warehouse Construction		20565	\$ -	\$ 149,852	\$ -
SCIF-Emergency Management Warehouse Construction		20562	-	154,899	-
SCIF-Capital Improvements		SL2021.180 H61-643	-	291,891	-
SCIF-Animal Shelter Improvements			-	74,990	-
SCIF-Sampson Community College			-	802,562	-
SCIF-Community Buildings Projects			-	81,813	-
SCIF-Water Line Extensions			-	1,666,329	-
Total N.C. Office of State Budget and Management			-	3,222,336	-
<u>N.C. Division of Juvenile Justice & Delinquency Prevention</u>					
Juvenile Justice Crime Prevention Council Programs:					
Administration			-	10,476	-
Teen Court & Restitution			-	88,043	-
Youth Inspire Program			-	41,791	-
Mediation in Schools Program			-	57,875	-
Equine Social Skill Building			-	31,000	-
Total N.C. Division of Juvenile Justice & Delinquency Prevention			-	229,185	-
<u>N.C. 911 Board</u>					
2023 Portable Radio PSAP Grant			-	41,655	-
Total N.C. 911 Board			-	41,655	-
<u>N.C. Department of Environmental Quality</u>					
Division of Water Infrastructure:					
State Reserve Earmark S.I. 2023-134:					
Landfill Area Water Main Extensions		SRP-D-134-0079	-	418,068	-
Southern Groundwater Wells Phase 1		SRP-D-134-0080	-	91,639	-
Total N.C. Department of Environmental Quality			-	509,707	-
Total State Awards			-	7,034,428	1,384,059
Total Federal and State Awards			18,693,815	7,740,030	6,127,113

SAMPSON COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended June 30, 2025

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Sampson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Sampson County, it is not intended to and does not present the financial position, changes in net position or cash flows of Sampson County.

Note 2: Summary of Significant Accounting Policies and Indirect Cost Rate

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

Note 3: Cluster of Programs

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