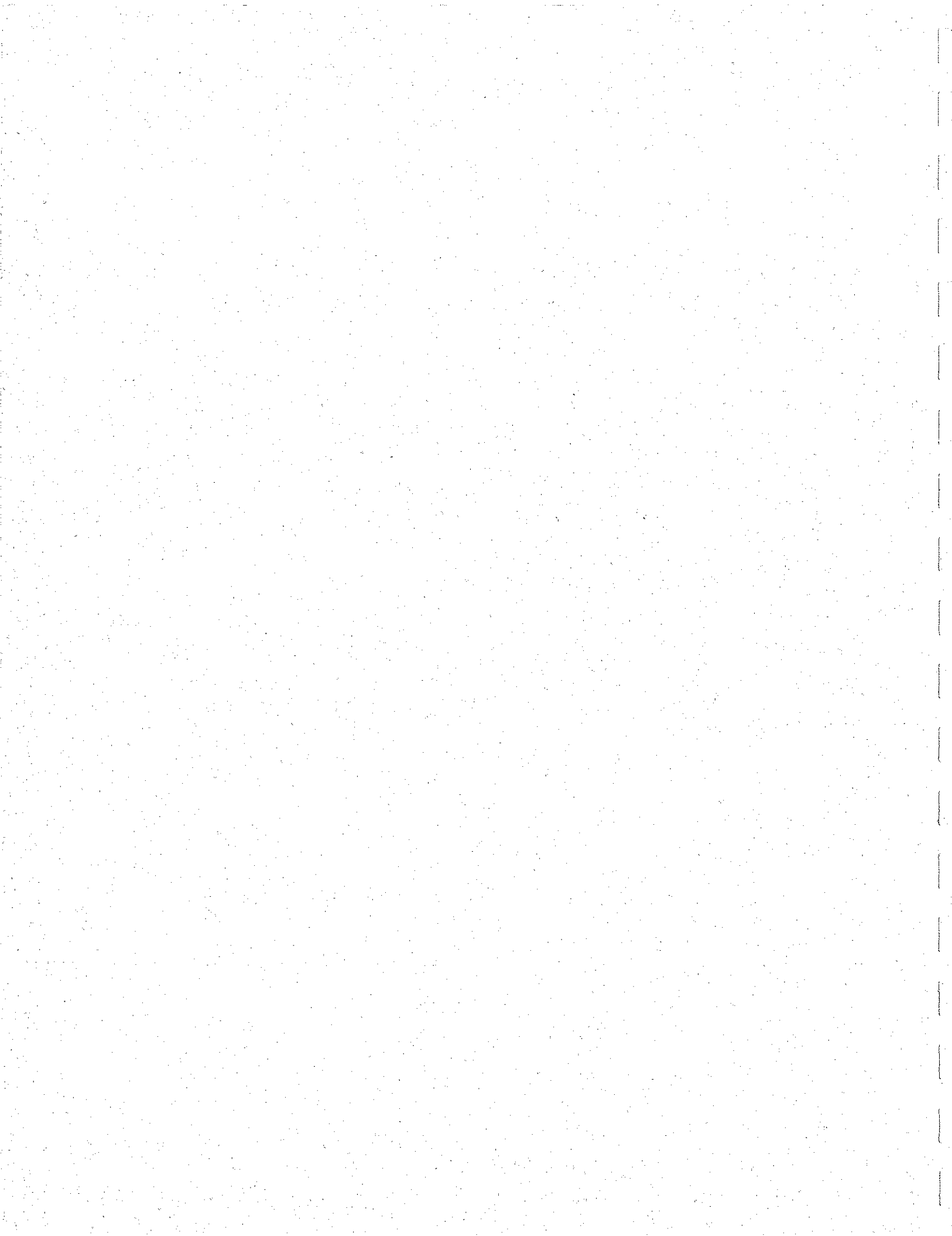


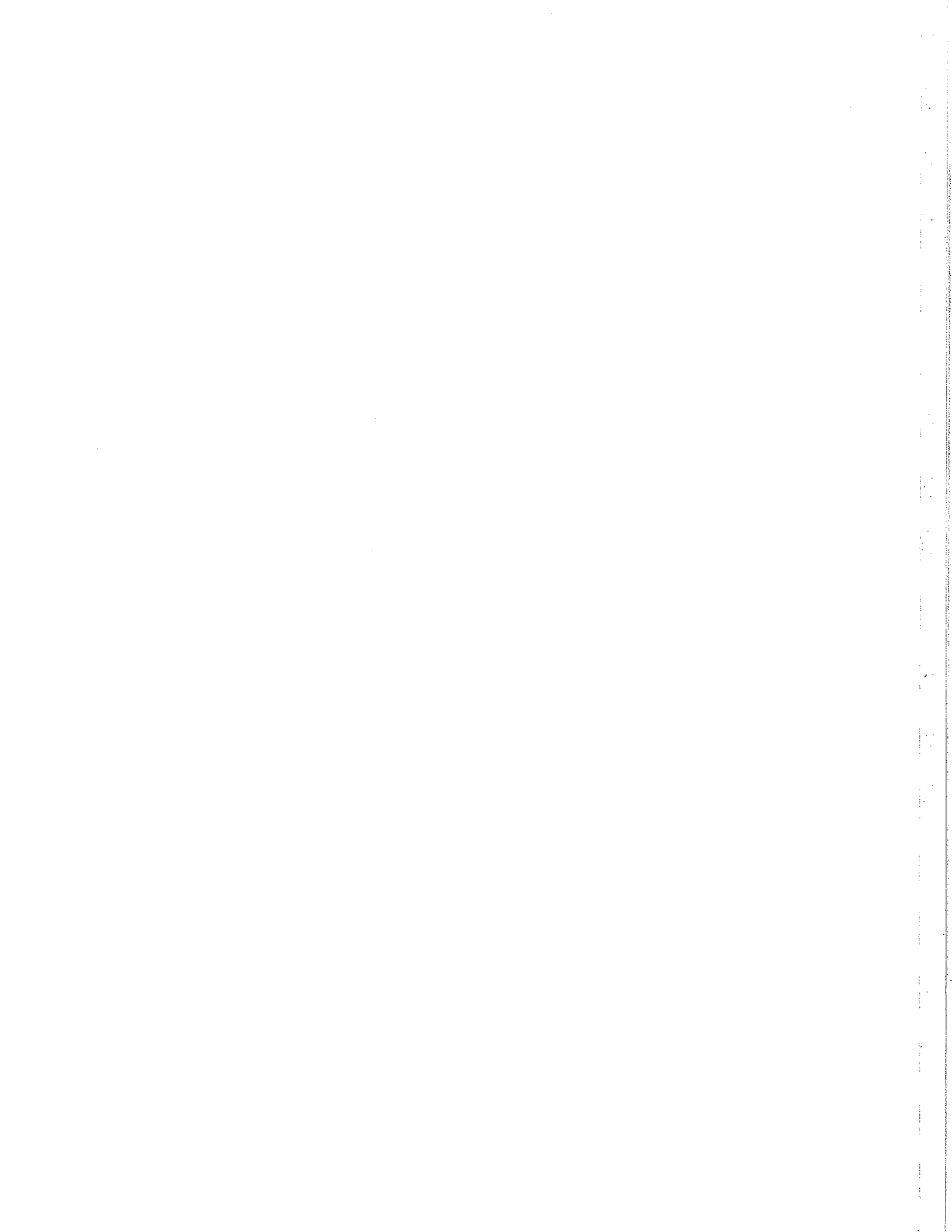
**WILSON COUNTY
NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

FLOWERS, STANLEY & REDMAN, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
TARBORO, NORTH CAROLINA

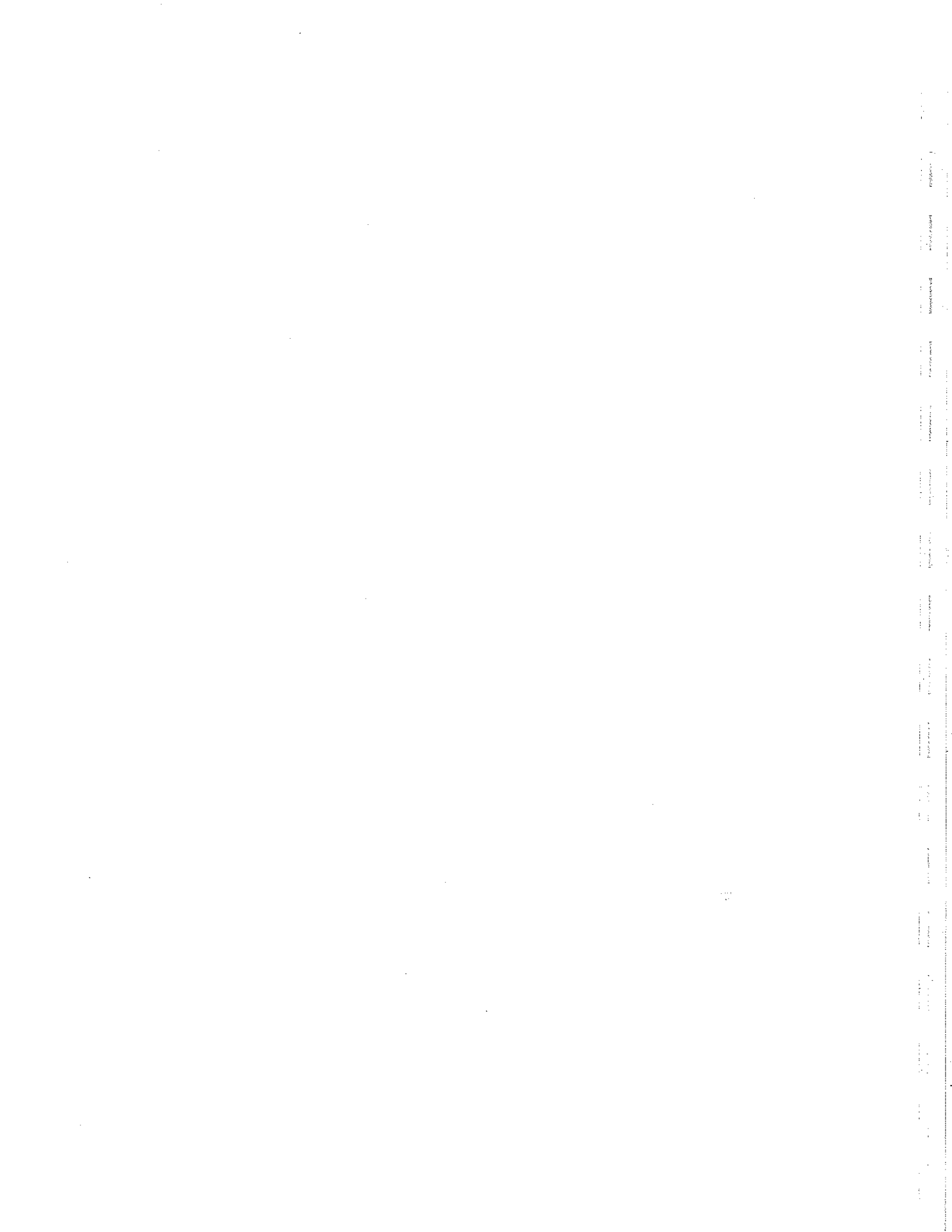


WILSON COUNTY, NORTH CAROLINA
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CERTIFIED PUBLIC ACCOUNTANTS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

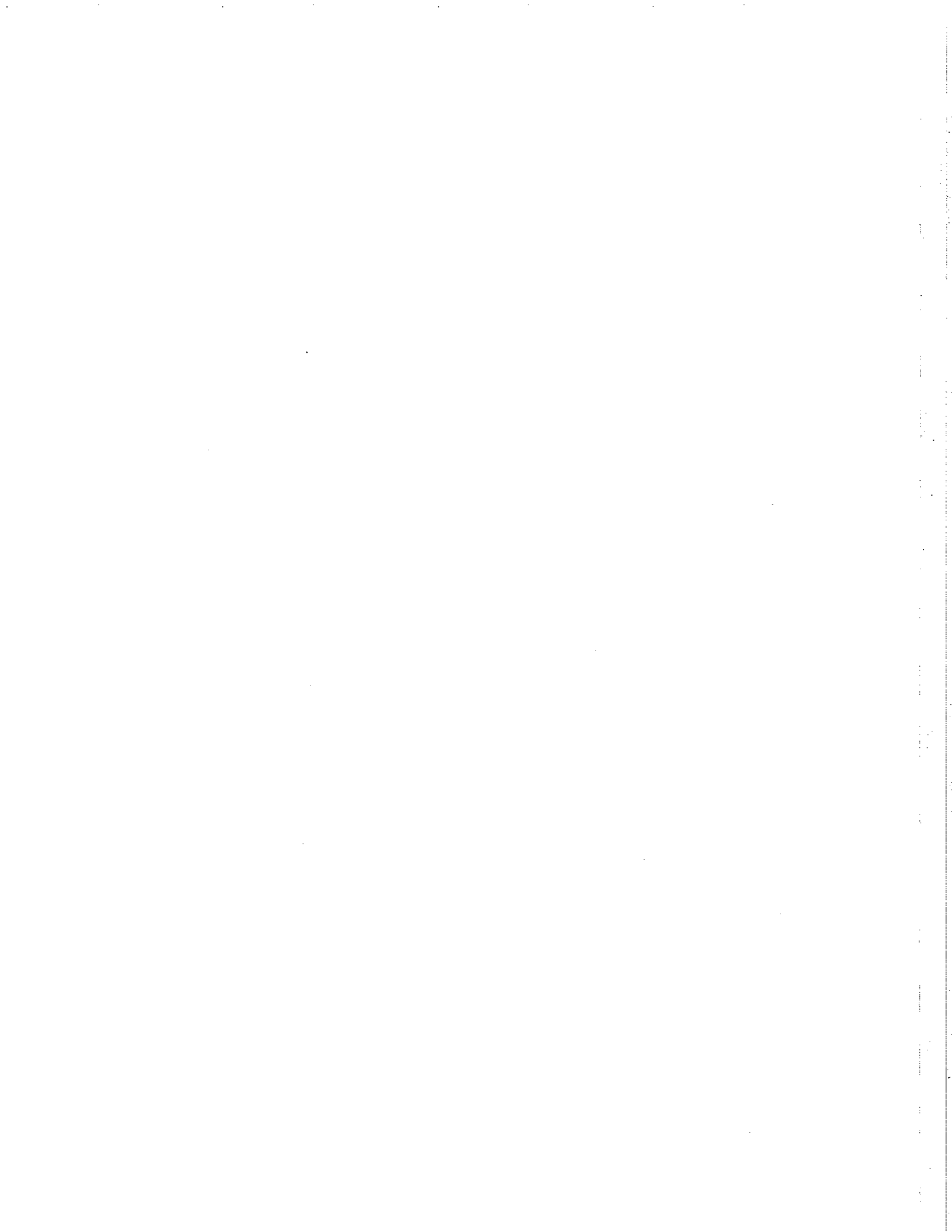
To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying general purpose financial statements of Wilson County, North Carolina as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of Wilson County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board, a discretely presented component unit of Wilson County. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Wilson County, North Carolina as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

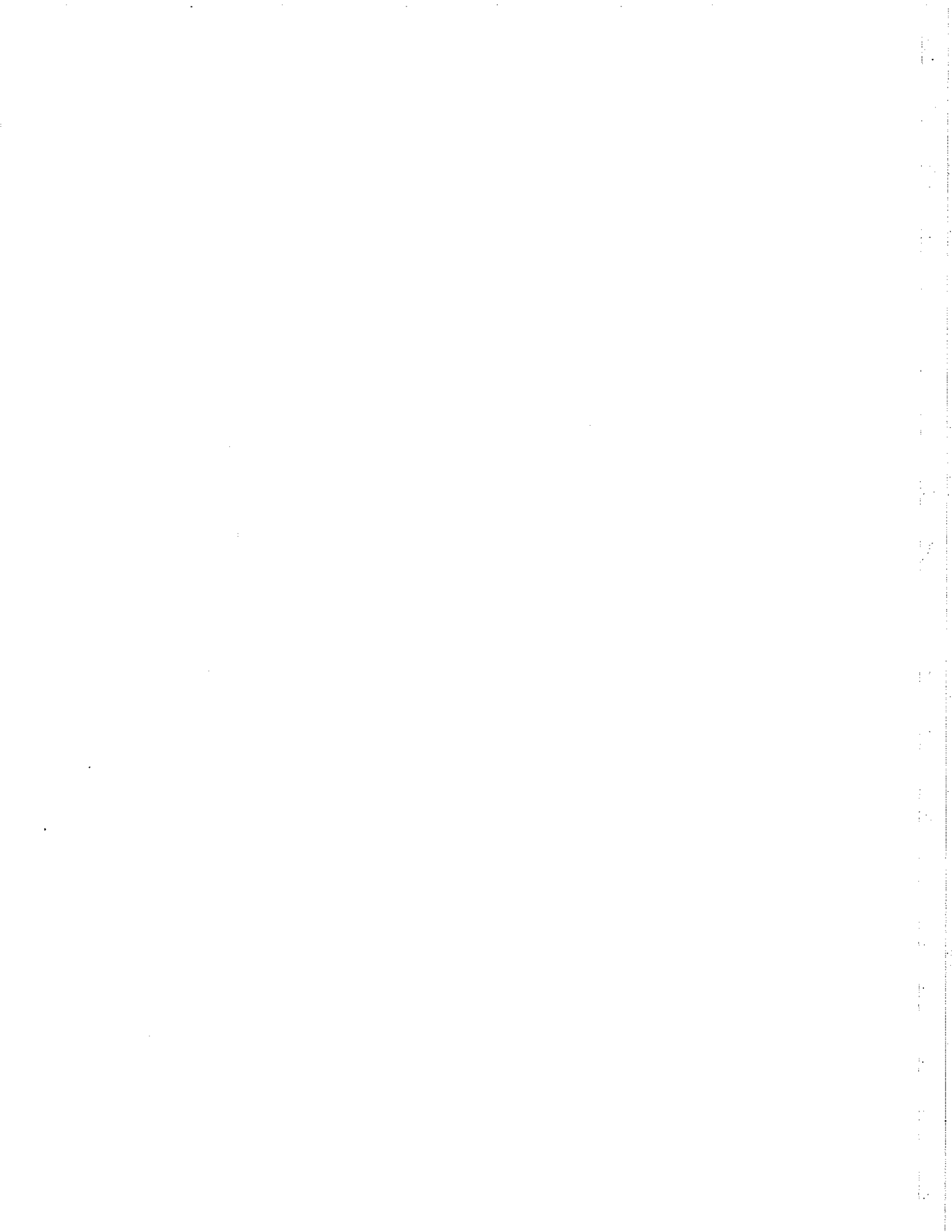
In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2002 on our consideration of Wilson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit



Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Wilson County, North Carolina, taken as a whole. The combining and individual fund financial statements and schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Flower, Stanley & Redman, LLP

Tarboro, North Carolina
October 23, 2002



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WILSON COUNTY, NORTH CAROLINA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AND DISCRETELY PRESENTED COMPONENT UNIT
 JUNE 30, 2002

<u>Assets and Other Debits</u>	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets:			
Cash and investments	\$ 15,202,733	\$ 694,084	\$ 17,657,086
Net receivables:			
Property tax	2,271,932	69,543	-
Accounts and other	5,173,987	231,109	749,922
Due from component unit	56,250	-	-
Due from other funds	746,705	-	600,262
Inventories	-	-	-
Prepaid expenses	-	-	-
Deferred expense	-	-	30,451
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-
Other debits:			
Amount to be provided for retirement of long-term debt	-	-	-
Total Assets and Other Debits	\$ 23,451,607	\$ 994,736	\$ 19,037,721

Liabilities, Equity and Other Credits

Liabilities:			
Accounts payable	\$ 1,733,008	\$ 218,995	\$ 1,216,634
Accrued and other liabilities	-	-	-
Customer deposits	-	-	-
Distributions payable	-	-	-
Due to primary government	-	-	-
Due to other funds	-	-	746,705
Deferred revenues	2,477,126	69,543	20,827
General obligation bonds	-	-	-
Bond Anticipation notes	-	-	-
Notes payable	-	-	-
Compensated absences payable	-	-	-
Capital leases	-	-	-
Accrued landfill closure	-	-	-
Total Liabilities	\$ 4,210,134	\$ 288,538	\$ 1,984,166

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

Proprietary Fund Type	Account Groups		Total (Memorandum Only)	Component Unit
	General Fixed Assets	General Long-Term Debt	Primary Government	Wilson County ABC Board
\$ 14,846,977	\$ -	\$ -	\$ 48,400,880	\$ 732,133
-	-	-	2,341,475	-
1,593,375	-	-	7,748,393	441
-	-	-	56,250	-
-	-	-	1,346,967	-
-	-	-	-	373,698
-	-	-	-	11,934
-	-	-	30,451	-
7,902,561	34,049,332	-	41,951,893	889,796
-	-	56,309,138	56,309,138	-
<u>\$ 24,342,913</u>	<u>\$ 34,049,332</u>	<u>\$ 56,309,138</u>	<u>\$ 158,185,447</u>	<u>\$ 2,008,002</u>
\$ 140,590	\$ -	\$ -	\$ 3,309,227	\$ 197,506
-	-	240,720	240,720	117,696
78,715	-	-	78,715	-
-	-	-	-	18,750
-	-	-	-	56,250
600,262	-	-	1,346,967	-
45,048	-	-	2,612,544	-
-	-	22,200,000	22,200,000	-
3,600,000	-	-	3,600,000	-
-	-	32,549,463	32,549,463	-
21,695	-	1,148,932	1,170,627	-
-	-	170,023	170,023	-
2,078,222	-	-	2,078,222	-
<u>\$ 6,564,532</u>	<u>\$ -</u>	<u>\$ 56,309,138</u>	<u>\$ 69,356,508</u>	<u>\$ 390,202</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 AND DISCRETELY PRESENTED COMPONENT UNIT
 JUNE 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Equity and Other Credits:			
Investment in fixed assets	\$ -	\$ -	\$ -
Contributed capital	-	-	-
Retained earnings	-	-	-
Fund balances:			
Reserved:			
By State statute	5,976,390	231,109	1,329,357
For Register of Deeds	21,025	-	-
Unreserved:			
Designated for:			
Debt service	2,041,044	-	-
Public Health Programs	3,127,730	-	-
Subsequent year's expenditures	1,955,900	117,193	17,130,818
Undesignated	6,119,384	357,896	(1,406,620)
Total Equity and Other Credits	<u>\$ 19,241,473</u>	<u>\$ 706,198</u>	<u>\$ 17,053,555</u>
Total Liabilities, Equity and Other Credits	<u>\$ 23,451,607</u>	<u>\$ 994,736</u>	<u>\$ 19,037,721</u>
	=====	=====	=====

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

Proprietary Fund Type	Account Groups		Total (Memorandum Only)	Component Unit
	General Fixed Assets	General Long-Term Debt	Primary Government	Wilson County ABC Board
Enterprise				
\$ -	\$ 34,049,332	\$ -	\$ 34,049,332	\$ -
2,556,730	-	-	2,556,730	33,781
15,221,651	-	-	15,221,651	1,584,019
-	-	-	7,536,856	-
-	-	-	21,025	-
-	-	-	2,041,044	-
-	-	-	3,127,730	-
-	-	-	19,203,911	-
-	-	-	5,070,660	-
<u>\$ 17,778,381</u>	<u>\$ 34,049,332</u>	<u>\$ -</u>	<u>\$ 88,828,939</u>	<u>\$ 1,617,800</u>
<u>\$ 24,342,913</u>	<u>\$ 34,049,332</u>	<u>\$ 56,309,138</u>	<u>\$ 158,185,447</u>	<u>\$ 2,008,002</u>

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit 2

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Revenues:				
Ad valorem taxes	\$ 30,968,885	\$ 718,272	\$ -	\$ 31,687,157
Local option sales tax	9,640,469	-	146,355	9,786,824
Other taxes and licenses	1,877,741	607,406	-	2,485,147
Unrestricted intergovernmental	41,715	-	-	41,715
Restricted intergovernmental	20,061,102	-	3,420,253	23,481,355
Permits and fees	440,844	-	-	440,844
Services and other fees	2,755,046	95,456	209,987	3,060,489
Investment earnings	584,809	15,701	-	600,510
CDBG revenues	-	75,684	-	75,684
Miscellaneous	99,036	-	49,387	148,423
Total Revenues	\$ 66,469,647	\$ 1,512,519	\$ 3,825,982	\$ 71,808,148
Expenditures:				
Current:				
General government	\$ 5,167,355	\$ 92,669	\$ -	\$ 5,260,024
Public safety	8,131,690	1,221,609	-	9,353,299
Environmental protection	206,624	-	-	206,624
Economic and physical development	588,162	75,684	421,399	1,085,245
Human services	27,906,624	-	-	27,906,624
Cultural and recreational	1,624,471	-	-	1,624,471
Education	15,765,051	-	-	15,765,051
Transportation	77,156	-	-	77,156
Debt service:				
Principal retirement	3,695,579	-	-	3,695,579
Interest and fees	1,996,989	-	-	1,996,989
Capital outlay	-	-	10,476,213	10,476,213
Total Expenditures	\$ 65,159,701	\$ 1,389,962	\$ 10,897,612	\$ 77,447,275
Revenues Over (Under) Expenditures	\$ 1,309,946	\$ 122,557	\$ (7,071,630)	\$ (5,639,127)

(continued)

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit 2

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
(continued)				
Other Financing Sources (Uses):				
Operating transfers from other funds	\$ 633,843	\$ 48,000	\$ 1,490,215	\$ 2,172,058
Operating transfers to other funds	-	-	(2,172,058)	(2,172,058)
Operating transfers from component unit	123,756	-	-	123,756
Installment financing proceeds	-	-	17,400,000	17,400,000
Total Other Financing Sources (Uses)	<u>\$ 757,599</u>	<u>\$ 48,000</u>	<u>\$ 16,718,157</u>	<u>\$ 17,523,756</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 2,067,545	\$ 170,557	\$ 9,646,527	\$ 11,884,629
Fund balances:				
Beginning of year, July 1	17,173,928	3,092,371	7,407,028	27,673,327
Equity transfer	-	(2,556,730)	-	(2,556,730)
End of year, June 30	<u>\$ 19,241,473</u>	<u>\$ 706,198</u>	<u>\$ 17,053,555</u>	<u>\$ 37,001,226</u>
	=====	=====	=====	=====

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

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2002

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Ad valorem taxes	\$ 30,600,080	\$ 30,968,885	\$ 368,805
Other taxes	12,102,605	11,518,210	(584,395)
Intergovernmental - unrestricted	54,500	41,715	(12,785)
Intergovernmental - restricted	18,878,962	20,061,102	1,182,140
Permits and fees	344,300	440,844	96,544
Services and other fees	2,797,682	2,755,046	(42,636)
Investment earnings	749,788	584,809	(164,979)
Sales tax refund	-	-	-
Miscellaneous	150,376	99,036	(51,340)
Total Revenues	\$ 65,678,293	\$ 66,469,647	\$ 791,354
Expenditures:			
General government	\$ 5,707,523	\$ 5,167,355	\$ 540,168
Public safety	8,624,211	8,131,690	492,521
Environmental Protection	229,530	206,624	22,906
Economic and physical development	613,332	588,162	25,170
Human services	30,578,462	27,906,624	2,671,838
Cultural and recreational	1,649,132	1,624,471	24,661
Education	15,768,355	15,765,051	3,304
Transportation	86,890	77,156	9,734
Debt service	5,820,862	5,692,568	128,294
Capital projects	-	-	-
Water project - Economic Incentives	-	-	-
Total Expenditures	\$ 69,078,297	\$ 65,159,701	\$ 3,918,596
Revenues Over (Under) Expenditures	\$ (3,400,004)	\$ 1,309,946	\$ 4,709,950
Other Financing Sources (Uses):			
Operating transfers in (out), net	\$ 632,891	\$ 633,843	\$ 952
Transfer from component unit	125,000	123,756	(1,244)
Fund balance appropriated	2,642,113	-	(2,642,113)
Total Other Financing Sources (Uses)	\$ 3,400,004	\$ 757,599	\$ (2,642,405)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 2,067,545	\$ 2,067,545
Fund balances:			
Beginning of year, July 1		17,173,928	
Equity transfer		-	
End of year, June 30		\$ 19,241,473	

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

Special Revenue Fund			Capital Projects Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 588,957	\$ 718,272	\$ 129,315	\$ -	\$ -	\$ -
566,105	607,406	41,301	-	-	-
-	-	-	33,000	33,000	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000	95,456	45,456	-	-	-
2,000	15,701	13,701	200,000	52,309	(147,691)
-	-	-	-	-	-
-	-	-	-	49,387	49,387
<u>\$ 1,207,062</u>	<u>\$ 1,436,835</u>	<u>\$ 229,773</u>	<u>\$ 233,000</u>	<u>\$ 134,696</u>	<u>\$ (98,304)</u>
\$ 187,643	\$ 92,669	\$ 94,974	\$ -	\$ -	\$ -
1,319,723	1,221,609	98,114	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	860,887	563,292	297,595
-	-	-	2,457,085	421,399	2,035,686
<u>\$ 1,507,366</u>	<u>\$ 1,314,278</u>	<u>\$ 193,088</u>	<u>\$ 3,317,972</u>	<u>\$ 984,691</u>	<u>\$ 2,333,281</u>
\$ (300,304)	\$ 122,557	\$ 422,861	\$ (3,084,972)	\$ (849,995)	\$ 2,234,977
\$ 48,000	\$ 48,000	\$ -	\$ (681,843)	\$ (681,843)	\$ -
-	-	-	-	-	-
252,304	-	(252,304)	3,766,815	-	(3,766,815)
<u>\$ 300,304</u>	<u>\$ 48,000</u>	<u>\$ (252,304)</u>	<u>\$ 3,084,972</u>	<u>\$ (681,843)</u>	<u>\$ (3,766,815)</u>
\$ -	\$ 170,557	\$ 170,557	\$ -	\$ (1,531,838)	\$ (1,531,838)
=====		=====	=====		=====
	3,092,371			4,378,001	
	(2,556,730)			-	
	<u>\$ 706,198</u>			<u>\$ 2,846,163</u>	
	=====			=====	

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ENTERPRISE FUND
 AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit 4

	Primary Government Proprietary Fund Types	Component Unit Wilson County ABC Board
	Enterprise	
Operating Revenues:		
Fees	\$ 2,074,196	\$ -
Intergovernmental unrestricted	290,448	-
Liquor sales (net of taxes)	-	3,793,700
Total Operating Revenues	\$ 2,364,644	\$ 3,793,700
Cost of Sales:		
Liquor and mixed beverage	-	2,608,582
Gross Profit on Sales	\$ 2,364,644	\$ 1,185,118
Operating Expenses:		
Salaries and employee benefits	\$ 706,861	\$ -
Store and warehouse expenses	-	554,256
Administration expenses	-	268,126
Depreciation expense	161,826	47,087
Operating expenses	723,606	-
Landfill closure cost	28,574	-
Total Operating Expenses	\$ 1,620,867	\$ 869,469
Operating Income (Loss)	\$ 743,777	\$ 315,649
Other Income:		
Investment income and other	101,453	11,518
Capital contributed	4,534,468	-
Income Before Operating Transfers	\$ 5,379,698	\$ 327,167
Other Expense:		
Bad debt	\$ (2,323)	\$ -
Depreciation on Contributed Capital	\$ -	\$ 825

(continued)

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ENTERPRISE FUND
 AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit 4

	<u>Primary Government Proprietary Fund Types</u>	<u>Component Unit Wilson County ABC Board</u>
(continued)	<u>Enterprise</u>	<u>ABC Board</u>
Operating Transfers Out:		
Transfers to Primary Government:		
Profit Distribution	\$ -	\$ (123,756)
Transfers to other governments	-	(37,500)
Total Operating Transfers Out	<u>\$ -</u>	<u>\$ (161,256)</u>
Net Income	\$ 5,377,375	\$ 166,736
Retained Earnings, Beginning of year	9,844,276	1,417,283
Retained Earnings, End of year	<u>\$ 15,221,651</u> =====	<u>\$ 1,584,019</u> =====

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

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUND
 AND DISCRETELY PRESENTED COMPONENT UNIT (INDIRECT METHOD)
 FOR THE YEAR ENDED JUNE 30, 2002

	<u>Primary Government Proprietary Fund Types</u>	Exhibit 5 <u>Component Unit Wilson County ABC Board</u>
	<u>Enterprise</u>	<u>ABC Board</u>
Cash Flows from Operating Activities:		
Operating income (loss)	\$ 743,777	\$ 315,649
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	161,826	47,087
Loss on asset dispositions	-	-
Change in assets and liabilities (net):		
Accounts receivable	(126,708)	(31)
Inventory	-	54,392
Accounts payable	16,633	(109,227)
Other accrued liabilities	-	9,216
Compensated absences payable	(8,075)	-
Prepaid expenses	-	(1,308)
Customer deposits	78,715	-
Deferred revenue	45,048	-
Accrued landfill closure	(32,268)	-
Net Cash Provided (Used in) Operating Activities	<u>\$ 878,948</u>	<u>\$ 315,778</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	\$ (4,898,829)	\$ (165,713)
Federal, State and Local Grants	3,304,646	-
Note proceeds	3,600,000	-
Net Cash Used in Capital and Related Financing Activities	<u>\$ 2,005,817</u>	<u>\$ (165,713)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer to primary government (net)	\$ -	\$ (123,756)
Equity transfers in	2,556,730	-
Miscellaneous income (expense)	(2,704)	1,496
Other profit distributions	-	(37,500)
Net Cash Provided (Used in) Non-Capital Financing Activities	<u>\$ 2,554,026</u>	<u>\$ (159,760)</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUND
 AND DISCRETELY PRESENTED COMPONENT UNIT (INDIRECT METHOD)
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit 5

	<u>Primary Government Proprietary Fund Types</u>	<u>Component Unit Wilson County ABC Board</u>
(continued)	<u>Enterprise</u>	<u>ABC Board</u>
Cash Flows from Investing Activities:		
Investment income	\$ 101,453	\$ 10,022
Net Increase in Cash and Investments	\$ 5,540,244	\$ 327
Cash and Investments, beginning of Year	9,306,733	731,806
Cash and Investments, end of Year	<u>\$ 14,846,977</u>	<u>\$ 732,133</u>
	=====	=====

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

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WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Wilson County, North Carolina (the "County") and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-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 unit, a legally-separate entity for which the County is financially accountable. The discretely presented component unit described below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

Wilson County ABC Board

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the Wilson County ABC Board may be obtained at its administrative office.

Wilson County ABC Board
105 Parkwood Mall
Wilson, North Carolina 27893

Wilson County Industrial Facility and Pollution Control Authority

Wilson County Industrial Facility and Pollution Control Authority (the "Authority") is a legally separable organization which is a component unit of the County. The members of the Authority are appointed by the County Board of Commissioners. The Authority's function is to determine whether proposed industrial revenue bonds for companies located in the County should be approved. Approval by the Authority is subject to the approval of the county Board of Commissioners and the North Carolina Department of Commerce.

Members of the Authority are not compensated and the Authority has no operating expenses. Cash collected by the Authority is limited to nominal fees charged to reimburse the Authority for notices, applications, and similar activities. No funding is provided to the Authority by the County. The Authority does not maintain an accounting system, and no Authority transactions are recorded in the County's financial statements; therefore, discrete presentation of the Authority's operations is not made in the County's financial statements.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

B. Basis of Presentation - Fund Accounting

The accounts of the County are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds.

The County has the following fund categories (further divided by fund type) and account groups:

Governmental Funds are used to account for the County's governmental activities. Governmental funds include the following fund types:

General Fund - The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains four Special Revenue Funds: The Revaluation Fund, the Fire Districts Fund, the Enhanced 911 Service Fund, and the Community Development Block Grant Work-first Fund.

The Solid Waste District Fund is a fund that accumulates funds to operate the local convenience centers and prior to this year was accounted for as a Special Revenue Fund. It has been consolidated with the Solid Waste Enterprise Fund this year.

Capital Project Funds - Capital Project Funds account for financial resources to be used for the acquisition and construction of major capital facilities. The County has six Capital Project funds within its governmental fund types: the Capital Improvement Reserve, the Public Buildings Capital Project Fund, the School Improvements Capital Projects Fund, the Water and Sewer Reserve, the Hurricane Floyd Disaster Recovery Projects Fund, and the Library Construction Fund.

Proprietary Funds include the following fund type:

Enterprise Fund - Enterprise Funds account for those operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The County has two enterprise funds: the Landfill Fund and the Water Distribution Fund. The Landfill Closure and Postclosure Reserve Fund is a reserve established by the County to accumulate the funds necessary to fund the closure and postclosure care costs that will be incurred by the landfill in the future. The Landfill Closure and Postclosure Reserve Fund and the Solid Waste Reserve Fund are consolidated with the landfill operating fund for financial reporting purposes. The Solid Waste Reserve Fund is a fund created to accumulate resources from users for the operation of convenience disposal sites. Also, the Water Capital Projects Fund is consolidated with the Water Distribution fund for reporting purposes

Account Groups

The General Fixed Assets Account Group is established to account for fixed assets that are not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Proprietary fund type equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. As required for periods beginning after June 15, 2000 by Statement 33 of the Government Accounting Standards Board, *Accounting and Financial Reporting for Nonexchange Transactions*, The County has begun recognizing capital contributions as revenue in the current year, rather than as contributed capital. No adjustment to the balance of the contributed capital account is required.

The basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting. The governmental fund types are presented in the financial statements on this same basis. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are "measurable" and "available") to pay the liabilities of the current period. In addition expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which are recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The County recognized assets of nonexchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Nonexchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of nonexchange transactions.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Wilson County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered in Wilson County from March 2001 through February 2002 apply to the fiscal year ended June 30, 2002. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements. For motor vehicles which are renewed and billed under the annual system, taxes are due on May 1 of each year, and the uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date upon which interest begins to accrue passed prior to June 30. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2002 because they are intended to finance the County's operations during the 2002 fiscal year.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

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

The Proprietary fund is presented in the financial statements on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. As permitted by generally accepted accounting principles, the County has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations.

The financial statements of the ABC Board are presented using the accrual basis of accounting. All sales are made for cash (and credit card) and recorded at time of sale; revenues are recorded when earned. Expenses are recognized when incurred. As permitted by generally accepted accounting principles, the ABC Board has elected to apply only applicable Financial Accounting Standards Board ("FASB") Statements and Interpretations issued before November 30, 1989 in its proprietary operations.

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, the special revenue, certain capital projects, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Also, project ordinances are adopted for certain other capital projects.

Expenditures may not legally exceed appropriations at the functional level for the general fund, at the departmental level for the special revenue and enterprise funds, and the object level for the capital projects fund. The balances in the Capital Reserve Fund will be appropriated when transferred to a capital projects fund in accordance with the budget adopted for that fund. The County Manager is authorized by the budget ordinance to transfer appropriations between line items within a department; however, any revisions that alter the total expenditures of any department or fund must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

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 budget requests and the revenue estimates for their department 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 process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances are closed at year-end and re-encumbered in the following year.

E. Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the County and ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and ABC Board 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 and ABC Board 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).

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

The County and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market price. The securities of the NCCMT Cash Portfolio, and SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid demand deposits and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2001.

Allowances for Doubtful Accounts

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

Inventory

The inventories of the ABC Board are valued at cost (first-in, first-out) which approximates market.

Fixed Assets

The County's general fixed assets are recorded at original cost. Donated assets are listed at the market value at the time of donation. Certain items acquired before July 1, 1979 are recorded at an estimated original cost. The total of such estimates is not considered large enough that the errors would be material when fixed assets are considered as a whole.

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

Public domain or infrastructure general fixed assets are not capitalized because such assets are immovable and of value only to the County. Also, the County has elected not to capitalize those interest costs which are incurred during the construction period of general fixed assets.

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

Property, plant, and equipment in the proprietary funds of the County and the ABC Board are recorded at original cost at the time of acquisition. Property, plant, and equipment donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation. Any interest incurred during the construction phase of proprietary fund type fixed assets is reflected in the capitalized value of the asset constructed. Plant assets of the County are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances. Other proprietary fund assets of the County are depreciated on a class life basis at the following rates:

	<u>County</u>	<u>ABC Board</u>
Furniture and office equipment	10% - 33%	10% - 33%
Vehicles	20% - 33%	20% - 33%
Leasehold improvements	10% - 30%	10% - 20%

Long-Term Debt

For governmental fund types, bond issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures. For the proprietary fund types, material bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Long-term debt for other purposes is included in the general long-term debt account group.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

Fund Equity

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year. For the current fiscal year accrued revenue from inventory tax reimbursement may be considered available for appropriation.

The governmental fund types classify fund balances as follows:

RESERVED

Reserved by State Statute - portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables which are not offset by deferred revenues.

Reserved for register of deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the register of deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the register of deeds office.

UNRESERVED

Designated for Debt Service - portion of fund balance that has been set aside to pay future debt service amounts.

Designated for Public Health Programs - portion of fund balance that is been set aside to fund Public Health programs.

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation which has been designated for the future budget ordinances.

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

F. Revenues, Expenditures and Expenses

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Operating transfers-out" in the General Fund and "Operating transfers-in" in the receiving fund. In addition, the ABC Board makes quarterly transfers to the County's General Fund. These transfers represent the County's portion of the ABC Board's surpluses, which the ABC Board is required by State statute to distribute to the County.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. For the County, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the County's governmental funds. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2002 are recorded in the General Long-Term Debt Account Group. For the Enterprise Fund and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

G. Total (Memorandum Only) Columns

The total columns on the accompanying financial statements are captioned as "Total (Memorandum Only) - Primary Government" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles for the primary government. Interfund eliminations have not been made in the aggregation of this data.

H. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

There were no instances of material non-compliance with N.C. General Statutes.

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

3. BUDGET-TO-GAAP RECONCILIATION

Exhibit 3, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, compares the budget and actual data by fund type for those governmental funds that adopt annual budgets. Therefore, only those Funds that adopt annual budgets are included on Exhibit 3. A budget-to-GAAP reconciliation for the Special Revenue and Capital Projects Funds are included below:

Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses:	Special Revenue Fund	Capital Projects Fund
Per Exhibit 3 - Budgetary basis	\$ 170,557	\$ (1,531,838)
Timing difference:		
Transactions of funds with multi-year budgets:		
Revenues	75,684	3,691,286
Expenses	(75,684)	(9,912,921)
Other financing sources	-	17,400,000
Per Exhibit 2 - GAAP basis	\$ 170,557	\$ 9,646,527
	=====	=====

4. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Assets

Deposits

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

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

At June 30, 2002, the County's deposits had a carrying amount of \$1,686,258 and a bank balance of \$3,608,474. Of the bank balance, \$100,000 was covered by federal depository insurance and \$3,508,474 was covered by collateral held under the Pooling Method.

At June 30, 2002, the ABC Board's deposits had a carrying amount of \$726,483 and a bank balance \$667,306. Of the bank balance \$152,183 was covered by federal depository insurance and \$515,123 was covered by collateral held under the Pooling Method.

Investments

The County's investments are categorized to give an indication of the level of custodial risk assumed at year-end. In the following, category A includes investments that are insured or registered or for which the securities are held by the County or it's agent in the County's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category C includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. 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.

At June 30, 2002, the County had no category A, B, or C investments. The County's investments in the North Carolina Capital Management Trust totaled \$46,706,712.

At June 30, 2002, the ABC Board had no investments.

Property Tax - Use-Value Assessment on Certain Lands

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 1,054,286	\$ 345,279	\$ 1,399,565
1999	1,005,804	238,878	1,244,682
2000	1,325,004	195,438	1,520,442
2001	1,305,713	97,929	1,403,642
Total	<u>\$ 4,690,807</u>	<u>\$ 877,524</u>	<u>\$ 5,568,331</u>
	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

Receivables-Allowances for Doubtful Accounts

The amounts presented in the Combined Balance Sheets for Property taxes and other receivables are net of the following allowances for uncollectible accounts at June 30, 2002:

General Fund	\$ 800,907
	=====
Special Revenue Fund	\$ 6,500
	=====
Enterprise Fund	\$ 31,483
	=====

Fixed Assets

The County's general fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures of the various governmental funds and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are capitalized at estimated fair market value upon receipt in the General Fixed Asset Account Group.

A summary of changes in the County's general fixed assets follows:

	Balance July 1, 2001	Additions	Retirements	Transfers	Balance June 30, 2002
By Type:					
Land and					
Buildings	\$26,828,146	\$ -	\$ -	\$ -	\$ 26,828,146
Equipment	6,144,916	744,556	442,579	-	6,446,893
Improvements	774,293	-	-	-	774,293
Total	\$33,747,355	\$ 744,556	\$ 442,579	\$ -	\$ 34,049,332

	Balance July 1, 2001	Additions	Retirements	Transfers	Balance June 30, 2002
By Function:					
General					
government	\$12,179,837	\$ 68,947	\$ 110,496	\$ 14,397	\$ 12,152,685
Public safety	14,032,157	408,471	196,493	(1,234)	14,242,901
Economic and					
physical					
development	775,248	-	-	(1,900)	773,348
Human Services	5,693,912	261,274	120,738	(10,064)	5,824,384
Cultural and					
Recreational	1,066,201	5,864	14,852	(1,199)	1,056,014
Total	\$33,747,355	\$ 744,556	\$ 442,579	\$ -	\$ 34,049,332

(continued)

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

(continued)

Reconciliation of Additions:

Capital outlay expenditures (Exhibit B-1)	\$ 1,730,009
Less: Public school and community college capital outlays	(1,292,499)
Special Revenue Fund capital outlay	1,998
Capital outlay charged to other accounts	314,927
Fair value of leased equipment acquired by capital lease	142,890
Lease Payments included in Capital Outlay	(152,769)
 Total	 <u>\$ 744,556</u> =====

Summary of Proprietary Fixed Assets

The fixed assets for the Landfill Enterprise Fund of the County at June 30, 2002 are as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Land	\$ 2,131,648	\$ -	\$ 2,131,648
Landfill equipment	1,346,285	880,253	466,032
Construction in progress: Water Distribution Fund	5,304,881	-	5,304,881
 Total	 <u>\$ 8,782,814</u> =====	 <u>\$ 880,253</u> =====	 <u>\$ 7,902,561</u> =====

The following is a summary of Proprietary Fund type fixed assets for the ABC Board at June 30, 2002:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Amount</u>
Land	\$ 314,617	\$ -	\$ 314,617
Buildings	484,535	52,303	432,232
Furniture and equipment	268,580	137,053	131,527
Vehicles	23,877	15,772	8,105
Leasehold Improvements	35,532	32,217	3,315
 Total	 <u>\$ 1,127,141</u> =====	 <u>\$ 237,345</u> =====	 <u>\$ 889,796</u> =====

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

B. Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

PLAN DESCRIPTION

Wilson County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

FUNDING POLICY

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees is 4.94% of annual covered payroll. The contribution requirements of members and of Wilson County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2002, 2001, and 2000 were \$889,657, \$837,219, and \$806,537, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2002, 2001, and 2000 were \$45,998, \$46,478 and \$41,967 respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

PLAN DESCRIPTION

The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2001, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>59</u>
Total	63
	=====

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.

Method Used to Value Investments

No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2001 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 5.9% to 9.8% per year. Assumptions (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2001 was 30 years.

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

3 Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-00	\$ 53,230	44.00%	\$ 115,657
6-30-01	59,626	54.46%	196,990
6-30-02	81,236	46.17%	240,720

Supplemental Retirement Income Plan for Law Enforcement Officers

PLAN DESCRIPTION

Wilson County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

FUNDING POLICY

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2002 were \$138,430, which consisted of \$104,954 from the County and \$33,476 from the law enforcement officers.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is Administered by Public Employees Benefit Services Corporation ("PEBSCO") is available to all permanent County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Registers of Deeds' Supplemental Pension Fund

PLAN DESCRIPTION

The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any 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.

WILSON COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2002

FUNDING POLICY

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2002, the County's required and actual contributions were \$16,976.

State 401K Plan

The County is currently participating in the State 401K Plan (the "Plan") for employees other than law enforcement officers, which is funded by employee contributions and a County matching contribution. Employee contributions are voluntary, and the County has elected to contribute a matching contribution equal to 2.5 percent of the salaries of all qualified County employees. This plan is administered by Branch Banking & Trust Company. All amounts contributed vest immediately.

The County's contributions were calculated using a covered payroll amount of \$16,174,562. Total County contributions for the year ended June 30, 2002 were \$404,360.

Other Post-Employment Benefits

In addition to providing pension benefits, the County has elected to provide postemployment health benefits to retirees of the County in accordance with County personnel policies and procedures. These benefits are provided to all employees who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least fifteen years of creditable service with the County. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently 40 retirees are eligible for postemployment health benefits. For the fiscal year ended June 30, 2002, expenditures of \$138,885 were made for postemployment healthcare.

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 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 his/her death, but the benefit may not exceed \$20,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

contributions. Contributions are determined as 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. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2002, the County made contributions to the State for death benefits of \$15,878. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

Closure and Post-closure Care Costs - Wilson County Solid Waste Facility

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill stopped accepting solid waste on January 1, 1998.

The liability for postclosure cost is estimated to be \$1,216,741 at June 30, 2002. Actual costs for postclosure activities may be higher due to inflation, changes in technology or changes in regulations.

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. Based on current contracted costs to close similar sites at the landfill, the estimated future costs to close the construction and demolition area is \$1,210,000. Based on the use of estimated capacity of the construction and demolition area, the estimated closure liability at June 30, 2002 is \$861,481. The County will recognize the remaining estimated closure and postclosure care of \$348,519 as the remaining estimated capacity is filled.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and postclosure care costs. At June 30, 2002, those funds are held in investments with a cost and market value of \$2,949,785.

The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

Deferred Revenues

Deferred revenues at June 30, 2002, consist of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects</u>
Prepaid taxes, not yet earned	\$ 204,642	\$ -	\$ -
Taxes receivable (net)	2,271,932	69,543	-
Other	552	-	20,827
Total	<u>\$ 2,477,126</u>	<u>\$ 69,543</u>	<u>\$ 20,827</u>
	=====	=====	=====

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property subject to a limit as outlined in the contract, for any one occurrence, with an annual aggregate of \$50 million for flood and earthquake, with other sub-limits for other coverage per the County's contract. The County also purchases general, auto, public officials, law enforcement, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 per occurrence and an additional \$500,000 annual aggregate up to \$2 million limit for liability coverage, \$145 million of aggregate annual losses in excess of \$100,000 per occurrence and an additional \$1 million annual aggregate for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 per occurrence and \$300,000 annual aggregate for workers' compensation.

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.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The ABC Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. 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.

Claims and Judgments

At June 30, 2002, the County was a defendant to various lawsuits. In the opinion of management and the County attorney, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

Long-Term Obligations

Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Capital leases include the following:

1. Lease executed on March 30, 2000 for a copier requiring 36 monthly installments of \$409.
2. Lease executed on November 21, 2000 for a computer system hardware requiring 24 monthly installments of \$3,504.
3. Lease executed on March 30, 2001 for a copier requiring 60 monthly installments of \$428.

Under the terms of all the leases, the County at the end of the lease term has a purchase option of \$1.

There were three new capital lease agreements for the fiscal year ended June 30, 2002, the first was executed on December 1, 2001 for five Canon copiers requiring 60 monthly installments of \$1,996. The second was executed on February 1, 2002 for a Canon copier requiring 36 monthly installments of \$312. The third new capital lease was executed on April 1, 2002 for a Canon copier requiring 48 monthly installments of \$248.

The following is an analysis of the assets recorded under capital leases in the County's General Fixed Assets Account Group at June 30:

<u>Classes of Property</u>	<u>2002</u>
Equipment	\$ 513,923
	=====

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2002 were as follows:

Year Ending June 30	General Long-Term Debt
2003	\$ 59,251
2004	35,803
2005	34,555
2006	30,281
2007	11,975
Thereafter	-
Total minimum lease payments	\$ 171,865
Less: amount representing interest	1,842
Present value of the minimum lease payments	\$ 170,023 =====

General Obligation Indebtedness

The County records long-term debt of the governmental funds at face value in the general long-term debt account group. All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County.

The County's general obligation bonds payable are comprised of the following individual issues:

	Balance 6-30-02
General Obligation Bonds:	
\$8,000,000 Detention Center Bond Issue - February 1, 1993; due in annual principal installments of \$400,000 through June 2013; interest at 4.5% to 4.75%; payable on June 1 and December 1	\$ 4,800,000
\$17,400,000 School Series 2002 - April 9, 2002; due in annual principal installments ranging from \$500,000 to \$2,000,000 through April 2017; interest at 4.0% to 5.0%; payable on October 1 and April 1	17,400,000
Notes Payable:	
\$8,500,000 Financing Agreement - December 19, 1996; due in semi-annual principal and interest payments of \$408,868 through January 1, 2006; interest at 5.07%; payable on July 1 and January 1	6,321,219

(continued)

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

Notes Payable: (continued)	<u>Balance 6-30-02</u>
\$5,600,000 Financing Agreement - July 31, 2001; due in semi-annual fixed principal payments of \$188,533 plus interest at 4.89% through October 27, 2015; payable on October 27 and April 27	5,141,304
\$5,000,000 Financing Agreement - April 2, 2002; due in semi-annual fixed principal payments of \$166,667 plus interest at 4.89% through April 2, 2016; payable on October 2 and April 2	4,713,333
\$8,500,000 Financing Agreement - January 15, 1997; due in semi-annual principal and interest payments of \$405,000 through January 1, 2006; interest at 4.99%; payable on July 1 and January 1	6,288,904
\$3,500,000 Notes Payable - December 22, 1992; due in semi-annual principal and interest payments of \$171,374 through January 2008; interest at 5.73%; payable January 10 and July 10; collateralized by a deed of trust on a building	1,722,513
\$1,340,875 Notes Payable - November 20, 1997; due in quarterly principal and interest payments of \$30,338 through December 2012; interest at 4.25%; payable March 1, June 1, September 1 and December 1; collateralized by a deed of trust on a building	1,126,516
\$5,000,000 Financing Agreement - August 30, 1999; due in semi-annual principal and interest payments of \$166,667 through August 30, 2014; interest at 5.06%; payable on February 28 and August 30	4,208,333
\$3,000,000 Notes Payable - November 12, 1999; due in semi-annual principal and interest payments of \$300,000 through November 12, 2004; interest at 4.79%; payable on May 12 and November 12; collateralized by a deed of trust on a building	1,500,000
\$2,850,000 Notes Payable - August 22, 1997; County's share of a joint loan with the City of Wilson for 1/2 of a building constructed as an industrial economic incentive; currently leased so that debt service is funded by annual rents. When the debt is paid title will transfer to lessee; due in monthly principal and interest payments of \$14,455 through December 2010; interest at prime payable monthly	1,023,538

(continued)

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

	Balance 6-30-02
Notes Payable: (continued)	
\$800,000 Notes Payable - October 21, 1994; County's share of a joint loan with the City of Wilson for 1/2 of a building constructed as an industrial economic incentive; due in monthly principal and interest payments of \$3,966 through December 2009; interest at prime less .25 percent payable monthly	503,803
Total	\$ 54,749,463

Serviced by the Water and Sewer fund:
Bond Anticipation Note:

\$3,600,000,000 Southeast Water District Note; issued May 7, 2002; due on January 29, 2003; interest at 3.0%. This note will be repaid from a bond issue expected to be sold in the next fiscal year	\$ 3,600,000
	=====

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2002, including interest payments, are as follows:

Year	General Obligation Bonds	Interest Payments	Total
2003	\$ 900,000	\$ 1,013,800	\$ 1,913,800
2004	900,000	975,400	1,875,400
2005	1,100,000	937,000	2,037,000
2006	1,200,000	890,600	2,090,600
2007	1,200,000	838,200	2,038,200
Next 5 years	6,400,000	3,359,800	9,759,800
Thereafter	10,500,000	1,421,000	11,921,000
Total	\$ 22,200,000	\$ 9,435,800	\$ 31,635,800

The annual requirements to amortize notes payable outstanding as of June 30, 2002, including interest payments, are as follows:

Year	Principal Payments	Interest Payments	Total
2003	\$ 3,165,483	\$ 1,464,227	\$ 4,629,710
2004	3,236,866	1,321,120	4,557,986
2005	3,011,795	1,174,458	4,186,253
2006	2,790,470	1,041,567	3,832,037
2007	2,873,084	910,564	3,783,648
Next 5 years	3,581,002	320,340	3,901,342
Thereafter	13,890,763	2,572,567	16,463,330
Total	\$ 32,549,463	\$ 8,804,843	\$ 41,354,306

At June 30, 2002, the County had a legal debt margin of \$308,161,459.

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

The following is a summary of changes in general long-term debt for the year ended June 30, 2002:

<u>By Type</u>	General Long -Term Debt July 1, 2001	<u>Additions</u>	<u>Retirements</u>	General Long -Term Debt June 30, 2002
General				
Obligation Bonds	\$ 5,200,000	\$17,400,000	\$ 400,000	\$ 22,200,000
Notes payable	35,451,480	-	2,902,017	32,549,463
Compensated absences	1,088,737	60,195	-	1,148,932
Capital leases	82,657	142,890	55,524	170,023
Unfunded Special Separation Allowance	196,990	43,730	-	240,720
Total	<u>\$ 42,019,864</u>	<u>\$17,646,815</u>	<u>\$ 3,357,541</u>	<u>\$ 56,309,138</u>

<u>By Purpose</u>	General Long -Term Debt July 1, 2001	<u>Additions</u>	<u>Retirements</u>	General Long -Term Debt June 30, 2002
Schools	\$ 28,588,233	\$17,400,000	\$ 1,915,140	\$ 44,073,093
Jail	5,200,000	-	400,000	4,800,000
Buildings	4,097,863	-	875,350	3,222,513
Equipment	1,182,021	142,890	131,350	1,193,561
Compensated absences	1,088,737	60,195	-	1,148,932
Public Safety	196,990	43,730	-	240,720
Industrial Development Buildings	1,666,020	-	35,701	1,630,319
Total	<u>\$ 42,019,864</u>	<u>\$17,646,815</u>	<u>\$ 3,357,541</u>	<u>\$ 56,309,138</u>

Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2002 is as follows:

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government	Component unit - ABC Board	
- General Fund	- required distributions	\$ 56,250
		=====

6. RELATED ORGANIZATIONS

Wilson Memorial Hospital (the "Hospital") is a not-for-profit corporation and is a legally separate organization. Although the County Board of Commissioners is responsible for appointing the members of the Board of the Hospital, the County's accountability for this organization does not extend beyond making these appointments.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

7. JOINT VENTURES

Wilson Economic Development Council

The County is a participant with the City of Wilson (the "City") in a joint venture to promote industrial and commercial development of the County and City. The Council is managed by a nine-member board composed of four appointees from the County, four appointees from the City and a chairman from either the County or City based on election by the Board. The by-laws of the Council state that the County and City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$204,086 to the Council for the fiscal year ended June 30, 2002. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2002. Complete financial statements for the Council can be obtained from the Council's administrative offices at 126 West Nash Street, Wilson, North Carolina 27893.

Rocky Mount-Wilson Airport Authority

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Edgecombe, and County of Nash, participates in the Rocky Mount-Wilson Airport Authority (the "Airport"). Each participating city appoints two members and each participating County appoints one member to the seven member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated, under the intergovernmental agreement that created the Airport, to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$43,992 to the Airport during the fiscal year ended June 30, 2002. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2002. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

Wilson Technical Community College

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical 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 an ex officio nonvoting 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

WILSON COUNTY, NORTH CAROLINA
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FOR THE YEAR ENDED JUNE 30, 2002

the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,106,905 and \$42,499 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2002. 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, 2002. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

Wilson-Green Board of Mental Health, Mental Retardation and Substance Abuse

The County, in conjunction with Greene County, participates in a joint venture to operate the Wilson-Greene Board of Mental Health, Mental Retardation and Substance Abuse (the "Board"). The Board of County Commissioners of each participating county appoints one county commissioner to the Board. The appointed commissioners then appoint the remaining thirteen members of the Board. Each participant in the joint venture makes an annual appropriation to the Board, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2002, the County contributed \$327,727 to the Board. None of the participating governments have an equity interest in the Board, so no equity interest has been reflected in the financial statements at June 30, 2002. Complete financial statements for the Board may be obtained from the Board's offices at 1709 South Tarboro Street, Wilson, North Carolina 27893.

8. JOINTLY GOVERNED ORGANIZATIONS

Upper Coastal Plain Council of Governments

The County, in conjunction with five other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$26,085 to the Council during the fiscal year ended June 30, 2002.

Wilson County Tourism Development Authority

The County of Wilson and the City of Wilson created the Wilson County Tourism Development Authority (the "Authority"), a public authority established to promote the growth of tourism and travel related industry. The Authority is funded by occupancy sales tax on motel and bed and breakfast rentals. The Authority receives no financial support from the County.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE-30, 2002

9. SUPPLEMENTAL AND ADDITIONAL SUPPLEMENTAL ONE-HALF OF ONE PERCENT LOCAL GOVERNMENT SALES AND USE TAXES

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2002, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

10. PUBLIC SCHOOL BUILDING BOND ACT OF 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The Department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each county.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. Wilson County's matching requirement of \$.50 for each dollar of allocated bond proceeds has been fulfilled.

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Wilson County requests bond funds by project to be transferred to an account established by Wilson County Board of Education for payment of invoices. To date, the County has expended \$14,190,802 of its allocation of \$14,268,097.

11. BENEFIT PAYMENTS ISSUED BY THE STATE

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

WILSON COUNTY, NORTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002

	Federal	State
Medical Assistance Program		
Medicaid - Title XIX	\$ 43,561,316	\$ 22,292,430
IV - E Adoption	238,621	74,150
IV - E Foster Care	230,288	26,720
Temporary Assistance for Needy Families	1,354,574	-
Low Income Home Energy		
Assistance Block Grant	108,020	-
WIC	1,630,505	-
Special Assistance for Adults	-	1,057,007
Food Stamp Program	5,957,929	-
CWS Adoption	-	103,857
State Foster Home	-	35,151
Total	\$ 53,081,253	\$ 23,589,315

12. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Commitments

The County has entered into various contracts and agreements to construct and operate a county water system. This project will be financed by grants and debt proceeds. Currently the total cost to construct is approximately \$12,330,000. The amount of the uncompleted contracts at June 30, 2002 was approximately \$7,052,000.

Employment Security Benefits

The County and the ABC Board have elected to pay the direct cost of employment security benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in a year following discharge of employees. In management's opinion, such liability, if any, would not be significant to the general purpose financial statements.

Operating Leases

The County is obligated under operating leases to make monthly payments ranging from \$260 to \$342 through August 2005. Lease expenditures for the fiscal year ended June 30, 2002 totaled \$80,880. Under these leases, minimum lease payments for the fiscal year ending June 30, 2003 total \$99,140.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

13. FINANCIAL ASSISTANCE PROGRAMS

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

14. PENDING GASB STATEMENTS

At June 30, 2002, the Governmental Accounting Standards Board (GASB) has issued a statement not yet implemented by the County.

No. 34, "Basic Financial Statements - and Management Discussion and Analysis - For State and Local Governments" issued June, 1999, will be effective for the County, based on its revenues, for the fiscal year ending June 30, 2003. Statement No. 34, summarized below, imposes new standards for financial reporting. Management has not yet completed their assessment of this statement; however, it will have a material effect on the overall financial statement presentation for Wilson County.

The new financial statement guidelines embodied in Statement No. 34 are the culmination of many years of study and deliberation by the GASB. For the first time, financial managers will be required to share their insights in management's discussion and analysis (MD&A) that gives readers an analysis of the government's overall financial position and results of the previous year's operations.

Financial statements will be presented under a dual perspective - a government-wide perspective (new) and a fund level perspective. For the first time, the annual report will include government-wide financial statements prepared using full accrual accounting for all of the government's activities, not just those that cover costs by charging a fee for services, as was previously required. Governments will report all capital assets, including infrastructure, in a government-wide statement of net assets and will report depreciation expense, the cost of using up capital assets, in the statement of activities. Infrastructure assets will be reported, but may not be required to be depreciated under certain circumstances. The net assets of a government will be broken down into three categories: invested in capital assets, net of related debt; restricted; and unrestricted. A statement of activities will be presented in at least the same level of detail provided in the governmental fund statements - generally, expenses and program revenues by function. Program expenses will include all direct expenses; governments that allocate overhead and other indirect expenses to individual programs will show the allocation in a separate column. Special and extraordinary items will be reported separately from other revenues and expenses. This way, users will see if the government's conventional, recurring revenues and expenses balanced.

WILSON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

Statement 34 requires governments to continue to present fund level financial statement with information about funds. The focus of these fund-based statements has been sharpened, however, by requiring governments to report information about their most important or major funds (those whose revenues, expenditures/expenses, assets or liabilities are at least ten (10%) percent of the total for their fund category or type (governmental or enterprise) and at least five (5%) percent of the aggregate amount for all governmental and enterprise funds), including a government's general fund. Fund-based statements for governmental activities (generally, those supported by tax revenues) will continue to report the flow of current financial resources (generally, cash and other assets that can easily be converted to cash).

To help users understand and assess the relationship between fund-based and government-wide financial statements, governments will present a summary reconciliation that will show the interplay between the two types of statements.

Governments will continue to provide budgetary comparison information in their annual reports as required supplementary information. An important change, however, is a requirement to add the government's *original budget* to the current comparison of final budget and actual results.

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

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/94	\$ -	\$ 215,111	\$ 215,111	.00%	\$ 1,326,932	16.21%
12/31/95	-	278,703	278,703	.00%	1,359,862	20.49%
12/31/96	-	319,619	319,619	.00%	1,502,886	21.27%
12/31/97	-	357,219	357,219	.00%	1,636,804	21.82%
12/31/98	-	386,832	386,832	.00%	1,703,087	22.71%
12/31/99	-	430,641	430,641	.00%	1,865,945	23.08%
12/31/00	-	699,004	699,004	.00%	1,951,257	35.82%
12/31/01	-	797,139	797,139	.00%	2,070,144	38.51%

WILSON COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Exhibit A-2

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$ 81,236	46.17%
2001	\$ 59,626	54.46%
2000	\$ 53,230	49.40%

Notes to the Required Schedules:

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

Valuation date	12/31/01
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	29 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	5.9 to 9.8%
*Includes inflation at	3.75%
Cost-of-living adjustments	none

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Property taxes	\$ 30,600,080	\$ 30,968,885	\$ 368,805	\$ 29,061,436
Other Taxes and Licenses:				
Animal Control tax	\$ -	\$ 13,661	\$ 13,661	\$ -
Intangible taxes	660,000	669,378	9,378	660,085
Local option sales taxes	10,098,400	9,640,469	(457,931)	9,568,249
Excise taxes	360,000	350,719	(9,281)	409,404
Privilege licenses	13,000	12,525	(475)	22,193
Inventory tax	678,205	644,500	(33,705)	1,285,115
Beer and wine tax	98,000	6,268	(91,732)	105,328
Franchise tax	50,000	60,212	10,212	46,639
Food stamp tax	75,000	79,730	4,730	75,487
Senior citizens exemption	70,000	-	(70,000)	72,895
Total	<u>\$ 12,102,605</u>	<u>\$ 11,477,462</u>	<u>\$ (625,143)</u>	<u>\$ 12,245,395</u>
Unrestricted				
Intergovernmental Revenues:				
Housing authority	\$ 45,000	\$ 32,959	\$ (12,041)	\$ 30,452
Tourism authority	9,500	8,756	(744)	8,903
Total	<u>\$ 54,500</u>	<u>\$ 41,715</u>	<u>\$ (12,785)</u>	<u>\$ 39,355</u>
Restricted				
Intergovernmental Revenues:				
Federal and State grants:				
Social services	\$ 11,679,555	\$ 11,194,465	\$ (485,090)	\$ 10,622,345
Health services	5,497,995	7,080,168	1,582,173	5,720,920
SBA Loans	-	-	-	194,629
General Fund	1,516,912	1,541,371	24,459	1,639,071
Court facilities fees	160,000	224,545	64,545	237,878
ABC Board rehabilitation	24,500	20,553	(3,947)	22,756
Total	<u>\$ 18,878,962</u>	<u>\$ 20,061,102</u>	<u>\$ 1,182,140</u>	<u>\$ 18,437,599</u>
Permits and Fees:				
Building permits and				
Inspection fees	\$ 76,000	\$ 90,540	\$ 14,540	\$ 103,472
Register of Deeds	268,300	350,304	82,004	318,327
Total	<u>\$ 344,300</u>	<u>\$ 440,844</u>	<u>\$ 96,544</u>	<u>\$ 421,799</u>
Services and Other Fees:				
Rents, concessions				
and other fees	\$ 912,682	\$ 918,933	\$ 6,251	\$ 1,048,411
Jail fees	890,000	737,451	(152,549)	697,084
Ambulance fees	465,000	568,403	103,403	553,322
Communications center	530,000	530,259	259	506,322
Total	<u>\$ 2,797,682</u>	<u>\$ 2,755,046</u>	<u>\$ (42,636)</u>	<u>\$ 2,805,139</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues: (continued)				
Investment Earnings	\$ 749,788	\$ 584,809	\$ (164,979)	\$ 1,377,121
Miscellaneous:				
Other	\$ 150,376	\$ 139,784	\$ (10,592)	\$ 154,720
Total Revenues	<u>\$ 65,678,293</u>	<u>\$ 66,469,647</u>	<u>\$ 791,354</u>	<u>\$ 64,542,564</u>
Expenditures:				
General Government:				
Board of Commissioners:				
Salaries and employee benefits	\$ 43,276	\$ 43,276	\$ -	\$ 44,151
Operating expenses	34,269	19,640	14,629	30,848
Total	<u>\$ 77,545</u>	<u>\$ 62,916</u>	<u>\$ 14,629</u>	<u>\$ 74,999</u>
Administration:				
Salaries and employee benefits	\$ 223,657	\$ 222,669	\$ 988	\$ 268,322
Operating expenses	14,870	14,324	546	19,110
Total	<u>\$ 238,527</u>	<u>\$ 236,993</u>	<u>\$ 1,534</u>	<u>\$ 287,432</u>
Human Resources:				
Salaries and employee benefits	\$ 56,450	\$ 52,986	\$ 3,464	\$ 48,824
Operating expenses	16,024	13,736	2,288	18,993
Total	<u>\$ 72,474</u>	<u>\$ 66,722</u>	<u>\$ 5,752</u>	<u>\$ 67,817</u>
Board of Elections:				
Salaries and employee benefits	\$ 180,552	\$ 138,949	\$ 41,603	\$ 152,234
Operating expenses	70,200	47,514	22,686	51,167
Data processing charges	1,000	309	691	2,500
Total	<u>\$ 251,752</u>	<u>\$ 186,772</u>	<u>\$ 64,980</u>	<u>\$ 205,901</u>
Finance:				
Salaries and employee benefits	\$ 288,914	\$ 281,399	\$ 7,515	\$ 296,409
Operating expenses	42,134	36,752	5,382	43,000
Total	<u>\$ 331,048</u>	<u>\$ 318,151</u>	<u>\$ 12,897</u>	<u>\$ 339,409</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
General Government: (continued)				
Office of Tax Supervisor:				
Salaries and				
employee benefits	\$ 560,751	\$ 552,880	\$ 7,871	\$ 537,574
Operating expenses	231,785	222,461	9,324	161,281
Data processing charges	37,000	33,892	3,108	38,182
Capital outlay	3,615	-	3,615	-
Total	<u>\$ 833,151</u>	<u>\$ 809,233</u>	<u>\$ 23,918</u>	<u>\$ 737,037</u>
Mapping Department:				
Salaries and				
employee benefits	\$ 134,656	\$ 134,427	\$ 229	\$ 130,790
Operating expenses	15,361	15,068	293	24,195
Capital outlay	4,750	4,737	13	5,317
Total	<u>\$ 154,767</u>	<u>\$ 154,232</u>	<u>\$ 535</u>	<u>\$ 160,302</u>
Register of Deeds:				
Salaries and				
employee benefits	\$ 279,942	\$ 278,669	\$ 1,273	\$ 274,793
Operating expenses	305,327	259,016	46,311	287,176
Capital outlay	-	-	-	2,978
Total	<u>\$ 585,269</u>	<u>\$ 537,685</u>	<u>\$ 47,584</u>	<u>\$ 564,947</u>
Court Facilities:				
Salaries and				
employee benefits	\$ 172,156	\$ 170,878	\$ 1,278	\$ 169,166
Operating expenses	110,080	91,322	18,758	102,044
Total	<u>\$ 282,236</u>	<u>\$ 262,200</u>	<u>\$ 20,036</u>	<u>\$ 271,210</u>
Agriculture Building:				
Operating expenses	<u>\$ 35,100</u>	<u>\$ 35,029</u>	<u>\$ 71</u>	<u>\$ 38,008</u>
Public Buildings:				
Operating expenses	<u>\$ 397,050</u>	<u>\$ 319,930</u>	<u>\$ 77,120</u>	<u>\$ 287,940</u>
Central Service:				
Salaries and				
employee benefits	\$ 3,000	\$ 1,385	\$ 1,615	\$ 2,511
Operating expenses	843,818	616,176	227,642	791,096
Total	<u>\$ 846,818</u>	<u>\$ 617,561</u>	<u>\$ 229,257</u>	<u>\$ 793,607</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
General Government: (continued)				
Technology Services:				
Salaries and				
employee benefits	\$ 135,822	\$ 133,955	\$ 1,867	\$ 127,067
Operating expenses	64,730	59,636	5,094	88,174
Capital outlay	8,598	11,906	(3,308)	8,756
Total	<u>\$ 209,150</u>	<u>\$ 205,497</u>	<u>\$ 3,653</u>	<u>\$ 223,997</u>
Other:				
Industrial Council	\$ 204,086	\$ 204,086	\$ -	\$ 212,590
Upper Coastal Plain				
Council of Governments	26,085	26,085	-	24,535
Chamber of Commerce	960	-	960	2,000
Historical Preservation	-	-	-	33,191
Block Grant - Aging	447,139	483,875	(36,736)	479,272
Other area projects	714,366	640,388	73,978	591,313
Total	<u>\$ 1,392,636</u>	<u>\$ 1,354,434</u>	<u>\$ 38,202</u>	<u>\$ 1,342,901</u>
Total General Government	<u>\$ 5,707,523</u>	<u>\$ 5,167,355</u>	<u>\$ 540,168</u>	<u>\$ 5,395,507</u>
Public Safety:				
Sheriff:				
Salaries and				
employee benefits	\$ 2,475,618	\$ 2,445,691	\$ 29,927	\$ 2,334,156
Operating expenses	533,795	497,818	35,977	511,889
Capital outlay	14,850	14,850	-	2,761
Equipment	116,000	111,655	4,345	-
Total	<u>\$ 3,140,263</u>	<u>\$ 3,070,014</u>	<u>\$ 70,249</u>	<u>\$ 2,848,806</u>
County Jail:				
Salaries and				
employee benefits	\$ 1,740,581	\$ 1,677,697	\$ 62,884	\$ 1,420,070
Operating expenses	692,021	565,800	126,221	642,717
Capital outlay	-	-	-	2,794
Total	<u>\$ 2,432,602</u>	<u>\$ 2,243,497</u>	<u>\$ 189,105</u>	<u>\$ 2,065,581</u>
Emergency Management:				
Salaries and				
employee benefits	\$ 55,515	\$ 55,531	\$ (16)	\$ 54,219
Operating expenses	11,316	10,253	1,063	15,474
FEMA	-	-	-	3,135
Total	<u>\$ 66,831</u>	<u>\$ 65,784</u>	<u>\$ 1,047</u>	<u>\$ 72,828</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Public Safety: (continued)				
Emergency				
Communications Center:				
Salaries and				
employee benefits	\$ 916,640	\$ 815,610	\$ 101,030	\$ 711,846
Operating expenses	111,540	38,903	72,637	43,466
Total	<u>\$ 1,028,180</u>	<u>\$ 854,513</u>	<u>\$ 173,667</u>	<u>\$ 755,312</u>
Emergency Medical Services:				
Salaries and				
employee benefits	\$ 1,109,327	\$ 1,078,141	\$ 31,186	\$ 1,044,679
Operating expenses	266,522	250,538	15,984	281,317
Total	<u>\$ 1,375,849</u>	<u>\$ 1,328,679</u>	<u>\$ 47,170</u>	<u>\$ 1,325,996</u>
Medical Examiner	\$ 49,000	\$ 46,100	\$ 2,900	\$ 39,250
Old Jail:				
Salaries and				
employee benefits	\$ 423,473	\$ 421,401	\$ 2,072	\$ 538,072
Operating expenses	108,013	101,702	6,311	103,652
Total	<u>\$ 531,486</u>	<u>\$ 523,103</u>	<u>\$ 8,383</u>	<u>\$ 641,724</u>
Total Public Safety	<u>\$ 8,624,211</u>	<u>\$ 8,131,690</u>	<u>\$ 492,521</u>	<u>\$ 7,749,497</u>
Environmental Protection:				
Forestry Program:				
Salaries and				
employee benefits	\$ 9,476	\$ 9,550	\$ (74)	\$ 8,978
Operating expenses	67,790	54,506	13,284	59,914
Total	<u>\$ 77,266</u>	<u>\$ 64,056</u>	<u>\$ 13,210</u>	<u>\$ 68,892</u>
Soil Conservation:				
Salaries and				
employee benefits	\$ 135,361	\$ 129,707	\$ 5,654	\$ 128,570
Operating expenses	16,903	12,861	4,042	15,705
Reserve	-	-	-	5,826
Total	<u>\$ 152,264</u>	<u>\$ 142,568</u>	<u>\$ 9,696</u>	<u>\$ 150,101</u>
Total Environmental Protection	<u>\$ 229,530</u>	<u>\$ 206,624</u>	<u>\$ 22,906</u>	<u>\$ 218,993</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Economic and Physical Development:				
Agriculture Extension and 4-H:				
Salaries and employee benefits	\$ 313,218	\$ 305,477	\$ 7,741	\$ 292,770
Operating expenses	43,812	36,099	7,713	38,232
Capital outlay	-	-	-	2,189
Total	<u>\$ 357,030</u>	<u>\$ 341,576</u>	<u>\$ 15,454</u>	<u>\$ 333,191</u>
Planning and Zoning:				
Salaries and employee benefits	\$ 208,565	\$ 202,903	\$ 5,662	\$ 218,054
Operating expenses	47,337	43,419	3,918	26,749
Capital outlay	400	264	136	4,214
Total	<u>\$ 256,302</u>	<u>\$ 246,586</u>	<u>\$ 9,716</u>	<u>\$ 249,017</u>
Total Economic and Physical Development	<u>\$ 613,332</u>	<u>\$ 588,162</u>	<u>\$ 25,170</u>	<u>\$ 582,208</u>
Human Services:				
Mental Health	<u>\$ 327,227</u>	<u>\$ 327,227</u>	<u>\$ -</u>	<u>\$ 331,255</u>
Diversified Opportunities	<u>\$ 39,360</u>	<u>\$ 39,359</u>	<u>\$ 1</u>	<u>\$ 41,000</u>
Breastfeeding and Nutrition:				
Salaries and employee benefits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94</u>
Health Department:				
Administration:				
Salaries and employee benefits	\$ 144,775	\$ (4,468)	\$ 149,243	\$ 202,932
Operating expenses	289,646	197,073	92,573	242,550
Capital outlay	44,691	34,222	10,469	13,682
Total	<u>\$ 479,112</u>	<u>\$ 226,827</u>	<u>\$ 252,285</u>	<u>\$ 459,164</u>
Tuberculosis Control:				
Salaries and employee benefits	\$ 102,850	\$ 132,962	\$ (30,112)	\$ 102,853
Operating expenses	12,760	11,380	1,380	12,577
Total	<u>\$ 115,610</u>	<u>\$ 144,342</u>	<u>\$ (28,732)</u>	<u>\$ 115,430</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures: (continued)				
Human Services: (continued)				
Tuberculosis Center for Disease Control:				
Salaries and				
employee benefits	\$ 47,831	\$ 49,672	\$ (1,841)	\$ 47,415
Operating expenses	2,550	1,455	1,095	1,410
Total	<u>\$ 50,381</u>	<u>\$ 51,127</u>	<u>\$ (746)</u>	<u>\$ 48,825</u>
Aging:				
Salaries and				
employee benefits	\$ -	\$ -	\$ -	\$ 17,732
Operating expenses	-	-	-	16,311
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,043</u>
Family Planning:				
Salaries and				
employee benefits	\$ 468,400	\$ 544,884	\$ (76,484)	\$ 457,562
Operating expenses	146,903	133,660	13,243	119,252
Total	<u>\$ 615,303</u>	<u>\$ 678,544</u>	<u>\$ (63,241)</u>	<u>\$ 576,814</u>
Immunization Action Plan:				
Operating expenses	\$ 24,577	\$ 24,559	\$ 18	\$ 24,023
Maternal Health:				
Salaries and				
employee benefits	\$ 640,883	\$ 632,796	\$ 8,087	\$ 604,058
Operating expenses	104,687	89,340	15,347	96,327
Capital outlay	6,600	6,079	521	17,985
Total	<u>\$ 752,170</u>	<u>\$ 728,215</u>	<u>\$ 23,955</u>	<u>\$ 718,370</u>
Breast Feeding Promotion:				
Salaries and				
employee benefits	\$ 3,830	\$ 6,413	\$ (2,583)	\$ 1,945
Operating expenses	2,657	2,223	434	4,409
Total	<u>\$ 6,487</u>	<u>\$ 8,636</u>	<u>\$ (2,149)</u>	<u>\$ 6,354</u>
Communicable Disease:				
Salaries and				
employee benefits	\$ 324,510	\$ 301,887	\$ 22,623	\$ 269,436
Operating expenses	26,902	15,326	11,576	15,926
Total	<u>\$ 351,412</u>	<u>\$ 317,213</u>	<u>\$ 34,199</u>	<u>\$ 285,362</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Human Services: (continued)				
Health Department (continued)				
Comprehensive Breast Cancer Prevention:				
Salaries and employee benefits	\$ 18,013	\$ 17,504	\$ 509	\$ 16,337
Operating expenses	10,600	5,283	5,317	6,424
Total	\$ 28,613	\$ 22,787	\$ 5,826	\$ 22,761
Child Health:				
Salaries and employee benefits	\$ 513,983	\$ 531,200	\$ (17,217)	\$ 471,533
Operating expenses	88,275	69,967	18,308	50,297
Total	\$ 602,258	\$ 601,167	\$ 1,091	\$ 521,830
Child Service Coordination:				
Salaries and employee benefits	\$ 244,846	\$ 232,776	\$ 12,070	\$ 215,548
Operating expenses	42,420	28,993	13,427	33,629
Capital outlay	6,600	6,079	521	1,489
Total	\$ 293,866	\$ 267,848	\$ 26,018	\$ 250,666
Home Health Service:				
Salaries and employee benefits	\$ 1,962,795	\$ 1,870,280	\$ 92,515	\$ 1,688,166
Operating expenses	1,284,395	1,247,555	36,840	1,151,269
Capital outlay	156,365	156,121	244	26,074
Total	\$ 3,403,555	\$ 3,273,956	\$ 129,599	\$ 2,865,509
Health Promotion:				
Salaries and employee benefits	\$ 250,944	\$ 240,023	\$ 10,921	\$ 229,049
Operating expenses	85,953	76,668	9,285	76,023
Total	\$ 336,897	\$ 316,691	\$ 20,206	\$ 305,072
WIC Clinic Administration:				
Salaries and employee benefits	\$ 84,369	\$ 76,715	\$ 7,654	\$ 74,306
Operating expenses	10,483	6,670	3,813	3,397
Total	\$ 94,852	\$ 83,385	\$ 11,467	\$ 77,703

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Human Services: (continued)				
Health Department: (continued)				
Aging and Arthritis:				
Operating expenses	\$ -	\$ -	\$ -	\$ 33,620
WIC Nutrition Education:				
Salaries and employee benefits	\$ 84,977	\$ 90,733	\$ (5,756)	\$ 66,594
Operating expenses	5,710	2,464	3,246	2,167
Capital outlay	-	-	-	11,776
Total	<u>\$ 90,687</u>	<u>\$ 93,197</u>	<u>\$ (2,510)</u>	<u>\$ 80,537</u>
Animal Control:				
Salaries and employee benefits	\$ 238,922	\$ 201,907	\$ 37,015	\$ 197,224
Operating expenses	48,378	32,000	16,378	47,323
Capital outlay	-	-	-	17,897
Total	<u>\$ 287,300</u>	<u>\$ 233,907</u>	<u>\$ 53,393</u>	<u>\$ 262,444</u>
AIDS Control:				
Salaries and employee benefits	\$ 103,736	\$ 104,517	\$ (781)	\$ 101,136
Operating expenses	19,534	5,404	14,130	8,704
Total	<u>\$ 123,270</u>	<u>\$ 109,921</u>	<u>\$ 13,349</u>	<u>\$ 109,840</u>
Environmental Health:				
Salaries and employee benefits	\$ 361,147	\$ 352,971	\$ 8,176	\$ 306,914
Operating expenses	28,499	16,213	12,286	14,226
Capital outlay	-	-	-	2,840
Total	<u>\$ 389,646</u>	<u>\$ 369,184</u>	<u>\$ 20,462</u>	<u>\$ 323,980</u>
Clinician/Consultant Fees:				
Salaries and employee benefits	\$ -	\$ -	\$ -	\$ 23,944
Child Lead Poisoning:				
Operating expenses	\$ 9,634	\$ 9,230	\$ 404	\$ 5,594
Capital outlay	4,366	4,366	-	-
Total	<u>\$ 14,000</u>	<u>\$ 13,596</u>	<u>\$ 404</u>	<u>\$ 5,594</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Human Services: (continued)				
Health Department: (continued)				
Smart Start:				
Operating expenses	\$ -	\$ -	\$ -	\$ 4,800
WIC Client Services:				
Salaries and employee benefits	\$ 334,206	\$ 290,145	\$ 44,061	\$ 286,566
Operating expenses	11,860	9,059	2,801	17,667
Total	<u>\$ 346,066</u>	<u>\$ 299,204</u>	<u>\$ 46,862</u>	<u>\$ 304,233</u>
Step Project:				
Salaries and employee benefits	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Total Health Department	<u>\$ 8,416,062</u>	<u>\$ 7,874,306</u>	<u>\$ 541,756</u>	<u>\$ 7,470,918</u>
Social Services:				
Administration:				
Salaries and employee benefits	\$ 7,454,332	\$ 7,082,374	\$ 371,958	\$ 6,603,727
Operating expenses	1,107,569	1,004,739	102,830	1,114,664
Capital outlay	83,155	82,367	788	84,178
Total	<u>\$ 8,645,056</u>	<u>\$ 8,169,480</u>	<u>\$ 475,576</u>	<u>\$ 7,802,569</u>
Income Maintenance:				
AFDC program - County participation	\$ 75,000	\$ 56,435	\$ 18,565	\$ 34,414
AFDC Foster care	718,263	487,493	230,770	756,541
Special assistance - Adults	1,058,591	960,670	97,921	995,981
Medicaid - County Participation	4,563,206	4,016,708	546,498	3,768,144
Total	<u>\$ 6,415,060</u>	<u>\$ 5,521,306</u>	<u>\$ 893,754</u>	<u>\$ 5,555,080</u>
4D Child Support:				
Salaries and employee benefits	\$ 73,457	\$ 73,451	\$ 6	\$ 71,829
Operating expenses	58,681	43,848	14,833	39,544
Total	<u>\$ 132,138</u>	<u>\$ 117,299</u>	<u>\$ 14,839</u>	<u>\$ 111,373</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Expenditures: (continued)				
Human Services: (continued)				
Social Services: (continued)				
Other Services:				
Operating expenses	\$ 6,559,448	\$ 5,816,784	\$ 742,664	\$ 5,672,358
Total Social Services	\$ 21,751,702	\$ 19,624,869	\$ 2,126,833	\$ 19,141,380
Veteran's Affairs	\$ 33,420	\$ 33,397	\$ 23	\$ 32,322
State Grant:				
SBA/SACC Loans	\$ 10,691	\$ 7,466	\$ 3,225	\$ 197,938
Total Human Services	\$ 30,578,462	\$ 27,906,624	\$ 2,671,838	\$ 27,214,907
Cultural and Recreational:				
Library:				
Salaries and employee benefits	\$ 902,861	\$ 893,608	\$ 9,253	\$ 875,421
Operating expenses	309,399	302,202	7,197	483,484
Capital outlay	4,864	4,864	-	13,735
Total	\$ 1,217,124	\$ 1,200,674	\$ 16,450	\$ 1,372,640
Recreational:				
Recreation	\$ 246,783	\$ 246,783	\$ -	\$ 244,575
Wilson Improvement Association	43,200	43,200	-	45,000
Arts Council	43,200	43,200	-	45,000
Senior Center	88,825	89,518	(693)	-
RIAA E-Communities Grant	10,000	1,096	8,904	-
Total	\$ 432,008	\$ 423,797	\$ 8,211	\$ 334,575
Total Cultural and Recreational	\$ 1,649,132	\$ 1,624,471	\$ 24,661	\$ 1,707,215
Education:				
Public Schools - current expense	\$ 13,342,300	\$ 13,342,300	\$ -	\$ 14,260,522
Public Schools - capital outlay	1,250,000	1,250,000	-	1,250,000
Middle School Grant	26,651	23,347	3,304	-
WCTI - operating expense	1,106,905	1,106,905	-	1,098,512
WCTI - capital outlay	42,499	42,499	-	123,300
Total Education	\$ 15,768,355	\$ 15,765,051	\$ 3,304	\$ 16,732,334

(continued)

WILSON COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit B-1

	2002		Variance	2001
	Budget	Actual	Favorable (Unfavorable)	Actual
Expenditures: (continued)				
Transportation:				
Rocky Mount/Wilson Airport	\$ 86,890	\$ 77,156	\$ 9,734	\$ 93,707
Debt Service:				
Principal retirement	\$ 3,683,736	\$ 3,695,579	\$ (11,843)	\$ 2,846,027
Interest and fees	2,137,126	1,996,989	140,137	1,850,069
Total Debt Service	\$ 5,820,862	\$ 5,692,568	\$ 128,294	\$ 4,696,096
Total Expenditures	\$ 69,078,297	\$ 65,159,701	\$ 3,918,596	\$ 64,390,464
Revenues Over (Under) Expenditures	\$ (3,400,004)	\$ 1,309,946	\$ 4,709,950	\$ 152,100
Other Financing Sources (Uses):				
Operating transfers (to) from other funds	\$ 632,891	\$ 633,843	\$ 952	\$ 672,145
Transfer from component unit:				
Wilson County ABC Board:				
Profit distribution	125,000	123,756	(1,244)	163,091
Fund balance appropriated	2,642,113	-	(2,642,113)	-
Total Other Financing Sources (Uses)	\$ 3,400,004	\$ 757,599	\$ (2,642,405)	\$ 835,236
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ 2,067,545	\$ 2,067,545	\$ 987,336
	=====	=====	=====	=====
Fund Balance - beginning of year		17,173,928		16,186,592
Fund Balance - end of year		\$ 19,241,473		\$ 17,173,928
		=====		=====

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WILSON COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

<u>Assets</u>	<u>Revaluation Fund</u>	<u>Fire Districts</u>
Cash and investments	\$ 94,873	\$ 10,779
Accounts receivable	-	189,014
Due from other funds	-	-
Property taxes receivable, net	-	69,543
Total Assets	\$ 94,873	\$ 269,336
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	\$ 199,793
Deferred revenues	-	69,543
Total Liabilities	\$ -	\$ 269,336
Fund Balance:		
Reserved by State statute	\$ -	\$ 189,014
Designated for subsequent year's expenditures	93,693	-
Undesignated	1,180	(189,014)
Total Fund Balance	\$ 94,873	\$ -
Total Liabilities and Fund Balance	\$ 94,873	\$ 269,336

Exhibit C-1

Enhanced 911 Service	Grant Project Fund #98-C-0527	Totals	
		June 30, 2002	June 30, 2001
\$ 588,432	\$ -	\$ 694,084	\$ 541,199
42,095	-	231,109	261,369
-	-	-	-
-	-	69,543	62,259
<u>\$ 630,527</u>	<u>\$ -</u>	<u>\$ 994,736</u>	<u>\$ 864,827</u>
=====	=====	=====	=====
\$ 19,202	\$ -	\$ 218,995	\$ 266,927
-	-	69,543	62,259
<u>\$ 19,202</u>	<u>\$ -</u>	<u>\$ 288,538</u>	<u>\$ 329,186</u>
\$ 42,095	\$ -	\$ 231,109	\$ 41,743
23,500	-	117,193	45,055
545,730	-	357,896	448,843
<u>\$ 611,325</u>	<u>\$ -</u>	<u>\$ 706,198</u>	<u>\$ 535,641</u>
\$ 630,527	\$ -	\$ 994,736	\$ 864,827
=====	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	<u>Revaluation Fund</u>	<u>Solid Waste District</u>	<u>Fire Districts</u>
Revenues:			
Property taxes	\$ -	\$ -	\$ 718,272
Other taxes	-	-	189,017
Investment earnings	2,180	-	-
CDBG revenues	-	-	-
User fees	-	-	-
Total Revenues	<u>\$ 2,180</u>	<u>\$ -</u>	<u>\$ 907,289</u>
Expenditures:			
Public Safety	\$ -	\$ -	\$ 907,289
Administration	-	-	-
CDBG expenditures	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 907,289</u>
Revenues Over (Under) Expenditures	\$ 2,180	\$ -	\$ -
Other Financing Sources: Operating transfers in (out)	48,000	-	-
Revenues and Other Sources Over (Under) Expenditures and Other Financing Uses	\$ 50,180	\$ -	\$ -
Fund Balance, Beginning of Year	44,693	2,556,730	-
Equity Transfer	-	(2,556,730)	-
Fund Balance, End of Year	<u>\$ 94,873</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit C-2

Enhanced 911 Service	Grant Project Fund #98-C-0527	Totals	
		June 30, 2002	June 30, 2001
\$ -	\$ -	\$ 718,272	\$ 1,167,096
418,389	-	607,406	828,844
13,521	-	15,701	33,834
-	75,684	75,684	113,894
95,456	-	95,456	85,036
<u>\$ 527,366</u>	<u>\$ 75,684</u>	<u>\$ 1,512,519</u>	<u>\$ 2,228,704</u>
\$ 314,320	\$ -	\$ 1,221,609	\$ 1,414,394
92,669	-	92,669	131,944
-	75,684	75,684	113,894
<u>\$ 406,989</u>	<u>\$ 75,684</u>	<u>\$ 1,389,962</u>	<u>\$ 1,660,232</u>
\$ 120,377	\$ -	\$ 122,557	\$ 568,472
-	-	48,000	(645,000)
<u>\$ 120,377</u>	<u>\$ -</u>	<u>\$ 170,557</u>	<u>\$ (76,528)</u>
490,948	-	3,092,371	3,186,662
-	-	(2,556,730)	(17,763)
<u>\$ 611,325</u>	<u>\$ -</u>	<u>\$ 706,198</u>	<u>\$ 3,092,371</u>
=====	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
REVALUATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit C-3

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ 2,000	\$ 2,180	\$ 180	\$ 2,396
Expenditures:				
Revaluation expense	95,055	-	95,055	50,819
Revenues Over (Under) Expenditures	\$ (93,055)	\$ 2,180	\$ 95,235	\$ (48,423)
Other Financing sources:				
Operating transfers in	\$ 48,000	\$ 48,000	\$ -	\$ 50,000
Fund balance appropriated	45,055	-	(45,055)	-
Total Other Financing Sources	\$ 93,055	\$ 48,000	\$ (45,055)	\$ 50,000
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 50,180	\$ 50,180	\$ 1,577
Fund Balance, Beginning of Year		44,693		43,116
Fund Balance, End of Year		\$ 94,873		\$ 44,693

WILSON COUNTY, NORTH CAROLINA
 FIRE DISTRICTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit C-4

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Current year	\$ 588,957	\$ 688,556	\$ 99,599	\$ 604,707
Prior year	-	29,716	29,716	27,793
Total Ad Valorem Taxes	\$ 588,957	\$ 718,272	\$ 129,315	\$ 632,500
Other Taxes	210,364	189,017	(21,347)	215,938
Total Revenues	\$ 799,321	\$ 907,289	\$ 107,968	\$ 848,438
Expenditures:				
Public Safety	799,321	907,289	107,968	848,438
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====
Fund Balance, Beginning of Year		-		-
Fund Balance, End of Year		\$ -		\$ -
		=====		=====

WILSON COUNTY, NORTH CAROLINA
 ENHANCED 911 SERVICE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2001

Exhibit C-5

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Other Taxes	\$ 355,741	\$ 418,389	\$ 62,648	\$ 403,363
User fees	50,000	95,456	45,456	85,036
Interest	-	13,521	13,521	31,438
Total Revenues	<u>\$ 405,741</u>	<u>\$ 527,366</u>	<u>\$ 121,625</u>	<u>\$ 519,837</u>
Expenditures:				
Salaries and employee benefits	\$ 92,588	\$ 92,669	\$ (81)	\$ 81,125
Operating expenses	510,153	297,197	212,956	263,547
Capital outlay	10,249	17,123	(6,874)	302,409
Total Expenditures	<u>\$ 612,990</u>	<u>\$ 406,989</u>	<u>\$ 206,001</u>	<u>\$ 647,081</u>
Revenues Over (Under) Expenditures	\$ (207,249)	\$ 120,377	\$ 327,626	\$ (127,244)
Other Financing Sources: Fund balance appropriated	207,249	-	(207,249)	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 120,377</u>	<u>\$ 120,377</u>	<u>\$ (127,244)</u>
Fund Balance, beginning of Year		490,948		618,192
Fund Balance, end of Year		<u>\$ 611,325</u>		<u>\$ 490,948</u>

WILSON COUNTY, NORTH CAROLINA
 GRANT PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

Exhibit C-6

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
CDBG Workfirst					
- 98-C0527	\$ 199,252	\$ 113,894	\$ 75,684	\$ 189,578	\$ (9,674)
Expenditures:					
CDBG Workfirst					
- 98-C0527	\$ 199,252	\$ 113,894	\$ 75,684	\$ 189,578	\$ 9,674
Revenues Over (Under)					
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, beginning of Year			-		
Fund Balance, end of Year			\$ -		

WILSON COUNTY, NORTH CAROLINA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2002
 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	<u>Capital Improvement Reserve</u>	<u>Public Buildings</u>	<u>School Improvement Capital Projects</u>
<u>Assets</u>			
Cash and investments	\$ 1,486,295	\$ 347,875	\$ 15,407,778
Accounts receivable	-	-	-
Due from other funds	-	-	-
Deferred expense	-	-	-
Total Assets	<u>\$ 1,486,295</u>	<u>\$ 347,875</u>	<u>\$ 15,407,778</u>
	=====	=====	=====
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ -	\$ 3,407	\$ 1,200,386
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 3,407</u>	<u>\$ 1,200,386</u>
Fund Balance:			
Reserve by State Statute	\$ -	\$ -	\$ -
Unreserved:			
Designated for future capital outlay	1,457,142	542,556	14,207,392
Undesignated	29,153	(198,088)	-
Total Fund Balance	<u>\$ 1,486,295</u>	<u>\$ 344,468</u>	<u>\$ 14,207,392</u>
Total Liabilities and Fund Balance	<u>\$ 1,486,295</u>	<u>\$ 347,875</u>	<u>\$ 15,407,778</u>
	=====	=====	=====

Water and Sewer Reserve	Hurricane Floyd Disaster Recovery Projects	Library Construction Fund	Totals	
			June 30, 2002	June 30, 2001
\$ 415,138	\$ -	\$ -	\$ 17,657,086	\$ 9,347,261
-	749,922	-	749,922	199,155
600,262	-	-	600,262	600,262
-	-	30,451	30,451	-
<u>\$ 1,015,400</u>	<u>\$ 749,922</u>	<u>\$ 30,451</u>	<u>\$ 19,037,721</u>	<u>\$ 10,146,678</u>
=====	=====	=====	=====	=====
\$ -	\$ 12,841	\$ -	\$ 1,216,634	\$ 195,891
-	716,254	30,451	746,705	2,543,759
-	20,827	-	20,827	-
<u>\$ -</u>	<u>\$ 749,922</u>	<u>\$ 30,451</u>	<u>\$ 1,984,166</u>	<u>\$ 2,739,650</u>
\$ 600,262	\$ 729,095	\$ -	\$ 1,329,357	\$ 607,077
923,728	-	-	17,130,818	6,480,815
(508,590)	(729,095)	-	(1,406,620)	319,136
<u>\$ 1,015,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,053,555</u>	<u>\$ 7,407,028</u>
\$ 1,015,400	\$ 749,922	\$ 30,451	\$ 19,037,721	\$ 10,146,678
=====	=====	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Capital Improvement Reserve	Public Buildings
Revenues:		
Investment earnings	\$ 34,153	\$ 10,664
Intergovernmental restricted	33,000	-
Miscellaneous	-	49,387
Sales tax refund	-	-
Total Revenues	<u>\$ 67,153</u>	<u>\$ 60,051</u>
Expenditures:		
Capital projects	\$ -	\$ 563,292
Water Project - Economic Incentives	367,461	-
Total Expenditures	<u>\$ 367,461</u>	<u>\$ 563,292</u>
Revenues Over (Under) Expenditures	<u>\$ (300,308)</u>	<u>\$ (503,241)</u>
Other Financing Sources:		
Operating transfers in (out)	\$ 1,490,215	\$ (1,572,376)
Proceeds from Installment financing	-	-
Total Other Financing Sources	<u>\$ 1,490,215</u>	<u>\$ (1,572,376)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ 1,189,907	\$ (2,075,617)
Fund Balance, Beginning of Year	296,388	2,420,085
Equity transfer	-	-
Fund Balance, End of Year	<u>\$ 1,486,295</u> =====	<u>\$ 344,468</u> =====

School Improvement Capital Projects	Water and Sewer Reserve	Hurricane Floyd Disaster Recovery Projects	Totals	
			June 30, 2002	June 30, 2001
\$ 157,678	\$ 7,492	\$ -	\$ 209,987	\$ 486,083
1,933,807	-	1,453,446	3,420,253	8,610,644
-	-	-	49,387	141,964
146,355	-	-	146,355	56,830
<u>\$ 2,237,840</u>	<u>\$ 7,492</u>	<u>\$ 1,453,446</u>	<u>\$ 3,825,982</u>	<u>\$ 9,295,521</u>
\$ 8,459,475	\$ -	\$ 1,453,446	\$ 10,476,213	\$ 23,797,339
-	53,938	-	421,399	1,689,520
<u>\$ 8,459,475</u>	<u>\$ 53,938</u>	<u>\$ 1,453,446</u>	<u>\$ 10,897,612</u>	<u>\$ 25,486,859</u>
<u>\$ (6,221,635)</u>	<u>\$ (46,446)</u>	<u>\$ -</u>	<u>\$ (7,071,630)</u>	<u>\$ (16,191,338)</u>
\$ -	\$ (599,682)	\$ -	\$ (681,843)	\$ (722,145)
17,400,000	-	-	17,400,000	10,600,000
<u>\$ 17,400,000</u>	<u>\$ (599,682)</u>	<u>\$ -</u>	<u>\$ 16,718,157</u>	<u>\$ 9,877,855</u>
\$ 11,178,365	\$ (646,128)	\$ -	\$ 9,646,527	\$ (6,313,483)
3,029,027	1,661,528	-	7,407,028	13,702,748
-	-	-	-	17,763
<u>\$ 14,207,392</u>	<u>\$ 1,015,400</u>	<u>\$ -</u>	<u>\$ 17,053,555</u>	<u>\$ 7,407,028</u>

WILSON COUNTY, NORTH CAROLINA
 CAPITAL IMPROVEMENT RESERVE
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

Exhibit D-3

	2002		Variance Favorable (Unfavorable)	2001
	Budget	Actual		Actual
Revenues:				
Investment earnings	\$ -	\$ 34,153	\$ 34,153	\$ 15,219
IRCF Grant	33,000	33,000	-	-
Total Revenues	\$ 33,000	\$ 67,153	\$ 34,153	\$ 15,219
Expenditures:				
Economic incentives	1,906,634	367,461	1,539,173	833,012
Revenues Over (Under) Expenditures	\$ (1,873,634)	\$ (300,308)	\$ 1,573,326	\$ (817,793)
Other Financing Sources:				
Operating transfers in Fund balance appropriated	\$ 1,490,215 383,419	\$ 1,490,215 -	\$ - (383,419)	\$ 1,108,488 -
Total Other Financing Sources	\$ 1,873,634	\$ 1,490,215	\$ (383,419)	\$ 1,108,488
Revenues and Other Financing Sources Over (Under) Expenditures	\$ - =====	\$ 1,189,907	\$ 1,189,907 =====	\$ 290,695
Fund Balance, Beginning of Year		296,388		5,693
Fund Balance, End of Year		\$ 1,486,295		\$ 296,388

WILSON COUNTY, NORTH CAROLINA
PUBLIC BUILDINGS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

Exhibit D-4

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment earnings	\$ 100,000	\$ 10,664	\$ (89,336)	\$ 202,303
Miscellaneous	-	49,387	49,387	141,964
Total Revenues	\$ 100,000	\$ 60,051	\$ (39,949)	\$ 344,267
Expenditures:				
Buildings	\$ 415,027	\$ 242,264	\$ 172,763	\$ 3,769,498
Other	50,000	26,300	23,700	67,000
Capital outlay	395,860	294,728	101,132	429,316
Total Expenditures	\$ 860,887	\$ 563,292	\$ 297,595	\$ 4,265,814
Revenues Over (Under) Expenditures	\$ (760,887)	\$ (503,241)	\$ 257,646	\$ (3,921,547)
Other Financing Sources:				
Operating transfers in (out)	\$ (1,572,376)	\$ (1,572,376)	\$ -	\$ (722,145)
Fund balance appropriated	2,333,263	-	(2,333,263)	-
Total Other Financing Sources	\$ 760,887	\$ (1,572,376)	\$ (2,333,263)	\$ (722,145)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ (2,075,617)	\$ (2,075,617)	\$ (4,643,692)
Fund Balance, Beginning of Year		2,420,085		7,063,777
Fund Balance, End of Year		\$ 344,468		\$ 2,420,085

WILSON COUNTY, NORTH CAROLINA
 SCHOOL IMPROVEMENT CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE (USES), BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

	<u>Project Authorization</u>
Revenues:	
Installment Financing Project:	
Sales Tax Refund	\$ 156,569
Investment Earnings	369,369
Total	<u>\$ 525,938</u>
State Bond Project Grant	14,268,097
Qualified Zone Academy Bonds	903,319
Total Revenues	<u>\$ 15,697,354</u>
Expenditures:	
Installment Financing Project:	
School Improvements:	
Fike	\$ 60,000
Rock Ridge	5,255,938
Margaret Hearne School	218,000
Elm City Middle School	5,729,000
Speight Middle School	1,667,000
MM Daniels Center	150,000
Springfield Middle School	2,290,750
Darden Vick Middle School	9,801,000
Lucama School	8,349,000
Other costs	5,250
Total	<u>\$ 33,525,938</u>
School Bond Project:	
School Improvements:	
Speight Bond Project	\$ 8,591,969
Fike	292,870
Rock Ridge	9,570
Springfield Middle School	5,373,688
Total	<u>\$ 14,268,097</u>
Qualified Zone Academy Bonds:	
Construction	\$ 903,319
Total Expenditures	<u>\$ 48,697,354</u>
Revenues Over (Under) Expenditures	\$ (33,000,000)
Other Financing Sources:	
Installment Financing Agreement	<u>33,000,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -
Fund Balance, Beginning of year	=====
Fund Balance, End of year	

Actual			Variance
Prior Years	Current Year	Total to Date	Favorable (Unfavorable)
\$ 156,569	\$ 146,355	\$ 302,924	\$ 146,355
366,482	157,678	524,160	154,791
<u>\$ 523,051</u>	<u>\$ 304,033</u>	<u>\$ 827,084</u>	<u>\$ 301,146</u>
12,029,853	1,933,807	13,963,660	(304,437)
-	-	-	(903,319)
<u>\$ 12,552,904</u>	<u>\$ 2,237,840</u>	<u>\$ 14,790,744</u>	<u>\$ (906,610)</u>
\$ 54,400	\$ -	\$ 54,400	\$ 5,600
4,132,195	1,123,383	5,255,578	360
217,844	-	217,844	156
4,516,174	1,873,827	6,390,001	(661,001)
1,108,640	218,875	1,327,515	339,485
108,848	-	108,848	41,152
2,290,595	-	2,290,595	155
612,958	1,574,445	2,187,403	7,613,597
46,973	1,490,874	1,537,847	6,811,153
5,500	59,540	65,040	(59,790)
<u>\$ 13,094,127</u>	<u>\$ 6,340,944</u>	<u>\$ 19,435,071</u>	<u>\$14,090,867</u>
\$ 7,900,330	\$ 683,763	\$ 8,584,093	\$ 7,876
229,585	-	229,585	63,285
-	-	-	9,570
3,899,835	1,250,043	5,149,878	223,810
<u>\$ 12,029,750</u>	<u>\$ 1,933,806</u>	<u>\$ 13,963,556</u>	<u>\$ 304,541</u>
\$ -	\$ 184,725	\$ 184,725	\$ 718,594
<u>\$ 25,123,877</u>	<u>\$ 8,459,475</u>	<u>\$ 33,583,352</u>	<u>\$15,114,002</u>
\$ (12,570,973)	\$ (6,221,635)	\$ (18,792,608)	\$14,207,392
<u>15,600,000</u>	<u>17,400,000</u>	<u>33,000,000</u>	<u>-</u>
\$ 3,029,027	\$ 11,178,365	\$ 14,207,392	\$14,207,392
=====	3,029,027	=====	=====
	<u>\$ 14,207,392</u>		
	=====		

WILSON COUNTY, NORTH CAROLINA
WATER AND SEWER RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001)

Exhibit D-6

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Investment earnings	\$ 100,000	\$ 7,492	\$ (92,508)	\$ 57,711
Expenditures:				
Contentnea Project	\$ -	\$ -	\$ -	\$ 950
Economic Incentives	550,451	53,938	496,513	856,508
Total Expenditures	\$ 550,451	\$ 53,938	\$ 496,513	\$ 857,458
Revenues Over (Under) Expenditures	\$ (450,451)	\$ (46,446)	\$ 404,005	\$ (799,747)
Other Financing Sources (Uses):				
Operating transfers in (out)	\$ (599,682)	\$ (599,682)	\$ -	\$ (1,108,488)
Fund balance appropriated	1,050,133	-	(1,050,133)	-
Total Other Financing Sources	\$ 450,451	\$ (599,682)	\$ (1,050,133)	\$ (1,108,488)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ (646,128)	\$ (646,128)	\$ (1,908,235)
	=====		=====	
Fund Balance, Beginning of Year (corrected)		1,661,528		3,569,763
Fund Balance, End of Year		\$ 1,015,400		\$ 1,661,528
		=====		=====

WILSON COUNTY, NORTH CAROLINA
HURRICANE FLOYD DISASTER RECOVERY PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (USES), BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

Exhibit D-7

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Total to Date	
Revenues:					
Crisis Housing:					
State grants	\$ 2,797,531	\$ 278,560	\$ 623,610	\$ 902,170	\$ (1,895,361)
Flood Buyout:					
State grants	4,581,499	145,575	829,836	975,411	(3,606,088)
Total Revenues	\$ 7,379,030	\$ 424,135	\$ 1,453,446	\$ 1,877,581	\$ (5,501,449)
Expenditures:					
Crisis Housing:					
Salaries and employee benefits	\$ 22,452	\$ 22,095	\$ (1,620)	\$ 20,475	\$ 1,977
Aid to local Governments City of Wilson grant	11,775	26,669	1,885	28,554	(16,779)
Owner relocation	35,427	35,427	-	35,427	-
Owner service delivery	740,740	-	155,477	155,477	585,263
Travel	92,593	4,312	32,645	36,957	55,636
Rehabilitation	1,200	86	(48)	38	1,162
Service delivery	829,639	62,332	136,758	199,090	630,549
Replacement	103,705	16,818	23,412	40,230	63,475
Service delivery	853,333	110,821	220,125	330,946	522,387
Total	106,667	-	54,975	54,975	51,692
	\$ 2,797,531	\$ 278,560	\$ 623,609	\$ 902,169	\$ 1,895,362
Flood Buyout:					
Activity/ Acquisition	\$ 4,414,606	\$ 145,060	\$ 819,714	\$ 964,774	\$ 3,449,832
Administration	166,893	515	10,123	10,638	156,255
Total	\$ 4,581,499	\$ 145,575	\$ 829,837	\$ 975,412	\$ 3,606,087
Total Expenditures	\$ 7,379,030	\$ 424,135	\$ 1,453,446	\$ 1,877,581	\$ 5,501,449
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of year					-
Equity transfer					-
Fund Balance, End of year			\$ -		

WILSON COUNTY, NORTH CAROLINA
LIBRARY CONSTRUCTION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (USES), BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

Exhibit D-8

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Bond Proceeds	\$ 5,300,000	\$ -	\$ -	\$ -	\$ (5,300,000)
Expenditures:					
Legal services	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Professional service	530,000	-	-	-	530,000
Capital outlay	4,760,000	-	-	-	4,760,000
Total Expenditures	\$ 5,300,000	\$ -	\$ -	\$ -	\$ 5,300,000
Revenues Over (Under) Expenditures	\$ - =====	\$ - =====	\$ - =====	\$ - =====	\$ - =====
Fund Balance, beginning of year				-	
Fund Balance, end of year			\$ - =====		

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WILSON COUNTY, NORTH CAROLINA
ENTERPRISE FUND
COMBINING BALANCE SHEET
JUNE 30, 2002
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

Exhibit E-1

	Water Distribution Fund	Solid Waste Fund	Totals	
			June 30, 2002	June 30, 2001
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 2,368,259	\$ 12,478,718	\$ 14,846,977	\$ 9,306,733
Accounts receivable (net)	<u>1,229,822</u>	<u>363,553</u>	<u>1,593,375</u>	<u>239,168</u>
Total Current Assets	<u>\$ 3,598,081</u>	<u>\$ 12,842,271</u>	<u>\$ 16,440,352</u>	<u>\$ 9,545,901</u>
Fixed Assets (net) (including construction in progress)				
	<u>5,304,881</u>	<u>2,597,680</u>	<u>7,902,561</u>	<u>3,107,008</u>
Total Assets	<u>\$ 8,902,962</u>	<u>\$ 15,439,951</u>	<u>\$ 24,342,913</u>	<u>\$ 12,652,909</u>
 <u>Liabilities and Fund Balance</u>				
Current Liabilities:				
Accounts payable	\$ 55,846	\$ 84,744	\$ 140,590	\$ 68,111
Due to other funds	600,262	-	600,262	600,262
Customer Deposits	78,715	-	78,715	-
Bond Anticipation notes payable	<u>3,600,000</u>	<u>-</u>	<u>3,600,000</u>	<u>-</u>
Total Current Liabilities	<u>\$ 4,334,823</u>	<u>\$ 84,744</u>	<u>\$ 4,419,567</u>	<u>\$ 668,373</u>
Non-current Liabilities:				
Compensate absences payable	\$ -	\$ 21,695	\$ 21,695	\$ 29,770
Accrued landfill closure and postclosure care costs	-	2,078,222	2,078,222	2,110,490
Deferred revenue	-	45,048	45,048	-
Total Non-current Liabilities	<u>\$ -</u>	<u>\$ 2,144,965</u>	<u>\$ 2,144,965</u>	<u>\$ 2,140,260</u>
Total Liabilities	<u>\$ 4,334,823</u>	<u>\$ 2,229,709</u>	<u>\$ 6,564,532</u>	<u>\$ 2,808,633</u>
Fund Equities:				
Contributed capital	\$ -	\$ 2,556,730	\$ 2,556,730	\$ -
Retained earnings, unreserved	<u>4,568,139</u>	<u>10,653,512</u>	<u>15,221,651</u>	<u>9,844,276</u>
Total Equity	<u>\$ 4,568,139</u>	<u>\$ 13,210,242</u>	<u>\$ 17,778,381</u>	<u>\$ 9,844,276</u>
Total Liabilities and Fund Equities	<u>\$ 8,902,962</u>	<u>\$ 15,439,951</u>	<u>\$ 24,342,913</u>	<u>\$ 12,652,909</u>

WILSON COUNTY, NORTH CAROLINA
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

Exhibit E-2

	Water Distribution Fund	Solid Waste Fund	Totals	
			June 30, 2002	June 30, 2001
Operating Revenues:				
Fees	\$ -	\$ 2,074,196	\$ 2,074,196	\$ 1,711,008
Intergovernmental - unrestricted	-	290,448	290,448	166,462
Miscellaneous	-	-	-	12,339
Total Operating Revenues	<u>\$ -</u>	<u>\$ 2,364,644</u>	<u>\$ 2,364,644</u>	<u>\$ 1,889,809</u>
Operating Expenses:				
Salaries and benefits	\$ -	\$ 706,861	\$ 706,861	\$ 692,925
Depreciation	-	161,826	161,826	137,703
Operating expenses	-	723,606	723,606	743,789
Landfill closure costs	-	28,574	28,574	661,450
Total Operating Expenses	<u>\$ -</u>	<u>\$ 1,620,867</u>	<u>\$ 1,620,867</u>	<u>\$ 2,235,867</u>
Operating Income (Loss)	<u>\$ -</u>	<u>\$ 743,777</u>	<u>\$ 743,777</u>	<u>\$ (346,058)</u>
Other Income (Expense)				
Investment income	\$ 33,671	\$ 67,782	\$ 101,453	\$ 144,939
Bad debt expense	-	(2,323)	(2,323)	-
Capital contributed	<u>4,534,468</u>	<u>-</u>	<u>4,534,468</u>	<u>-</u>
Total Other Income (Expense)	<u>\$ 4,568,139</u>	<u>\$ 65,459</u>	<u>\$ 4,633,598</u>	<u>\$ 144,939</u>
Operating transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>695,000</u>
Net Income	<u>\$ 4,568,139</u>	<u>\$ 809,236</u>	<u>\$ 5,377,375</u>	<u>\$ 493,881</u>
Retained Earnings beginning	<u>-</u>	<u>9,844,276</u>	<u>9,844,276</u>	<u>9,350,395</u>
Retained Earnings ending	<u>\$ 4,568,139</u>	<u>\$ 10,653,512</u>	<u>\$ 15,221,651</u>	<u>\$ 9,844,276</u>
	=====	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Water Distribution Fund	Solid Waste Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ -	\$ 1,992,536
Cash paid for goods and services	-	(767,815)
Cash paid to employees for services	-	(714,936)
Other cash receipts	78,715	290,448
Net Cash Provided by Operating Activities	<u>\$ 78,715</u>	<u>\$ 800,233</u>
Cash Flows from Capital and Related Financing Activities:		
Loans from other funds	\$ -	\$ -
Federal, State and Local grants	3,304,646	-
Note proceeds	3,600,000	-
Acquisition of capital asset	(4,648,773)	(250,056)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 2,255,873</u>	<u>\$ (250,056)</u>
Cash Flows from Non-Capital Financing Activities:		
Equity transfers in	<u>\$ -</u>	<u>\$ 2,554,026</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>\$ 33,671</u>	<u>\$ 67,782</u>
Net Increase (Decrease) in Cash and Cash equivalents	\$ 2,368,259	\$ 3,171,985
Cash and Cash Equivalents, July 1	<u>-</u>	<u>9,306,733</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,368,259</u>	<u>\$ 12,478,718</u>
	=====	=====
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	<u>\$ -</u>	<u>\$ 743,777</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ -	\$ 161,826
Landfill closure and postclosure care costs	-	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	-	(126,708)
Increase (decrease) in:		
Accounts payable	-	16,633
Compensated absences payable	-	(8,075)
Accrued landfill closure	-	(32,268)
Customer deposits	78,715	-
Deferred revenues	-	45,048
Total Adjustments	<u>\$ 78,715</u>	<u>\$ 56,456</u>
Net Cash Provided by Operating Activities	<u>\$ 78,715</u>	<u>\$ 800,233</u>
	=====	=====

Totals	
June 30, 2002	June 30, 2001
\$ 1,992,536	\$ 1,770,728
(767,815)	(1,226,414)
(714,936)	(313,926)
369,163	75,822
<u>\$ 878,948</u>	<u>\$ 306,210</u>
\$ -	\$ 600,262
3,304,646	-
3,600,000	-
(4,898,829)	(610,303)
<u>\$ 2,005,817</u>	<u>\$ (10,041)</u>
\$ 2,554,026	\$ 695,000
\$ 101,453	\$ 144,939
\$ 5,540,244	\$ 1,136,108
<u>9,306,733</u>	<u>8,170,625</u>
\$ 14,846,977	\$ 9,306,733
=====	=====
\$ 743,777	\$ (346,058)
\$ 161,826	\$ 137,703
-	584,068
(126,708)	(43,259)
16,633	(28,834)
(8,075)	2,590
(32,268)	-
78,715	-
45,048	-
<u>\$ 135,171</u>	<u>\$ 652,268</u>
\$ 878,948	\$ 306,210
=====	=====

WILSON COUNTY, NORTH CAROLINA
 ENTERPRISE FUND-SOLID WASTE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2002
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001)

Exhibit E-4

	2002			2001
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Fee revenue	\$ 1,876,264	\$ 2,074,196	\$ 197,932	\$ 1,711,008
Intergovernmental restricted	216,761	290,448	73,687	166,462
Miscellaneous	-	-	-	12,339
Total Revenues	\$ 2,093,025	\$ 2,364,644	\$ 271,619	\$ 1,889,809
Expenditures: Operating	5,423,411	1,731,919	3,691,492	2,111,279
Revenues Over (Under) Expenditures	\$ (3,330,386)	\$ 632,725	\$ 3,963,111	\$ (221,470)
Other Financing Sources:				
Investment earnings	\$ 140,000	\$ 67,781	\$ (72,219)	\$ 144,939
Operating transfer in Fund balance	-	-	-	695,000
appropriated	3,190,386	-	(3,190,386)	-
Total Other Financing Sources	\$ 3,330,386	\$ 67,781	\$ (3,262,605)	\$ 839,939
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 700,506	\$ 700,506	\$ 618,469
	=====	=====	=====	=====
Reconciliation of Modified Accrual Basis to Full Accrual Basis:				
Revenues Over Expenditures		\$ 700,506		\$ 618,469
Reconciling Items:				
Capital outlay		\$ 250,056		\$ 15,705
Landfill closure cost accrual		28,574		-
Compensated absences accrual		(8,074)		(2,590)
Depreciation		(161,826)		(137,703)
Total Reconciling Items		\$ 108,730		\$ (124,588)
Net Income (GAAP Basis)		\$ 809,236		\$ 493,881
		=====		=====

WILSON COUNTY, NORTH CAROLINA
 WATER DISTRICT CAPITAL PROJECTS
 SCHEDULE OF REVENUES AND EXPENDITURES,
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

Exhibit E-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Southeast Water District Project:					
Restricted inter-governmental	\$ 6,012,460	\$ -	\$ 228,472	\$ 228,472	\$(5,783,988)
Investment earnings	-	-	33,671	\$ 33,671	33,671
Total	<u>\$ 6,012,460</u>	<u>\$ -</u>	<u>\$ 262,143</u>	<u>\$ 262,143</u>	<u>\$(5,750,317)</u>
Southwest Water District Project:					
Restricted inter-governmental	\$ 6,597,083	\$ -	\$ 4,305,996	\$ 4,305,996	\$(2,291,087)
Total Revenues	<u>\$ 12,609,543</u>	<u>\$ -</u>	<u>\$ 4,568,139</u>	<u>\$ 4,568,139</u>	<u>\$(8,041,404)</u>
Expenditures:					
Southeast Water District Project:					
Construction	\$ 9,456,887	\$ 315,100	\$ 387,467	\$ 702,567	\$ 8,754,320
Engineering	847,149	-	215,691	215,691	631,458
Land	105,641	-	49,041	49,041	56,600
Administrative	10,527	-	24,374	24,374	(13,847)
Contingency	531,287	-	-	-	531,287
Capitalized interest	160,000	-	-	-	160,000
System acquisition	-	-	16,000	16,000	(16,000)
Total	<u>\$ 11,111,491</u>	<u>\$ 315,100</u>	<u>\$ 692,573</u>	<u>\$ 1,007,673</u>	<u>\$10,103,818</u>
Southwest Water District Project:					
Construction	\$ 9,248,835	\$ 285,162	\$ 3,135,010	\$ 3,420,172	\$ 5,828,663
Engineering	826,920	-	464,787	464,787	362,133
Land	31,100	-	52,667	52,667	(21,567)
Administrative	72,107	-	4,753	4,753	67,354
Contingency	189,203	-	-	-	189,203
Capitalized interest	189,200	-	-	-	189,200
System acquisition	71,000	-	69,667	69,667	1,333
Water system	-	-	285,162	285,162	(285,162)
Total	<u>\$ 10,628,365</u>	<u>\$ 285,162</u>	<u>\$ 4,012,046</u>	<u>\$ 4,297,208</u>	<u>\$ 6,331,157</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
WATER DISTRICT CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES,
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2002

Exhibit E-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Total Expenditures	\$ 21,739,856	\$ 600,262	\$ 4,704,619	\$ 5,304,881	\$16,434,975
Revenues Over (Under) Expenditures	\$ (9,130,313)	\$ (600,262)	\$ (136,480)	\$ (736,742)	\$ 8,393,571
Other Financing Sources:					
Southeast Water District Project:					
Proceeds from debt	\$ 4,600,000	\$ 315,100	\$ 3,284,900	\$ 3,600,000	\$(1,000,000)
Local capital contributions	499,031	-	-	-	(499,031)
Total	<u>\$ 5,099,031</u>	<u>\$ 315,100</u>	<u>\$ 3,284,900</u>	<u>\$ 3,600,000</u>	<u>\$ (1,499,031)</u>
Southwest Water District Project:					
Proceeds from debt	\$ 3,784,000	\$ 285,162	\$ (285,162)	\$ -	\$(3,784,000)
Local capital contributions	247,282	-	-	-	(247,282)
Total	<u>\$ 4,031,282</u>	<u>\$ 285,162</u>	<u>\$ (285,162)</u>	<u>\$ -</u>	<u>\$ (4,031,282)</u>
Total Other Financing Sources	<u>\$ 9,130,313</u>	<u>\$ 600,262</u>	<u>\$ 2,999,738</u>	<u>\$ 3,600,000</u>	<u>\$ (5,530,313)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ -	\$ 2,863,258	\$ 2,863,258	\$ 2,863,258
	=====	=====	=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
 JUNE 30, 2002

Exhibit F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2001</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2002</u>
2002	\$ -	\$ 31,090,569	\$ 29,649,180	\$ 1,441,389
2001	1,391,579	-	769,359	622,220
2000	440,343	-	155,644	284,699
1999	230,075	-	56,997	173,078
1998	199,074	-	32,652	166,422
1997	144,095	-	16,977	127,118
1996	81,765	-	8,235	73,530
1995	66,834	-	4,274	62,560
1994	54,986	-	3,030	51,956
1993	71,859	-	1,992	69,867
1992	42,504	-	42,504	-
	<u>\$ 2,723,114</u>	<u>\$ 31,090,569</u>	<u>\$ 30,740,844</u>	<u>\$ 3,072,839</u>
	=====	=====	=====	=====
Less Allowance for Uncollectible Accounts				(800,907)
Ad Valorem Taxes Receivable (net)				<u>\$ 2,271,932</u>
				=====
Reconcilement of Property Tax Revenues to Collections and Credits:				
Property Taxes - General Fund - taxes collected, net				\$ 30,968,885
Interest collected				(289,913)
Other adjustments and write-offs				21,881
Amounts written-off for tax year 1992 per statute of limitations				39,991
Total Collections and Credits				<u>\$ 30,740,844</u>
				=====

WILSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2002

Exhibit F-2

	County-Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Valuation	Rate	Amount of Levy		
Original Levy:					
Property taxed at current year's rate	\$ 4,299,577,500	.68	\$ 29,237,127	\$ 26,941,800	\$ 2,295,327
Motor vehicles taxed at prior year's rate	177,154,180	.66	1,169,218	-	1,169,218
Total	\$ 4,476,731,680		\$ 30,406,345	\$ 26,941,800	\$ 3,464,545
Discoveries:					
Current year's rate	1,184,008	.68	7,815	-	7,815
Prior year's rate	136,536,212	.66	901,139	874,413	26,726
Abatements:					
Current year's rate	(568,018)	.68	(3,748)	-	(3,748)
Prior year's rate	(32,497,352)	.66	(220,982)	(203,443)	(17,539)
Total Property Valuation	\$ 4,581,386,530				
Net Levy	=====		\$ 31,090,569	\$ 27,612,770	\$ 3,477,799
Less: Uncollected taxes at June 30, 2002			1,441,389	860,984	580,405
Current year's taxes collected			\$ 29,649,180	\$ 26,751,786	\$ 2,897,394
			=====	=====	=====
Current levy collection percentage			95.36%	96.88%	83.31%
			=====	=====	=====

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF TRANSFERS
 FOR THE YEAR ENDED JUNE 30, 2002

Exhibit F-3

<u>Operating Transfers From/To Other Funds</u>	Transfers	
	From	To
<u>General Fund</u>		
Revaluation Fund	\$ -	\$ 48,000
Public Buildings Fund	643,405	-
Water and Sewer Reserve	38,438	-
 <u>Special Revenue Fund</u>		
Revaluation Fund - General Fund	48,000	-
 <u>Capital Projects Fund</u>		
General Fund	-	681,843
		-
Total Operating Transfers - Other Funds	\$ 729,843	\$ 729,843

Operating Transfers From/To Component Unit

<u>General Fund</u>		
Component Unit - Discretely Presented		
Wilson County ABC Board	\$ 123,756	\$ -
 <u>Component Unit - Discretely Presented</u>		
Wilson County ABC Board		
General Fund	-	123,756
Total Operating Transfers - Component Units	\$ 123,756	\$ 123,756

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the general purpose financial statements of Wilson County, North Carolina, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 23, 2002. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report thereon has been provided to us, and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wilson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely

period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over financial reporting that we have reported to management of Wilson County in a separate letter dated October 23, 2002.

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

Flower, Stanley & Redman, LLP

Tarboro, North Carolina
October 23, 2002

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2002. Wilson County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Flowers, Stanley & Redman, LLP

Tarboro, North Carolina
October 23, 2002

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133
AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2002. Wilson County's major State programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Flower, Stanley & Redman, LLP

Tarboro, North Carolina
October 23, 2002

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses 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
- Reportable condition(s) identified that are not considered to be material weaknesses yes none reported

Noncompliance material to federal awards yes no

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 yes no

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2002

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.551 and 10.561	Food Stamp Cluster
10.557	WIC
93.778	Medical Assistance Program
93.558	Temporary Assistance for Needy Families
	Subsidized Child Care Cluster:
93.575	Child Care and Development Block Grant
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.596	Child Care Development Fund
93.558	Workfirst
93.558	Women's Preventive Health
93.667	Social Services Block Grant

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

Dollar threshold used to distinguish
 between Type A and Type B Programs \$1,895,041

Auditee qualified as low-risk auditee yes X no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified
 that are not considered to be
 material weaknesses yes X none reported

Noncompliance material to State awards yes X no

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

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

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

Identification of major State programs:

<u>Program Name</u>	<u>CFDA #</u>
SC/SA Domiciliary Care	N/A
Smart Start	N/A
Public School Building Bond Fund	N/A
Maintenance of Effort	N/A
Clean Water Grant and Revolving Loan	N/A
Crisis Housing	N/A

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NONE

Section IV - State Award Findings and Questioned Costs

NONE

WILSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

NONE REPORTED

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2002

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS:	
CASH PROGRAM:	
<u>U.S. Department of Agriculture:</u>	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Administration:	
<u>Food Stamp Cluster:</u>	
Food Stamp Program - Noncash	10.551
Food Stamp Program	10.561
Total Food Stamp Cluster	
Division of Public Health:	
Administration:	
Special Supplemental Nutrition Program for WIC	10.557
Direct Benefit Payments:	
Special Supplemental Nutrition Program for WIC	10.557
Total U.S. Department of Agriculture	
<u>U.S. Department of Health and Human Services:</u>	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
<u>Foster Care and Adoption Cluster:</u>	
Assistance Foster Care Title IV-E	93.658
Title IV-E Adoption Subsidy	93.659
Title IV-E Foster Care	93.658
Total Foster Care and Adoption Cluster	
Medical Assistance Program - Medicaid Title XIX	93.778
Work First	93.558
Low Income Energy Assistance	93.568
NC Health Choice	93.767
Social Services Block Grant	93.667
Child Support Enforcement	93.563
Permanency Planning	93.645
Special Program for the Aging - Cluster	93.044 through 93.046
Total Division of Social Services	

(continued)

<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
---------------------------------------	-------------------------------------	-------------------------------------

\$ 5,957,929	\$ -	\$ -
<u>527,672</u>	<u>-</u>	<u>488,220</u>
\$ 6,485,601	\$ -	\$ 488,220

309,690	-	-
1,630,505	-	-
<u>\$ 8,425,796</u>	<u>\$ -</u>	<u>\$ 488,220</u>

\$ 479,420	\$ 56,194	\$ 312,126
238,621	74,150	74,150
<u>230,288</u>	<u>26,720</u>	<u>115,963</u>
\$ 948,329	\$ 157,064	\$ 502,239

1,088,300	96,200	934,132
1,290,493	-	1,329,352
211,735	-	-
56,269	4,918	15,638
387,009	6,358	122,089
811,175	-	417,129
22,368	5,925	1,531
552,988	-	-
<u>\$ 5,368,666</u>	<u>\$ 270,465</u>	<u>\$ 3,322,110</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2002

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
<u>U.S. Department of Health and Human Services: (continued)</u>	
Passed-through N.C. Department of Health and Human Services:	
Division of Public Health:	
Tuberculosis Control Project - CDC	93.116
Preventive Health Block	93.991
Women's Preventive Health	93.558
Child Care Development Fund	93.596
Maternal and Child Health Services Block Grant	93.994
LINKS	93.674
Immunization Action Plan	93.268
Breast and Cervical Cancer Project	93.919
Diabetes Control	93.988
Total Division of Public Health	
Division of Child Development:	
<u>Subsidized Child Care Cluster:</u>	
Child Care Development Funds Discretionary	93.575
Child Care Development Fund	93.596
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
Smart Start	N/A
State Appropriations	N/A
Total Subsidized Child Care Cluster	
<u>Direct Benefit Payments</u>	
Medical Assistance Program	93.778
Temporary Assistance for Needy Families	93.558
Energy Assistance	93.568
Total Direct Benefit Payments	
Total U.S. Department of Health and Human Services	
 <u>Federal Emergency Management Agency:</u>	
Passed-through N.C. Department of Crime Control and Public Safety:	
Emergency Management	83.503
Hazard Mitigation Grant	83.548
Total Federal Emergency Management Agency	

(continued)

<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Local</u> <u>Expenditures</u>
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\$ 44,362	\$ -	\$ -
25,986	-	-
21,060	36,908	-
105,848	-	-
242,875	4,617	-
15,663	3,916	-
27,522	68,100	-
15,567	-	-
785	9,211	-
<u>\$ 499,668</u>	<u>\$ 122,752</u>	<u>\$ -</u>
\$ 1,265,365	\$ -	\$ -
1,035,597	5,214	-
35,003	-	-
290,957	-	-
-	1,011,482	-
-	203,414	-
<u>\$ 2,626,922</u>	<u>\$ 1,220,110</u>	<u>\$ -</u>
\$ 43,561,316	\$ 22,292,430	\$ 3,850,686
1,354,574	(2,393)	(2,172)
108,020	-	-
<u>\$ 45,023,910</u>	<u>\$ 22,290,037</u>	<u>\$ 3,848,514</u>
\$ 53,519,166	\$ 23,903,364	\$ 7,170,624
\$ 11,436	\$ -	\$ -
731,558	243,853	-
<u>\$ 742,994</u>	<u>\$ 243,853</u>	<u>\$ -</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2002

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
<u>U.S. Department of Transportation:</u>	
Passed-through N.C. Department of Transportation: State and Community Highway Safety	20.600
<u>U.S. Department of Commerce:</u>	
Passed-through N.C. Department of Commerce: Small Cities Community Development Block Grant	14.228
<u>U.S. Department of Justice:</u>	
Passed-through N.C. Department of Crime Control And Public Safety: U.S. Block Grant - Sheriff	16.592
Cops Grant	16.710
Criminal Justice Grant	16.579
Total U.S. Department of Justice	
 STATE GRANTS:	
 CASH PROGRAM:	
<u>N.C. Department of Transportation:</u>	
Bicycle Helmet	N/A
Public Transportation Administration	N/A
Rural Operating Assistance	N/A
Total N.C. Department of Transportation	
 <u>N.C. Department of Human and Health Services:</u>	
CP&L Energy Program	N/A
County Funded Programs	N/A
Special Assistance for Adults	N/A
CWS Adoption Subsidy - Direct Benefit	N/A
SC/SA Domiciliary Care - Direct Benefit	N/A
State Foster Home - Direct Benefit	N/A
TANF Maintenance of Effort	N/A
State Aid to Counties	N/A
State Adult Protective Service	N/A
Total N.C. Department of Human and Health Services	

(continued)

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 51,043	\$ -	\$ -
\$ 189,577	\$ -	\$ -
\$ 86,531	\$ -	\$ -
119,657	-	-
33,254	-	-
<u>\$ 239,442</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1,400	\$ -
-	27,351	-
-	100,120	-
<u>\$ -</u>	<u>\$ 128,871</u>	<u>\$ -</u>
\$ -	\$ 3,137	\$ -
-	-	125,150
-	-	99,430
-	103,857	18,283
-	1,057,007	1,057,007
-	35,151	35,151
-	432,319	-
-	109,765	-
-	58,334	-
<u>\$ -</u>	<u>\$ 1,799,570</u>	<u>\$ 1,335,021</u>

(continued)

WILSON COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2002

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
<u>N.C. Department of Health and Human Services:</u>	
Minority Health	N/A
General Health	N/A
Tuberculosis Control	N/A
AIDS Control Project	N/A
Maternal and Child Health	N/A
Child Care Coordination	N/A
Communicable Disease	N/A
Health Promotion	N/A
Healthy Carolinians	N/A
Total N.C. Department of Health and Human Services	
 <u>N.C. Department of Crime Control and Public Safety:</u>	
Violent Crime Task Force	N/A
 <u>N.C. Department of Public Instruction:</u>	
Public School Building Bond Fund	N/A
 <u>N.C. Department of Commerce:</u>	
Crisis Housing	N/A
 <u>N.C. of Cultural Resources:</u>	
State Aid to Public Libraries	N/A
 <u>N.C. Department of Environment and Natural Resources:</u>	
Scrap Tire Program	N/A
Clean Water Grant and Revolving Loan	N/A
Total N.C. Department of Environment and Natural Resources	
Total Financial Assistance	

Note 1: The accompanying schedule of expenditures of federal and State Awards includes the federal and State grant activity of Wilson County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 5,260	\$ -
-	55,666	-
-	60,384	-
-	12,500	-
-	58,995	-
-	31,221	-
-	8,504	-
-	1,762	-
-	13,400	-
<u>\$ -</u>	<u>\$ 247,692</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 4,267</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 592,883</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 902,170</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 118,309</u>	<u>\$ -</u>
\$ -	\$ 33,761	\$ -
-	8,134,468	-
<u>\$ -</u>	<u>\$ 8,168,229</u>	<u>\$ -</u>
<u>\$ 63,168,018</u>	<u>\$ 36,109,208</u>	<u>\$ 8,993,865</u>
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