WILSON COUNTY

NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

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

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Introductory Section

WILSON COUNTY, NORTH CAROLINA

BOARD OF COMMISSIONERS

Frank E. Emory	
R. S. "Sid" Boyette	Vice-Chairman
	Josephine F. Edwards
	Bobbie D. Jones
	Grady M. "Bucky" Robbins
	Roger Lucas
	Tim Williford
	COUNTY OFFICIALS
Ellis Williford	County Manager
Denise Stinagle	Asst. County Manager/Clerk to the Board
George A. Weaver	
Donna Wood	
Audrey Neal	
Randy Faircloth	Tax Administrator
Wayne Gay	
Rena Morris	
Glenn Osborne	
Felix Meyer	
Sue Glover	Administrative Asst./Dept. Head -Soil & Water Conservation
Shirley Ballance	
Walter Earle	
Mark Johnson	
Ted Boswell	Building Maintenance Director
Kim Dupree	
Terry Barber	Emergency Medical Services Director
Gordon Deno	Emergency Management Coordinator
Brenda Womble	Emergency Communications Director
Rebecca Callison	Library Director
Andy Davis	
Dale Causey	

Financial Section

Flowers & Stanley, L.L.P.

Certified Public Accountants 3403 N. Main Street – Tarboro, North Carolina 27886 Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members North Carolina Association of 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of and for the year ended June 30, 2010, which collectively comprise the Wilson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us; and our opinion on the financial statements, insofar as it relates to the amounts included for the Wilson County ABC Board, is based on the report of the other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2010, 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Flowers & Stanley, LIP

Tarboro, North Carolina November 4, 2010

Management Discussion and Analysis

Management's Discussion and Analysis

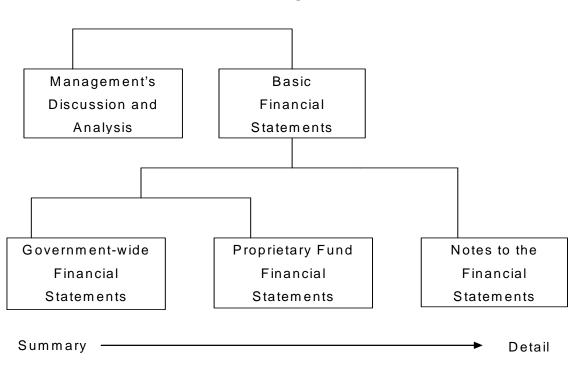
As management of Wilson County, we offer readers of Wilson County's financial statements this narrative overview and analysis of the financial activities of Wilson County for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of Wilson County's governmental activities and business type activities exceeded its liabilities at the close of the most recent fiscal year by \$34,159,612.
- Wilson County's total net assets increased by \$3,845,191.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$29,426,609, after a net increase in fund balance of \$3,064,596. Approximately 74.76 percent of this total amount, or \$22,000,044, is available for spending at Wilson County's discretion.
- At of the end of the current fiscal year, unreserved fund balance for the General Fund was \$19,247,970, or 22.2 percent of total general fund expenditures for the fiscal year.
- The County holds the following bond ratings: Moody's Aa2 Standard & Poor's AA-

Overview of the Financial Statements

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



Required Components of Annual Financial Report Figure 1

Basic Financial Statements

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

The next statements, Exhibits 3 through 9, are the Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the proprietary funds statements.

The next section of the basic financial statements is the Notes to the Basic Financial Statements. The notes offer a detailed examination about various information contained in the statements. Following the notes, supplemental information provides details of the County's non-major governmental funds, which are combined in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Wilson County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Wilson County's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Wilson County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Wilson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Wilson County include general government, public safety, public education, economic development, and general administration. The business-type activities of Wilson County are the solid waste (landfill) operation and the Water Department.

The government-wide financial statements include not only Wilson County itself (known as the primary government), but also the ABC Board. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wilson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of Wilson County can be divided into two categories: governmental funds and proprietary funds.

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

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

Proprietary Funds. Wilson County maintains one type of proprietary fund, an Enterprise fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Wilson County uses enterprise funds to account for its Solid Waste Operation and Water Distribution Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Operation and Water Distribution Funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County's progress in funding its obligation to provide pension benefits to its public safety employees.

Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Wilson County, assets exceeded liabilities by \$34,159,612 as of June 30, 2010.

Wilson County's Net Assets
Figure 2

	Govern	imental	Busine	ss-type	Total Primary					
	Activ	vities	Activ	vities	Gover	rnment				
	2010	2009	2010	2009	2010	2009				
Assets										
Current and										
other assets	\$ 34,376,061	\$ 31,520,541	\$ 18,978,741	\$ 19,169,933	\$ 53,354,802	\$ 50,690,474				
Restricted assets	516,643	958,147	-	-	516,643	958,147				
Capital assets	22,949,203	24,256,539	27,503,848	27,702,172	50,453,051	51,958,711				
Total Assets	\$ 57,841,907	\$ 56,735,227	\$ 46,482,589	\$ 46,872,105	\$ 104,324,496	\$ 103,607,332				
Liabilities										
Long-term liabilities										
outstanding	\$ 52,731,149	\$ 55,212,640	\$ 13,504,538	\$ 13,544,226	\$ 66,235,687	\$ 68,756,866				
Other liabilities	3,477,890	4,212,806	451,307	323,239	3,929,197	4,536,045				
Total Liabilities	\$ 56,209,039	\$ 59,425,446	\$ 13,955,845	\$ 13,867,465	\$ 70,164,884	\$ 73,292,911				
Net Assets										
Invested in capital assets, net of										
related debt	\$ 16,394,856	\$ 17,965,170	\$ 17,013,528	\$ 17,026,441	\$ 33,408,384	\$ 34,991,611				
Restricted	170,006	138,754	-	-	170,006	138,754				
Unrestricted	(14,931,994)	(20,794,143)	15,513,216	15,978,199	581,222	(4,815,944)				
Total Net Assets	\$ 1,632,868	\$ (2,690,219)	\$ 32,526,744	\$ 33,004,640	\$ 34,159,612	\$ 30,314,421				

The county's net assets increased by \$3,845,191 for the fiscal year ended June 30, 2010. One of the largest portions \$33,408,384 (97.8%) reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net assets \$170,006 (.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$581,222 (1.7%) is unrestricted.

Management Discussion and Analysis Wilson County

Wilson County's Changes in Net Assets Figure 3

	Governmental Activities			Busine: Activ		Total Primary Government			
	2010	2009		2010	2009	2010	2009		
Revenues:									
Program Revenues:									
Charges for services	\$ 12,097,666	\$ 13,039	502 \$	\$ 3,862,237	\$ 3,837,588	\$ 15,959,903	\$ 16,877,090		
Intergovernmental	20,207,494	18,101		-	-	20,207,494	18,101,406		
Grants & Contributions:									
Capital	1,701,926	1,653	,878	-	321,336	1,701,926	1,975,214		
General Revenues:									
Property taxes	47,985,145	47,418	,462	-	-	47,985,145	47,418,462		
Local Option Sales Tax	10,964,910	13,482		-	-	10,964,910	13,482,802		
Other taxes & licenses	664,480	1,279		-	-	664,480	1,279,712		
Investment earnings	84,638		,767	58,118	331,290	142,756	858,057		
Grants & other									
contributions not									
restricted to									
specific programs	225,000	150	,000	-	-	225,000	150,000		
Miscellaneous	284,644	(353	,399)	-	-	284,644	(353,399)		
Total Revenues	\$ 94,215,903	\$ 95,299	,130 \$	\$ 3,920,355	\$ 4,490,214	\$ 98,136,258	\$ 99,789,344		
Expenses:									
General Government	\$ 8,957,720	\$ 9,168	,058 \$	\$ -	\$-	\$ 8,957,720	\$ 9,168,058		
Public Safety	19,306,051	19,485	,200	-	-	19,306,051	19,485,200		
Transportation	50,861	59	,660	-	-	50,861	59,660		
Environmental Protection	301,191	294	,273	-	-	301,191	294,273		
Economic & Physical									
Development	3,533,157	3,332	,631	-	-	3,533,157	3,332,631		
Human Services	34,813,467	35,791	,530	-	-	34,813,467	35,791,530		
Culture & Recreational	2,014,077	2,122	,205	-	-	2,014,077	2,122,205		
Education	18,848,568	28,193	,496	-	-	18,848,568	28,193,496		
Interest & Other charges	2,067,724	2,170	,700	-	-	2,067,724	2,170,700		
Landfill	-		-	2,549,099	2,379,231	2,549,099	2,379,231		
Water				1,849,152	1,711,393	1,849,152	1,711,393		
Total Expenses	\$ 89,892,816	\$ 100,617	,753	\$ 4,398,251	\$ 4,090,624	\$ 94,291,067	\$ 104,708,377		
Increase (Decrease)									
in Net Assets	\$ 4,323,087	\$ (5,318	,623) \$	\$ (477,896)	\$ 399,590	\$ 3,845,191	\$ (4,919,033)		
					<u> </u>				
Net Assets, July 1	(2,690,219)	2,628	,404	33,004,640	32,605,050	30,314,421	35,233,454		
Net Assets, June 30	\$ 1,632,868	\$ (2,690	219)	\$ 32,526,744	\$ 33,004,640	\$ 34,159,612	\$ 30,314,421		
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Governmental Activities. Of the total net assets, governmental activities reported a \$1,632,868 balance and represents an increase of \$4,323,087 in comparison to the fiscal year 2009. While the debt for the school projects is carried in the county's general fund, the assets are included as assets of the Board of Education. Expenditures for education were \$18,848,568, a decrease by \$9,344,928, or 33% over the previous year. Operating grants in the amount of \$20,207,494, sales and services in the amount of \$12,097,666 and local option sales taxes of \$10,964,910, along with the ad valorem tax collections totaling \$47,985,145 were the main sources of funding of Wilson County's governmental activities. A key element of the increase is as follows

• Increase of the County's high tax collection rate from 96.51% in 2009 to 96.88% in 2010.

Business-type Activities. Business-type activities' net assets decreased by (\$477,896).

• Increased costs in operation of landfill

Financial Analysis of the County's Funds

As noted earlier, Wilson County uses fund accounting to ensure and demonstrate compliance with financerelated legal requirements.

Governmental Funds. The focus of Wilson County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$29,426,609 an increase of \$3,064,596. This increase is due the in part to the aggressive tax collection effort in the current year and the change in the Medicaid program which became effective July 1, 2009.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$19,247,970, while total fund balance for the general fund is \$26,442,580. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.23% percent of total general fund expenditures, while total fund balance represents 30.54% of that same amount.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$3,705,154. Practically all of this increase was attributable to Restricted Intergovernmental Revenues.

Proprietary Funds. Wilson County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of Solid Waste and Water Districts for the fiscal year 2010 amounted to \$15,513,216.

Capital Asset and Debt Administration

Capital Assets. Wilson County's investment in capital assets for its governmental and business type activities as of June 30, 2010 amounts to \$50,453,051. (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

- Purchased new vehicles and equipment for Public Safety Department;
- Purchased new equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Constructed new scale house and office at the Landfill.

						8							
	Governmental					Busine	ss-ty	/pe	Total Primary				
		Activ	vities		Activities					Government			
		2010		2009	2010		2009		2010		2009		
Land	\$	760,308	\$	760,308	\$	3,208,714	\$	3,208,714	\$	3,969,022	\$	3,969,022	
Buildings &													
improvements	2	9,250,834	2	9,216,107		519,305		-		29,770,139		29,216,107	
Equipment/Plant													
distribution		8,842,998		8,882,734		28,218,628		28,110,960		37,061,626		36,993,694	
Vehicles		3,931,654		3,987,596		414,258		370,466		4,345,912		4,358,062	
Construction													
in progress		-		-		-		15,560		-		15,560	
Total	\$4	2,785,794	\$4	2,846,745	\$	32,360,905	\$ 3	31,705,700	\$	75,146,699	\$	74,552,445	
Accumulated													
depreciation	1	9,836,591	1	8,590,206		4,857,057		4,003,528		24,693,648		22,593,734	
Net Assets	\$ 2	2,949,203	\$ 2	4,256,539	\$	27,503,848	\$ 2	27,702,172	\$	50,453,051	\$	51,958,711	

Wilson County's Capital Assets Figure 4

Additional information on Wilson County's capital assets can be found in Note 5 of this report.

Long-term Debt. At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$15,910,000 which is backed by the full faith and credit of the County.

Wilson County's Outstanding General Obligation and Revenue Bonds Figure 5

	Govern Activ		Total			
	2010	2009	2010	2009	2010	2009
All Bonds	\$15,910,000	\$17,570,000 ========	\$10,490,317 =========	\$10,675,731 =========	\$26,400,317 =========	\$28,245,731 =======

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$453,593,364. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 8.16% a slight increase from fiscal year 2009 ratio of 7.99%.

The County's general obligation debt per capita, at June 30, 2010 was \$203.06, while the County's \$56,250,937 gross debt per capita is \$717.92.

Additional information on Wilson County's long-term obligations can be found in Note 7, Section B.

Economic Factors and Next Year's Budget and Rates

• Tax collections for Wilson County remain strong, in spite of the national economic downturn.

Budget Highlights for Fiscal Year 2010-2011

Governmental activities. The 2011 General Fund's adopted budget decreased \$1,665,767 (1.88%) from the budget for the fiscal year ended June 30, 2010. The decrease was possible due to a continued delay in several projects.

Requests for information

This financial report is designed to provide a general overview of Wilson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Post Office Box 1728, Wilson, North Carolina, 27894.

Basic Financial Statements

Government-wide Financial Statements

Wilson County, North Carolina Statement of Net Assets June 30, 2010

Exhibit 1

		F	С	omponent Unit					
	Governmental			Business-type			Wilson Count		
	Activities		Activities			Total	ABC Board		
Assets									
Current Assets:									
Cash and cash equivalents	\$	24,526,227	\$	18,610,401	\$	43,136,628	\$	1,328,499	
Receivable (net)		3,782,535		294,482		4,077,017		3,992	
Due from other governments		5,906,955		73,858		5,980,813		-	
Due from component unit		112,500		-		112,500		-	
Deferred charges - refunding		47,844		-		47,844		-	
Inventories		-		-		-		653,135	
Prepaid expenses		-		-		-		14,324	
Total Current Assets	\$	34,376,061	\$	18,978,741	\$	53,354,802	\$	1,999,950	
Restricted Assets:									
Cash and cash equivalents	\$	516,643	\$	-	\$	516,643	\$	-	
Capital Assets: Land, improvements, and									
construction in progress Other capital assets,	\$	760,308	\$	3,208,714	\$	3,969,022	\$	319,449	
net of depreciation		22,188,895		24,295,134		46,484,029		1,388,540	
Total Capital Assets	\$	22,949,203	\$	27,503,848	\$	50,453,051	\$	1,707,989	
Total Assets	\$	57,841,907	\$	46,482,589	\$	104,324,496	\$	3,707,939	

(continued)

Wilson County, North Carolina Statement of Net Assets June 30, 2010

Exhibit 1

		F	Prima	ary Governme	Component Unit					
	Go	overnmental	Business-type					Wilson County		
		Activities		Activities		Total	Α	BC Board		
(continued)										
Liabilities										
Current Liabilities:										
Accounts payable &										
accrued expenses	\$	2,404,900	\$	302,543	\$	2,707,443	\$	465,995		
Unearned revenue		456,145		-		456,145		-		
Accrued interest payable		411,874		40,085		451,959		-		
Customer deposits		-		108,679		108,679		-		
Compensated absences		-		-		-		21,032		
Due to other governments		-		-		-		37,500		
Due to primary government		-		-		-		112,500		
Deferred credit - bond premium		204,971		-		204,971		-		
Total Current Liabilities	\$	3,477,890	\$	451,307	\$	3,929,197	\$	637,027		
Long-term Liabilities:										
Due within one year	\$	4,946,050	\$	190,911	\$	5,136,961	\$	-		
Due in more than one year		47,785,099		13,313,627		61,098,726		72,199		
Total Long-term Liabilities	\$	52,731,149	\$	13,504,538	\$	66,235,687	\$	72,199		
Total Liabilities	\$	56,209,039	\$	13,955,845	\$	70,164,884	\$	709,226		
Net Assets										
Invested in capital assets,										
net of related debt	\$	16,394,856	\$	17,013,528	\$	33,408,384	\$	1,707,989		
Restricted For:										
Register of Deeds		170,006		-		170,006				
Other purposes		-		-		-		184,148		
Unrestricted (deficit)		(14,931,994)		15,513,216		581,222		1,106,576		
Total Net Assets	\$	1,632,868	\$	32,526,744	\$	34,159,612	\$	2,998,713		

Wilson County, North Carolina Statement of Activities For the Year Ended June 30, 2010

			Program Revenues					
Functions/Programs	Expenses		c	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	
Primary Government:								
Governmental Activities:								
General Government	\$	8,957,720	\$	952,104	\$	-	\$	-
Public Safety		19,306,051		3,569,290		805,449		-
Transportation		50,861		70,637		295,427		359
Environmental Protection		301,191		200		66,316		-
Economic and Physical Development		3,533,157		-		61,429		547,087
Human Services		34,813,467		7,472,782		18,820,067		-
Cultural and Recreation		2,014,077		32,653		158,806		-
Education		18,848,568		-		-		1,154,480
Interest on long-term debt		2,067,724		-		-		-
Total Governmental Activities	\$	89,892,816	\$	12,097,666	\$	20,207,494	\$	1,701,926
Business-type Activities:								
Landfill	\$	2,549,099	\$	2,347,945	\$	-	\$	-
Water		1,849,152		1,514,292		-		
Total Business-type Activities	\$	4,398,251	\$	3,862,237	\$		\$	-
Total Primary Government	\$	94,291,067	\$	15,959,903	\$	20,207,494	\$	1,701,926
Component Units:								
ABC Board	\$	6,201,635	\$	6,189,471	\$	-	\$	-
		Local option s Other taxes a Grants and cor Investment ear Miscellaneous,	s, le sales ind li itribu ning: inclu	censes itions not resti s, unrestricted	rictec	to specific pro		
		Change ir	n Net	Assets				
		Net Assets	- Be	ginning				
			_					

Net Assets - Ending

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets										
		Prima	ry Government	t		Con	nponent Unit			
G	Governmental Activities		isiness-type Activities		Total	Wilson County ABC Board				
\$	(8,005,616) (14,931,312) 315,562 (234,675) (2,924,641) (8,520,618) (1,822,618) (17,694,088) (2,067,724)	\$	- - - - - - -	\$	(8,005,616) (14,931,312) 315,562 (234,675) (2,924,641) (8,520,618) (1,822,618) (17,694,088) (2,067,724)					
\$	(55,885,730)	\$	-	\$	(55,885,730)					
\$	- - - (55,885,730)	\$ \$	(201,154) (334,860) (536,014) (536,014)	\$	(201,154) (334,860) (536,014) (56,421,744)					
						\$	(12,164)			
\$	47,985,145 10,964,910 664,480 225,000 84,638 284,644	\$	- - - 58,118 -	\$	47,985,145 10,964,910 664,480 225,000 142,756 284,644	\$	- - - 10,935 8,266			
\$	60,208,817	\$	58,118	\$	60,266,935	\$	19,201			
\$	4,323,087	\$	(477,896)	\$	3,845,191	\$	7,037			
	(2,690,219)		33,004,640		30,314,421 -		2,991,676			
\$	1,632,868	\$	32,526,744	\$	34,159,612	\$	2,998,713			

Fund Financial Statements

Wilson County, North Carolina Balance Sheet Governmental Funds June 30, 2010

		Major	Fund	S					
				Elementary School	N	Non-Major		Total	
				ital Projects		vernmental	G	overnmental	
		General	Oap	Fund	00	Funds	Funds		
Assets									
Cash and cash equivalents	\$	21,844,893	\$	-	\$	2,681,334	\$	24,526,227	
Restricted cash		-		516,643		-		516,643	
Taxes receivable, net		2,045,960		-		56,069		2,102,029	
Accounts and other receivables, net		954,004		-		220,180		1,174,184	
Due from other governments		5,958,100		-		-		5,958,100	
Due from other funds		(18,760)		-		18,760		-	
Due from component unit		112,500		-		-		112,500	
Total Assets	\$	30,896,697	\$	516,643	\$	2,976,343	\$	34,389,683	
Liabilities and Fund Balances									
Liabilities:									
Liabilities	\$	1,961,522	\$	_	\$	443,378	\$	2,404,900	
Deferred revenue	Ψ	2,045,960	Ψ	-	Ψ	56,069	Ψ	2,102,029	
Unearned revenue		446,635		-		9,510		456,145	
Total Liabilities	\$	4,454,117	\$	-	\$	508,957	\$	4,963,074	
Fund Balances:									
Reserved for:									
State statute	\$	7,024,604	\$	-	\$	231,955	\$	7,256,559	
Register of Deeds		170,006		-		-		170,006	
Unreserved:									
Designated for subsequent									
year's expenditures		2,779,736		516,643		1,000,000		4,296,379	
Undesignated		16,468,234		-		-		16,468,234	
Unreserved, reported in nonmajor:									
Special revenue funds		-		-		1,180,163		1,180,163	
Capital projects funds		-		-		55,268		55,268	
Total Fund Balances	\$	26,442,580	\$	516,643	\$	2,467,386	\$	29,426,609	
Total Liabilities and									
Fund Balances	\$	30,896,697	\$	516,643	\$	2,976,343	\$	34,389,683	

Wilson County, North Carolina Balance Sheet Governmental Funds June 30, 2010

Exhibit 3

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because: 22,949,2 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 22,949,2 Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds. 47,8 Premium collected on issue of COPS (204,9) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 455,1 Liabilities for earned but deferred revenues in fund statements. 2,102,0 Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (53,143,0		
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because: 22,949,2 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 22,949,2 Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds. 47,8 Premium collected on issue of COPS (204,9 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 455,1 Liabilities for earned but deferred revenues in fund statements. 2,102,0 Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (53,143,0	Reconciliation of the governmental fund balance to net assets:	
1) are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 22,949,2 Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds. 47,8 Premium collected on issue of COPS (204,9) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 455,1 Liabilities for earned but deferred revenues in fund statements. 2,102,0 Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (53,143,0	Total fund balances	\$ 29,426,609
therefore are not reported in the funds.22,949,2Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds.47,8Premium collected on issue of COPS(204,9)Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.455,1Liabilities for earned but deferred revenues in fund statements.2,102,0Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period 		
financial resource and therefore not reported in the funds.47,8Premium collected on issue of COPS(204,9)Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.455,1Liabilities for earned but deferred revenues in fund statements.2,102,0Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.(53,143,0		22,949,203
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.455,1Liabilities for earned but deferred revenues in fund statements.2,102,0Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.(53,143,0		47,844
and therefore are deferred in the funds.455,1Liabilities for earned but deferred revenues in fund statements.2,102,0Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.(53,143,0	Premium collected on issue of COPS	(204,971)
Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (53,143,0		455,177
accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. (53,143,0	Liabilities for earned but deferred revenues in fund statements.	2,102,029
Net Assets of Governmental Activities \$ 1,632,8	accrued interest on long-term debt, are not due and payable in the current period	(53,143,023)
	Net Assets of Governmental Activities	\$ 1,632,868

Wilson County, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Year Ended June 30, 2010

Exhibit 4

	Major Funds								
			New	Elementary					
			:	School	N	Ion-Major		Total	
			Capi	tal Projects	Go	vernmental	Governmental		
		General		Fund		Funds		Funds	
Revenues									
Ad valorem taxes	\$	46,837,347	\$	-	\$	1,161,227	\$	47,998,574	
Local option sales taxes		10,687,110		-		277,800		10,964,910	
Other taxes and licenses		664,481		-		542,315		1,206,796	
Unrestricted intergovernmental		268,665		-		-		268,665	
Restricted intergovernmental		20,675,886		-		899,278		21,575,164	
Permits and fees		421,293		-		-		421,293	
Sales and service		11,354,011		-		70,637		11,424,648	
Investment earnings		80,324		777		3,537		84,638	
Miscellaneous		171,815		-		122,454		294,269	
Total Revenues	\$	91,160,932	\$	777	\$	3,077,248	\$	94,238,957	
Expenditures									
Current:									
General Government	\$	8,472,516	\$	-	\$	-	\$	8,472,516	
Public Safety		15,784,562		-		2,268,183		18,052,745	
Transportation		47,857		-		-		47,857	
Environmental Protection		278,506		-		-		278,506	
Economic and									
Physical Development		1,043,750		-		1,720,650		2,764,400	
Human Services		33,432,009		-		-		33,432,009	
Cultural and Recreational		1,769,221		-		-		1,769,221	
Intergovernmental:									
Education		18,689,717		-		-		18,689,717	
Capital projects		-		158,851		694,258		853,109	
Debt Service:									
Principal		4,900,826		-		-		4,900,826	
Interest and other charges		2,165,489		-		-		2,165,489	
Total Expenditures	\$	86,584,453	\$	158,851	\$	4,683,091	\$	91,426,395	

(continued)

Wilson County, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Year Ended June 30, 2010

	Major Funds								
	General		New Elementary School Capital Projects Fund			Non-Major overnmental Funds	Total Governmental Funds		
(continued)									
Excess (Deficiency) of Revenues Over Expenditures	\$	4,576,479	\$	(158,074)	\$	(1,605,843)	\$	2,812,562	
Other Financing Sources (Uses): Transfers from (to) other funds Capital lease obligation issued	\$	(1,679,000) 252,034	\$	-	\$	1,679,000	\$	- 252,034	
Total Other Financing Sources (Uses)	\$	(1,426,966)	\$	-	\$	1,679,000	\$	252,034	
Net Change in Fund Balance	\$	3,149,513	\$	(158,074)	\$	73,157	\$	3,064,596	
Fund Balances: Beginning of year, July 1		23,293,067		674,717		2,394,229		26,362,013	
End of year, June 30	\$	26,442,580	\$	516,643	\$	2,467,386	\$	29,426,609	

Exhibit 4

Wilson County, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Year Ended June 30, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net changes in fund balances - total governmental funds	\$ 3,064,596
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(1,277,500)
Property tax revenues (including accrued interest) in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(13,429)
Undepreciated cost of capital assets sold or retired which exceeds proceeds.	(29,836)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt	4,765,297
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	26,281
Net pension obligations	(60,158)
Other postemployment benefits	(2,249,833)
Accrued interest	97,669
Total Changes in Net Assets of Governmental Activities	\$ 4,323,087
-	

Wilson County, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Fiscal Year Ended June 30, 2010

Exhibit 5

		General Fund							
	Original	Final		Variance With Final Positive					
	Budget	Budget	Actual	(Negative)					
Revenues:									
Ad valorem taxes	\$ 44,154,277	\$ 44,304,277	\$ 46,837,347	\$ 2,533,070					
Local option sales tax	12,025,988	12,025,988	10,687,110	(1,338,878)					
Other taxes and licenses	591,400	519,400	664,481	145,081					
Unrestricted intergovernmental	185,000	185,000	268,665	83,665					
Restricted intergovernmental	17,110,645	20,679,857	20,675,886	(3,971)					
Permits and fees	403,000	403,000	421,293	18,293					
Sales and services	11,303,343	11,361,285	11,354,011	(7,274)					
Investment earnings	303,000	303,000	80,324	(222,676)					
Miscellaneous	41,001	41,001	171,815	130,814					
Total Revenues	\$ 86,117,654	\$ 89,822,808	\$ 91,160,932	\$ 1,338,124					
Expenditures:									
Current:									
General Government	\$ 8,118,997	\$ 9,124,714	\$ 8,472,516	\$ 652,198					
Public Safety	15,963,347	16,557,791	15,784,562	773,229					
Transportation	47,857	47,857	47,857	-					
Environmental Protection	289,521	294,574	278,506	16,068					
Economic and Physical Development	1,157,469	1,173,951	1,043,750	130,201					
Human Services	35,714,056	39,025,295	33,432,009	5,593,286					
Cultural and Recreational	1,784,539	1,788,158	1,769,221	18,937					
Intergovernmental:									
Education	18,550,227	18,689,718	18,689,717	1					
Debt Service:									
Principal retirement	4,906,490	4,906,490	4,900,826	5,664					
Interest and other charges	2,084,034	2,169,793	2,165,489	4,304					
Contingency	100,000	11,959	-	11,959					
Total Expenditures	\$ 88,716,537	\$ 93,790,300	\$ 86,584,453	\$ 7,205,847					

(continued)

Wilson County, North Carolina Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Fiscal Year Ended June 30, 2010

Exhibit 5

	General Fund									
	Original Budget		Final Budget		Actual		١	Variance With Final Positive (Negative)		
(continued)										
Revenues Over (Under) Expenditures	\$	(2,598,883)	\$	(3,967,492)	\$	4,576,479	\$	8,543,971		
Other Financing Sources (Uses): Transfers from other funds Transfers (to) other funds Capital lease obligations issued Fund balance appropriated	\$	985,000 (1,679,000) - 3,292,883	\$	985,000 (1,679,000) 252,034 4,409,458	\$	- (1,679,000) 252,034 -	\$	(985,000) - - (4,409,458)		
Total Other Financing Sources (Uses)	\$	2,598,883	\$	3,967,492	\$	(1,426,966)	\$	(5,394,458)		
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$	-	\$		\$	3,149,513	\$	3,149,513		
Fund Balances: Beginning of year, July 1						23,293,067				
End of year, June 30					\$	26,442,580				

Wilson County, North Carolina Statement of Net Assets Proprietary Funds June 30, 2010

Exhibit 6

	Major Enterprise Funds										
				Water Distribution	٢	Water Distribution					
		Solid		Fund		Fund					
		Waste		Southeast		Southwest					
		Fund		District		District		Total			
Assets											
Current Assets:											
Cash and cash equivalents	\$	17,959,537	\$	554,246	\$	96,618	\$	18,610,401			
Receivables, net		130,114		78,243		86,125		294,482			
Due from other governments		73,858		-		-		73,858			
Total Current Assets	\$	18,163,509	\$	632,489	\$	182,743	\$	18,978,741			
Non-Current Assets:											
Capital Assets:											
Land and construction											
in progress	\$	3,081,656	\$	48,389	\$	78,669	\$	3,208,714			
Other capital assets,											
net of depreciation		1,197,639		9,497,501		13,599,994		24,295,134			
Capital Assets, Net	\$	4,279,295	\$	9,545,890	\$	13,678,663	\$	27,503,848			
Total Non-Current Assets	\$	4,279,295	\$	9,545,890	\$	13,678,663	\$	27,503,848			
Total Assets	\$	22,442,804	\$	10,178,379	\$	13,861,406	\$	46,482,589			
Liabilities											
Current Liabilities:											
Accounts payable	\$	277,131	\$	4,286	\$	21,126	\$	302,543			
Customer deposits		-		55,234		53,445		108,679			
Current portion of bonds		-		74,075		116,836		190,911			
Accrued interest		-		13,871		26,214		40,085			
Total Current Liabilities	\$	277,131	\$	147,466	\$	217,621	\$	642,218			

(continued)

Wilson County, North Carolina Statement of Net Assets Proprietary Funds June 30, 2010

Exhibit 6

	Major Enterprise Funds											
Liabilities (continued)		Solid Waste Fund		Water Distribution Fund Southeast District		Water Distribution Fund Southwest District		Total				
Non-current Liabilities:												
Accrued landfill closure and	•		•		•		•					
postclosure care costs	\$	2,826,041	\$	-	\$	-	\$	2,826,041				
Compensated absences		27,859		16,238		14,112		58,209				
Other postemployment benefits		102,766		13,601		13,601		129,968				
Bonds		-		3,726,357		6,573,052		10,299,409				
Total Non-current Liabilities	\$	2,956,666	\$	3,756,196	\$	6,600,765	\$	13,313,627				
Total Liabilities	\$	3,233,797	\$	3,903,662	\$	6,818,386	\$	13,955,845				
Net Assets												
Invested in capital assets,												
net of related debt	\$	4,279,295	\$	5,745,458	\$	6,988,775	\$	17,013,528				
Unrestricted	Ψ	14,929,712	Ψ	529,259	Ψ	0,900,775 54,245	Ψ	15,513,216				
omosholou		17,020,112		020,200		57,245		10,010,210				
Total Net Assets	\$	19,209,007	\$	6,274,717	\$	7,043,020	\$	32,526,744				

Wilson County, North Carolina Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2010

Exhibit 7

	Major Enterprise Funds							
				Water		Water		
			D	istribution	D	istribution		
		Solid		Fund		Fund		
		Waste	S	Southeast	S	outhwest		
		Fund		District		District		Total
Operating Revenues								
Charges for services	\$	2,347,945	\$	712,617	\$	801,675	\$	3,862,237
Operating Expenses								
Administration	\$	-	\$	-	\$	-	\$	-
Salaries and employee benefits		925,423		122,165		122,163		1,169,751
Operating expense		1,320,929		100,072		109,948		1,530,949
Landfill closure		87,500		-		-		87,500
Depreciation		213,964		242,052		360,384		816,400
Water purchase		-		137,368		159,394		296,762
Total Operating Expenses	\$	2,547,816	\$	601,657	\$	751,889	\$	3,901,362
Operating Income (Loss)	\$	(199,871)	\$	110,960	\$	49,786	\$	(39,125)
Non-Operating Revenues (Expenses)								
Interest/investment revenue	\$	58,118	\$	-	\$	-	\$	58,118
Bad debt		(1,283)		(11,444)		(22,177)		(34,904)
Interest expense		-		(169,235)		(292,750)		(461,985)
Total Non-Operating Revenue (Expenses)	\$	56,835	\$	(180,679)	\$	(314,927)	\$	(438,771)
Income (Loss) before Contributions	\$	(143,036)	\$	(69,719)	\$	(265,141)	\$	(477,896)
Capital contributions		-		-		-		-
Change in Net Assets	\$	(143,036)	\$	(69,719)	\$	(265,141)	\$	(477,896)
Total Net Assets - Beginning		19,352,043		6,344,436		7,308,161		33,004,640
Total Net Assets - Ending	\$	19,209,007	\$	6,274,717	\$	7,043,020	\$	32,526,744

Wilson County, North Carolina Statement of Cash Flows Proprietary Fund For The Fiscal Year Ended June 30, 2010

Exhibit 8

		Solid Waste Fund		Water stribution Fund outheast District	S	Water stribution Fund outhwest District		Total
Cash Flows from Operating Activities:								
Cash received from customers	\$	2,308,224	\$	739,475	\$	816,770	\$	3,864,469
Cash paid for goods & services Cash paid to employees		(1,183,851)		(253,398)		(287,029)		(1,724,278)
for services		(880,364)		(113,710)		(113,707)		(1,107,781)
Customer deposits received		-		11,477		3,788		15,265
Net Cash Provided by				,		0,100		10,200
Operating Activities	\$	244,009	\$	383,844	\$	419,822	\$	1,047,675
Cash Flows from Capital and Related Financing Activities: Acquisition & construction of capital assets Principal paid on debt Interest paid on debt	\$	(618,076) - -	\$	- (71,575) (167,822)	\$	- (113,836) (288,540)	\$	(618,076) (185,411) (456,362)
Net Cash Used by Capital								
and Related Financing Activities	\$	(618,076)	\$	(239,397)	\$	(402,376)	\$	(1,259,849)
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Cash Flows from Investing Activities:								
Interest on investments	\$	58,118	\$	-	\$	-	\$	58,118
Net Increase (Decrease) in								
Cash and Cash Equivalents	\$	(315,949)	\$	144,447	\$	17,446	\$	(154,056)
Cash and Cash Equivalents:								
Beginning of year, July 1		18,275,486		409,799		79,172		18,764,457
End of year lune 20	<u>۴</u>	17.050.507	ዮ	EE4 040	<u>۴</u>	06.040	<u>۴</u>	10 610 404
End of year, June 30	Þ	17,959,537	\$	554,246	\$	96,618	\$	18,610,401

(continued)

Wilson County, North Carolina Statement of Cash Flows Proprietary Fund For The Fiscal Year Ended June 30, 2010

Exhibit 8	
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	Solid Waste Fund		S	Water stribution Fund outheast District	Water Distribution Fund Southwest District		Total	
(continued)								
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:								
Operating income (loss)	\$	(199,871)	\$	110,960	\$	49,786	\$	(39,125)
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation (net) Provision for uncollectible accounts Changes in Assets and Liabilities: (Increase) Decrease in	\$	213,964 (1,283)	\$	242,052 (11,444)	\$	360,384 (22,177)	\$	816,400 (34,904)
accounts receivable/due from Increase in accrued		(38,438)		38,302		37,272		37,136
landfill closure costs Increase in other		83,753		-		-		83,753
postemployee benefits Increase (decrease) in		45,057		6,007		6,008		57,072
accounts payable		140,825		(15,958)		(17,687)		107,180
Increase in customer deposits		-		11,477		3,788		15,265
Increase in accrued vacation pay		2		2,448		2,448		4,898
Total Adjustments	\$	443,880	\$	272,884	\$	370,036	\$	1,086,800
Net Cash Provided by								
Operating Activities	\$	244,009	\$	383,844	\$	419,822	\$	1,047,675

Wilson County, North Carolina Statement of Fiduciary Net Assets Fiduciary Funds For the Year Ended June 30, 2010

	gency Fund
Assets	
Cash and cash equivalents	\$ 5,227
Liabilities and Net Assets	
Liabilities: Intergovernmental payable:	
State of North Carolina - DMV	\$ 4,247
State of North Carolina - Treasurer	 980
Total Liabilities	\$ 5,227
Net Assets	\$ -

Exhibit 9

I. Summary of Significant Accounting Policies

The accounting policies of Wilson County and its 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. Wilson County Water Districts (the "Districts") exist to provide and maintain a water system for the county residents within the districts. The Districts are reported as enterprise funds in the County's financial statements. Wilson County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

The discretely presented component unit presented below is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate form the County.

Wilson County ABC Board

The Wilson County ABC Board, a component unit of Wilson County, is a corporate body with powers outlined by General Statutes [Chapter 18B-701]. The County's governing body appoints the ABC Board. The Wilson County ABC Board is required by State Statute to distribute its surpluses to the General Fund of Wilson County, which represents a financial benefit to Wilson County. Therefore, the Wilson County ABC Board is reported as a discretely presented component unit in Wilson County's financial statements. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Wilson County ABC Board, P.O. Box 7290, Wilson, N.C. 27895.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

New Elementary School Capital Projects Fund - This fund is used to account for the construction of a new elementary school.

The County reports the following major enterprise funds:

Southeast District Water Distribution and Southwest District Water Distribution Funds - These funds are used to account for the operations of the two Water and Sewer districts within the County.

Landfill Fund - The Landfill Closure and Postclosure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover 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.

The County reports the following fund types:

Agency Funds - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The county maintains the following agency funds: the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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 registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Revaluation Fund, Fire District Fund, Enhanced 911 Service Fund, Economic Development Reserve Fund, Public Buildings Fund, Transportation Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal yearend. Project ordinances are adopted for the Grant Projects Fund, School Improvements Capital Projects Fund and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the County and Wilson County ABC Board are made in boarddesignated 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 the 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 the 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).

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

2. Cash and Cash Equivalents

The County 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 demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond (debt) proceeds for the New Elementary School are restricted to the purpose for which they were borrowed.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2009.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, firstout), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the ABC Board consists of materials and supplies held for consumption or resale.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: land, \$10,000; Buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$10,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Wilson County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the 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 capital assets in the financial statements of the Wilson County Board of Education.

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

	Years
Buildings	50
Improvements	25
Infrastructure	50
Furniture and equipment	3-20
Vehicles	3-5
Computer Equipment	3-5

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	Years
	40-50
and equipment	3-10
	3-5
improvements	5-10
	and equipment improvements

8. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

9. 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's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded 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 the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Reserved

Reserved by State Statute - portion of fund balance, which is <u>not</u> available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that 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 subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the adopted 2009 - 2010 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Asset.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment of \$(27,793,741) consists of several elements as follows:

Description		Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental		
activities column) Less accumulated depreciation	\$	42,785,794 (19,836,591)
Net Capital Assets	\$	22,949,203
Deferred charges related to advance refunding bond issued		47,844
Premium collected on issue of COPS		(204,971)
Accrued interest receivable included in the Government-wide statements, as these are not available financial resources, therefore deferred in the fund statement		455,177
Liabilities for revenue deferred but earned and therefore reserved in the fund statements but not in the government-wide.		2,102,029
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:		
Bonds, leases, and installment financing Compensated absences Accrued interest payable		(45,760,620) (1,867,983) (411,874)
Unfunded Separation Allowance		(571,680)
Other postemployment benefits		(4,530,866)
Total Adjustment	\$ ==	(27,793,741)

2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$1,258,491 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities.	\$ 572,098
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the Statement of Activities but not in the fund statements. (1,849,598)	
New capital leases and capital lease payments have no effect on the Statement of Activities it affects only the government-wide Statement of Net Assets: Capital lease payments (54,024)	
Principal payments along with issuance costs and premiums on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Assets in the government-wide statements.	4,819,321
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	97,669
Compensated absences and certain pension costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources. (2,283,710)	
Property tax and other revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements. (13,429)	
Undepreciated cost of capital assets sold or retired which exceeds proceeds. (29,836)	
Total Adjustment	\$ 1,258,491 ======

II. Stewardship, Compliance, and Accountability

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

The County reported no instances of non-compliance.

III Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the ABC Board's deposits are insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the 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.

The State treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2010, the County's deposits had a carrying amount of \$26,526,154 and a bank balance of \$30,012,596. Of the bank balance, 531,281 was covered by federal depository insurance, \$154,991 in noninterest bearing deposits and \$29,326,324 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2010, Wilson County had \$9,560 cash on hand.

At June 30, 2010, the carrying amount of deposits for Wilson County ABC Board was \$1,322,699 and the bank balance was \$1,468,053. Of the bank balance, \$486,533 was covered by federal depository insurance and \$836,166 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2010, Wilson County ABC Board had \$5,800 cash on hand.

2. Investments

As of June 30, 2010, the County had the following investments and maturities.

	============	=======	=======	=======
N.C. Capital Management Trust - Cash Portfolio	\$ 17,117,557	N/A	N/A	N/A
Investment Type	Value	6 Months	Months	1 Year
	Fair	Less Than	6-12	Over

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AA- by Standard & Poor's as of June 30, 2010. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk.

At June 30, 2010, the ABC Board had no investments.

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

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

Year Levied		Tax		Interest		Total
2007	\$	1,302,627	\$	426,610	\$	1,729,237
2008		1,635,387		388,404		2,023,791
2009		1,599,803		235,971		1,835,774
Total	\$	4,537,817	\$	1,050,985	\$	5,588,802
	===		==	========	===	

4. Receivables

Receivables at the government-wide level at June 30, 2010, were as follows:

				Taxes and lated Accrued		Due from other				
		Accounts		Interest	G	overnments		Other		Total
Governmental										
Activities:										
General	\$	1,117,649	\$	3,316,927	\$	5,906,955	\$	-	\$	10,341,531
Other										
governmental		220,180		74,078		-		-		294,258
Total Receivables	\$	1,337,829	\$	3,391,005	\$	5,906,955	\$	-	\$	10,635,789
Allowance for										
Doubtful Accounts		-		(833,799)		-		-		(833,799)
Total Governmental										
Activities	\$	1,337,829	\$	2,557,206	\$	5,906,955	\$	-	\$	9,801,990
_										
Business-type										
Activities:	•		•		•		•		•	
Landfill	\$	148,064	\$	-	\$	73,858	\$	-	\$	221,922
Water & Sewer		253,677		-		-		-		253,677
Total Receivables	\$	401,741	\$	-	\$	73,858	\$	-	\$	475,599
Allowance for										
Doubtful Accounts		(107,259)		-		-		-		(107,259)
Total Governmental	•	004.400	•		•	70.050	•		•	
Activities	\$	294,482	\$	-	\$	73,858	\$	-	\$	368,340

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

-		General Fund	Ent	terprise Fund
Local option sales tax	\$	1,531,058	\$	-
White goods disposal tax		-		7,611
Scrap tire tax		_		22,701
NC Administrative				
Reimbursement and Other		4,375,897		43,546
Total	\$	5,906,955	\$	73,858
	==	==========	====	========

5. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

		Beginning Balances	i	ncreases	D	ecreases	Re	classify		Ending Balances
Governmental Activities	s:				_					24.4.1000
Capital Assets not										
Being Depreciated:										
Land	\$	760,308	\$	-	\$	-	\$	-	\$	760,308
Capital Assets										
Being Depreciated:	۴	00.000.000	۴		۴		¢		۴	00.000.000
Buildings	\$	22,929,630	\$	-	\$	-	\$	-	\$	22,929,630
Other improvements		6,286,477		34,727		-		-		6,321,204
Furniture & equipment		8,882,734		458,408		498,144		-		8,842,998
Vehicles	_	3,987,596	_	78,963	_	134,905		-	_	3,931,654
Total	\$	42,086,437	\$	572,098	\$	633,049	\$	-	\$	42,025,486
Less Accumulated										
Depreciation for:	•	0 570 505	~	100 101	•		^		٠	0.000.040
Buildings	\$	8,576,525	\$	430,121	\$	-	\$	-	\$	9,006,646
Other improvements		1,167,831		235,696		-		-		1,403,527
Furniture & equipment		6,219,285		705,702		488,519		-		6,436,468
Vehicles		2,626,565	_	478,079	_	114,694	_	-	_	2,989,950
Total	\$	18,590,206	\$	1,849,598	\$	603,213	\$	-	\$	19,836,591
Total Capital Assets	^	~~							•	~ ~ ~ ~ ~ ~ ~ ~
Being Depreciated, Net	\$	23,496,231							\$	22,188,895
Governmental Activities										
Capital Assets, Net	s \$	24,256,539							\$	22,949,203
Capital Assets, Net	φ	24,200,009							φ	22,343,203
Primary Governmen	t									

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

General Government	\$	503,349
Public Safety		900,622
Economic and Physical Development		6,087
Human Services		264,659
Cultural and Recreational		164,211
Transportation		-
Environmental Protection		10,670
Total	\$	1,849,598
	==	========

Capital Assets (continued):

		Beginning Balances	<u> </u>	ncreases	Dec	reases	R	eclassify		Ending Balances
Business-type Activities:										
Solid Waste:										
Capital Assets not										
Being Depreciated:	¢	0.004.050	۴		¢		¢		۴	0.004.050
Land	\$	3,081,656	\$	-	\$	-	\$	-	\$	3,081,656
Construction in progress		15,560		-		-		(15,560)	_	-
Total	\$	3,097,216	\$	-	\$	-	\$	(15,560)	\$	3,081,656
Capital Assets										
Being Depreciated:										
Buildings	\$	_	\$	120,645	\$	_	\$	_	\$	120,645
Infrastructure	Ψ	_	Ψ	383,100	Ψ	_	Ψ	15,560	Ψ	398,660
Furniture & equipment		2,018,477		114,331		_		-		2,132,808
Vehicles		309,203		-		_		_		309,203
Total	\$	2,327,680	\$	618,076	\$		\$	15,560	\$	2,961,316
i otai	Ψ	2,021,000	<u> </u>	010,010	Ψ		Ψ	10,000	Ψ	2,001,010
Less Accumulated										
Depreciation for:										
Buildings	\$	-	\$	1,206	\$	-	\$	-	\$	1,206
Infrastructure	·	-	•	6,526		-		-	•	6,526
Furniture & equipment		1,419,834		149,896		-		-		1,569,730
Vehicles		129,879		56,336		-		-		186,215
Total	\$	1,549,713	\$	213,964	\$	-	\$	-	\$	1,763,677
Total Capital Assets										
Being Depreciated, Net	\$	777,967							\$	1,197,639
Solid Waste										
Capital Assets, Net	\$	3,875,183							\$	4,279,295

(continued)

Capital Assets (continued):

Business-type Activities (con	Beginning Balances tinued):	<u> </u>	ncreases	De	ecreases	R	eclassify		Ending Balances
Southeast Water District:										
Capital Assets not										
Being Depreciated:										
Land	\$	48,389	\$	-	\$	-	\$	-	\$	48,389
Construction in progress		-		-		-		-		-
Total	\$	48,389	\$	-	\$	-	\$	-	\$	48,389
Capital Assets										
Being Depreciated:										
Plant and										
distribution system	\$	9,416,962	\$	-	\$	-	\$	-	\$	9,416,962
Office and maintenance			-				-		·	
equipment		1,463,065		-		4,331		-		1,458,734
Vehicles		39,778		-		10,205		38,667		68,240
Total	\$	10,919,805	\$	-	\$	14,536	\$	38,667	\$	10,943,936
Less Accumulated										
Depreciation for:										
Plant and										
distribution system	\$	847,062	\$	182,117	\$	-	\$	(80,601)	\$	948,578
Office and maintenance										
equipment		293,412		59,935		4,331		80,601		429,617
Vehicles		39,778	<u></u>	-	- C	10,205	¢	38,667		68,240
Total	\$	1,180,252	\$	242,052	\$	14,536	\$	38,667	\$	1,446,435
Total Capital Assets										
Being Depreciated, Net	\$	9,739,553							\$	9,497,501
Doing Depresided, Net	Ψ	5,103,000							Ψ	5,757,501
Southeast Water District										
Capital Assets, Net	\$	9,787,942							\$	9,545,890

(continued)

Capital Assets (continued):

		Beginning Balances	Ir	ncreases	De	creases	R	eclassify		Ending Balances
Business-type Activities (con									
Southwest Water District:		,								
Capital Assets not										
Being Depreciated:										
Land	\$	78,669	\$	-	\$	-	\$	-	\$	78,669
Construction in progress		-	·	-		-		-	•	-
Total	\$	78,669	\$	-	\$	-	\$	-	\$	78,669
		- ,			-					-,
Capital Assets										
Being Depreciated:										
Plant and										
distribution system	\$	14,557,321	\$	-	\$	-	\$	-	\$	14,557,321
Office and maintenance										
equipment		655,135		-		2,332		-		652,803
Vehicles		21,485		-		5,491		20,821		36,815
Total	\$	15,233,941	\$	-	\$	7,823	\$	20,821	\$	15,246,939
Less Accumulated										
Depreciation for:										
Plant and										
distribution system	\$	1,101,720	\$	360,384	\$	-	\$	28,182	\$	1,490,286
Office and maintenance										
equipment		150,358		-		2,332		(28,182)		119,844
Vehicles		21,485		-		5,491		20,821		36,815
Total	\$	1,273,563	\$	360,384	\$	7,823	\$	20,821	\$	1,646,945
Total Capital Assets										
Being Depreciated, Net	\$	13,960,378							\$	13,599,994
Southwest Water District										
Capital Assets, Net	\$	14,039,047							\$	13,678,663
	_									
Business-type Activities:										
Capital Assets, Net	\$	27,702,172							\$ 2	27,503,848

Construction Commitments

The government has no active construction projects as of June 30, 2010.

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2010, was as follows:

	Beginning Balances	Ir	ncreases	De	ecreases	Ending Balances
Capital Assets not						
Being Depreciated:						
Land	\$ 319,449	\$	-	\$	-	\$ 319,449
Construction in progress	 -		-		-	 -
Total	\$ 319,449	\$	-	\$	-	\$ 319,449
Capital Assets						
Being Depreciated:						
Buildings	\$ 1,484,021	\$	-	\$	-	\$ 1,484,021
Furniture & equipment	384,011		98,475		10,239	472,247
Vehicles	23,876		23,000		-	46,876
Leasehold improvements	 12,387		-		377	 12,010
Total	\$ 1,904,295	\$	121,475	\$	10,616	\$ 2,015,154
Less Accumulated						
Depreciation for:						
Buildings	\$ 243,549	\$	30,317	\$	-	\$ 273,866
Furniture & equipment	303,486		26,350		10,239	319,597
Vehicles	23,876		2,301		-	26,177
Leasehold improvements	 6,342		1,009		377	 6,974
Total	\$ 577,253	\$	59,977	\$	10,616	\$ 626,614
Total Capital Assets						
Being Depreciated, Net	\$ 1,327,042					\$ 1,388,540
Capital Assets, Net	\$ 1,646,491					\$ 1,707,989

Depreciation expense was charged to functions as follows:

Total Depreciation Expense	Ş	59,977
E E	4	
Store expenses		38,794
Administrative		10,271
Warehouse and delivery	\$	10,912

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows:

			S	alaries				
				and	A	ccrued		
	7	<i>l</i> endors	В	enefits	I	nterest		Total
Governmental Activities:								
General	\$ 1	,756,070	\$	205,452	\$	411,874	\$	2,373,396
Other governmental		443,378		-		-		443,378
Total	\$ 2	2,199,448	\$	205,452	\$	411,874	\$	2,816,774
	===	=======	==	======	==	=======	==	==========
Business-type Activities:								
Solid Waste	\$	231,326	\$	45,805	\$	-	\$	277,131
Water Distribution Funds:								
Southeast District		2,483		1,803		13,871		18,157
Southwest District		19,323		1,803		26,214		47,340
Total	\$	253,132	\$	49,411	\$	40,085	\$	342,628
	===	========	==	======	==	=======	==	=========

2. 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 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% 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, 2010, 2009, 2008 were \$1,354,369 \$1,328,028, and \$1,196,699, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008, were \$64,039 \$62,015, and \$57,890 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

Wilson County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The 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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled	
to but not yet receiving benefits	0
Active plan members	88
Total	99
	=====

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

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. For the current year, the County contributed \$110,371 or 2.9% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (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 payroll on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution Interest on net pension obligation Adjustment to annual required contribution	\$ 165,667 37,085 (32,223)
Annual pension cost Contributions made	\$ 170,529 110,371
Increase (decrease) in net pension obligation Net Pension Obligation -	\$ 60,158
Beginning of year End of year	\$ 511,522 571,680

	3 Year Trend	d Information				
or Year	or Year Annual	ual Percentage		Net		
Ended	Ended Pension	of APC	Pension			
une 30	une 30 Cost (APC)	Contributed	Ob	ligation		
2008	2008 \$ 130,114	80.82%	\$	456,858		
2009	2009 149,905	63.53%		511,522		
2010	2010 170,529	64.72%		571,680		
Ended une 30 2008 2009	Ended Pension une 30 Cost (APC) 2008 \$ 130,114 2009 149,905	of APC <u>Contributed</u> 80.82% 63.53%	Ob	ension ligatio 456,85 511,52		

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,965,544. The covered payroll (annual payroll of active employees covered by the plan) was \$3,795,700, and the ratio of the UAAL to the covered payroll was 51.78%.

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

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, 2010 were \$253,877, which consisted of \$188,844 from the County and \$65,033 from the law enforcement officers.

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 eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$4,926.

Other Post-Employment Benefits

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This Plan provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least fifteen years of creditable service with the County with at least ten years being continuous and uninterrupted immediately prior to retirement. In addition to the fifteen years of minimum service, the employee must qualify to receive an unreduced benefit from the System. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County Commissioners may amend the provisions.

A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

		Law
	General	Enforcement
	Employees	Officers
Retirees and dependents receiving benefits	71	10
Terminated plan members entitled		
to but not yet receiving benefits	0	0
Active plan members	602	92
Total	673	102
	=======	=========

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Commissioners. The County's members pay monthly for dependent coverage in accordance with the provisions of the insurance contracts. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 10.07% of annual covered payroll. For the current year, the County contributed \$400,260 or 1.5% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$17,509.

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

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

Annual required contribution	\$ 2,707,166
Interest on net OPEB obligation	-
Adjustment to annual required contribution	
Annual OPEB cost (expense)	2,707,166
Contributions made	(400,261)
Increase (decrease) in net OPEB obligation	2,306,905
Net OPEB obligation, beginning of year	2,353,929
Net OPEB obligation, end of year	\$ 4,660,834

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

		Percentage of	
For Year Ended	Annual	Annual OPEB Cost	Net OPEB
June 30	OPEB Cost	Contributed	Obligation
2009	\$2,707,166	13%	\$2,353,929
2010	\$2,707,166	14.8%	\$4,660,834

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$31,148,581. The covered payroll (annual payroll of active employees covered by the plan) was \$26,887,613, and the ratio of the UAAL to the covered payroll was 115.8 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 8 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, Stateadministered, 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 employee's death, but the benefit will be a minimum of \$25,000 and would not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. 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 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. The estimated future costs to close the construction and demolition area and subsequent postclosure costs based on remaining capacity at June 30, 2010, are \$2,826,041.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help 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, 2010, those funds are held in investments with a cost and market value of \$3,376,051. 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.

4. Deferred/Unearned Revenues

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

-	Def	erred	U	nearned
	Reve	enues	R	evenues
Prepaid taxes not yet earned	\$	-	\$	456,145
Taxes receivable (net) (General)	2,	045,960		-
Taxes receivable (net) (Special Revenue)		56,069		-
Total	\$2,	102,029	\$	456,145
	=====	======	===	========

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 a selffunded risk-financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$80.9 million for any one occurrence, general liability coverage of \$2 million per occurrence. The pool is reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property coverage. The County is self-funded for Workers Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$400,000 up to a limit of \$1 million per occurrence.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to and purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance of \$243,100 on one structure.

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.

In accordance with G.S. 159-29, The County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

Wilson County 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 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.

6. Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's 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.

7. 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.

- 1. Lease executed on March 17, 2006 for a multitasking copier requiring sixty monthly installments of \$515.
- 2. Lease executed on March 20, 2007 for 60 laptops requiring thirty-six monthly installments of \$3,361.
- 3. Lease executed on May 2, 2007 for software and equipment requiring five annual installments of \$88,907.
- 4. Lease executed on October 9, 2009 for 12 monitors/defibrillators requiring five annual installments of \$56,589.

Lease executed on December 1, 2006 for the Miller Road building requiring 180 monthly installments starting at \$7,233 with an estimated annual cpi adjustment of 2%. At the end of the lease, the County has a purchase option of \$250,000.

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

Classes of Property		2010
Equipment	\$	820,015
Buildings		1,091,055
Total	\$	1,911,070
	==	==========

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	General Long-Term Debt	
$ \begin{array}{r} 2011 \\ 2012 \\ 2013 \\ 2014 \\ 2015 \\ 2021 - 2025 \\ 2026 - 2030 \\ \end{array} $	\$	241,731 238,189 152,423 154,340 156,295 529,251 482,058
Total minimum lease payments Less: amount representing interest	\$	1,954,287 714,943
Present value of the minimum lease payments	\$ ===	1,239,344

General Obligation Indebtedness

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

The County's general obligation bonds payable at comprised of the following individual issues:	June	30,	2010	is
			alance	
General Obligation Bonds:		6-	-30-10	
\$8,000,000 Detention Center Bond Issue - February 1, 1993: due in annual principal installments ranging from \$380,000 to \$450,000 through June 2014; interest at		4 1		0.0
2.0% to 3.25%; payable on June 1 and December 1 \$17,400,000 School Series 2004 - April 9, 2005; 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			,560,0 ,500,0	
\$5,300,000 Library Bonds Series 2003 - February 2,2003; due in annual principal installments of \$350,000 through February 2018; interest at 3.25% to 3.6%; payable on February 1 and August 1		2 ,	,850,0	00
Total			,910,0 =====	

The County has financed capital improvements throughout the years with financing agreements with local banks.

The County's financing debt at June 30, 2010 are comprised of the following notes payable:

Notes Payable:	 Balance 6-30-10
\$8,500,000 Financing Agreement - School Improvements December 19, 1996; Refinanced June 4, 2010 due in semi-annual principal payments of \$378,108 through January 3, 2012; interest at 2.43% payable on July 3 and January 3	\$ 1,482,515
\$5,600,000 Financing Agreement - School Improvements July 31, 2001; Refinanced June 4, 2010 due in semi- annual fixed principal and interest payments of \$192,322; interest at 2.73% through October 27, 2015, payable on October 27 and April 27	2,115,551

Balance 6-30-10
2,131,280
1,490,132
286,377
1,530,150
357,063
642,772
89,346
262,231

	Balance 6-30-10
Notes Payable: (continued)	
\$18,000,000 Notes Payable - Certificates of Participation - School Facilities Project September 12, 2007; due in annual principal and interest payments beginning April 1, 2010 through April 1, 2028; variable interest from 3.5% to 5%	17,700,000
<pre>Installment Purchases: \$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing</pre>	523,859
Total	\$ 28,611,276 =========
Notes Payable Water Department:	
Serviced by the Southwest Water District: 2005 USDA/Rural Development Water Bonds \$3,784,000 due in annual installments of \$41,000 to \$164,000 (beginning 2006) plus interest at 4.5% through June 1, 2043	\$ 3,559,000
Serviced by the Southeast Water District; 2003 USDA/Rural Development Water Bonds \$3,600,000 due in annual installments of \$38,500 to \$154,000 (beginning 2005) plus interest at 4.625% through June 1, 2042	3,343,000
Serviced by the Southwest Water District; 2007 USDA/Rural Development Water Bonds \$2,654,000 due in annual installments of \$35,000 to \$123,000 (beginning 2009) plus interest at 4.375% through June 1, 2046	2,583,000
Serviced by the Southwest Water District; 2009 USDA/Rural Development Water Bonds \$576,724 due in annual installments of \$28,837 (beginning 2009) plus interest at 2.100% through May 1, 2029	547,885
Serviced by the Southeast Water District; 2009 USDA/Rural Development Water Bonds \$481,507 due in annual installments of \$24,076 (beginning 2009) plus interest at 2.100% through May 1, 2029	457,435
Total	\$ 10,490,320

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The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2010, including interest payments, are as follows:

	Governmental Activities			В	usiness-type	Ac	tivities	
June 30	Prin	Principal Interest		ipal Interest Principal		Interest		
2011	\$1,	650,000	\$	687,913	\$	190,911	\$	448,887
2012	1,	645,000		623,163		195,911		441,549
2013	2,	735,000		558,563		202,412		433,986
2014	2,	730,000		443,800		208,912		426,129
2015	2,	700,000		327,200		215,911		417,978
2016 - 2020	4,	450,000		346,000		1,188,557		1,956,506
2021 - 2025		_		-		1,405,057		1,701,389
2026 - 2030		_		-		1,621,146		1,392,741
2031 - 2035		_		-		1,741,500		1,034,398
2036 - 2040		_		-		2,042,000		609,658
2041 - 2045		_		-		1,355,000		167,147
2046 - 2050		-		-		123,000		5,381
- · · ·	<u> </u>	010 000	<u></u>	0.005.500	-	10 400 215	-	0.005 840
Total	\$ 15,	910,000	\$	2,986,639	\$	10,490,317	\$	9,035,749
	======	======	==:	=========	==		==	=======

The annual requirements to amortize notes payable outstanding as of June 30, 2010, including interest payments, are as follows:

June 30	Principal	Interest	Total
2011	\$3,087,059	\$ 1,035,031	\$ 4,122,090
2012	3,160,096	1,000,767	4,160,863
2013	1,593,427	922,152	2,515,579
2014	1,939,084	874,233	2,813,317
2015	2,224,673	811,039	3,035,712
2016 - 2020	7,271,414	3,037,394	10,308,808
2021 - 2025	5,885,523	1,614,235	7,499,758
2026 - 2030	3,450,000	301,875	3,751,875
Total	\$ 28,611,276	\$ 9,596,726	\$ 38,208,002
	=============	============	==============

At June 30, 2010, the County had a legal debt margin of \$453,593,364.

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2010:

Governmental Act:	Balance July 1, 2009 ivities:	Increases	Decreases	Balance June 30, 2010	Current Portion of Balance
General obligation	on				
debt	\$17,570,000	\$ –	\$1,660,000	\$15,910,000	\$1,650,000
Capitalized					
leases	1,185,320	252,034	198,010	1,239,344	208,991
Notes payable	31,770,501	-	3,159,225	28,611,276	3,087,059
Compensated	1 004 064		06 001	1 0 6 7 0 0 2	
absences	1,894,264	-	26,281	1,867,983	-
Unfunded Special Separation					
Allowance	511,522	170,529	110,371	571,680	_
Other postemploy		170,525	110,011	571,000	
benefits	2,281,033	2,618,595	368,762	4,530,866	_
	_,,	_,,		_,,	
Total					
Governmental					
Activities	\$55,212,640	\$ 3,041,158	\$5,522,649	\$52,731,149	\$4,946,050
		=======	=========	========	=========
Business-type Act Notes payable Accrued landfill closure & postclosure	t ivities: \$10,675,731	\$ –	\$ 185,411	\$10,490,320	\$ 190,911
care costs	2,742,288	83,753	-	2,826,041	_
Compensated					
absences	53,311	4,898	-	58,209	-
Other postemploy		00 551	21 400	100.000	
benefits	72,896	88,571	31,499	129,968	-
Total					
Business-type					
Activities	\$13,544,226	\$ 177,222	\$ 216,913	\$13,504,535	\$ 190,911
		==========	=========	==========	=========
Discretely Preser Component Units Long-term Liabil: Compensated					
absences	\$ 47,872	\$ 5,808	\$ -	\$ 42,064	\$ 21,032
Accrued		, 2,230		, 12,001	,
liabilities	46,035	73,538	28,364	91,209	40,042
Total	\$ 93,907	\$ 79,346	\$ 28,364	\$ 133,273	\$ 61,074
	=========	==========	=========	==========	=========

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

Interfund Balances and Activity

Transfers to/from other funds at June 30,	2010, consist of the following:
From the General fund to the Economic Development fund to promote economic development in the county	\$ 1,604,000
From the General fund to the Revaluation fund to accumulate funds for the next	
real property revaluation	75,000
Total	\$ 1,679,000
	=============

IV. Related Organization

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.

V. 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 \$220,500 to the Council for the fiscal year ended June 30, 2010. 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, 2010. 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 \$47,857 to the Airport during the fiscal year ended June 30, 2010. 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, 2009. 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 the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$39,279 and \$1,767,523 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2010. 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, 2010. 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.

The Beacon Center

The County, in conjunction with Edgecombe, Nash, and Greene Counties, participate in a joint venture to operate The Beacon Center, a local management entity of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Board of County Commissioners of each participating county appoints one county commissioner to the Beacon Center Board. The appointed commissioners then appoint the remaining sixteen members of the Beacon Center Board. Each participant in the joint venture makes an annual appropriation to the Beacon Center, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2010, the County contributed \$0 to the Beacon Center, so no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements for the Beacon Center may be obtained from the Center's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

VI. Jointly Governed Organization

Upper Coastal Plain Council of Governments

The County, in conjunction with 5 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 \$36,257 to the Council during the fiscal year ended June 30, 2010.

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.

VII 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 basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Medical Assistance Program		
Medicaid - Title XIX	\$ 83,842,296	\$29,699,582
Temporary Assistance for Needy Families	601,031	-
Low Income Home Energy		
Assistance Block Grant	413,737	-
Special Assistance for Adults	-	1,028,601
Food Stamp Program	20,462,688	-
CWS Adoption	481,419	346,585
Total	\$ 105,801,171	\$ 31,074,768
	============	============

XII Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

Wilson County, North Carolina Law Enforcement Officers' Special Separation Allowance Required Supplementary Information Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/94	\$-	\$ 215,111	\$ 215,111	0.00%	\$ 1,326,932	16.21%
12/31/95	-	278,703	278,703	0.00%	1,359,862	20.49%
12/31/96	-	319,619	319,619	0.00%	1,502,886	21.27%
12/31/97	-	357,219	357,219	0.00%	1,636,804	21.82%
12/31/98	-	386,832	386,832	0.00%	1,703,087	22.71%
12/31/99	-	430,641	430,641	0.00%	1,865,945	23.08%
12/31/00	-	699,004	699,004	0.00%	1,951,257	35.82%
12/31/01	-	797,139	797,139	0.00%	2,070,144	38.51%
12/31/02	-	802,713	802,713	0.00%	2,075,538	38.67%
12/31/03	-	854,938	854,938	0.00%	2,238,943	38.18%
12/31/04	-	1,031,697	1,031,697	0.00%	2,453,246	42.05%
12/31/05	-	1,124,959	1,124,959	0.00%	2,779,417	40.47%
12/31/06	-	1,228,224	1,228,224	0.00%	2,944,282	41.72%
12/31/07	-	1,414,602	1,414,602	0.00%	3,362,573	42.07%
12/31/08		1,548,728	1,548,728	0.00%	3,862,507	40.10%
12/31/09		1,965,544	1,965,544	0.00%	3,795,700	51.78%

Wilson County, North Carolina Law Enforcement Officers' Special Separation Allowance Required Supplementary Allowance Schedule of Employer Contributions

Exhibit A-2

Year Ended June 30	R	Annual equired ntribution	Percentage Contributed
2000	\$	53,230	49.40%
2001		59,626	54.46%
2002		81,236	46.17%
2003		88,384	44.76%
2004		90,553	58.17%
2005		109,217	63.36%
2006		116,674	59.93%
2007		125,341	77.77%
2008		145,656	80.82%
2009		165,667	63.53%
2010		198,819	64.72%

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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions: Investment rate of return*	5.00%
Projected salary increases*	4.5 to 12.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

Wilson County, North Carolina Other Postemployment Benefits Required Supplementary Information Schedule of Funding Progress

		Actuarial				
		Accrued				
		Liability				UAAL
	Actuarial	(AAL)	Unfunded			as a % of
Actuarial	Value of	- Projected	AAL	Funded	Covered	Covered
Valuation	Assets	Unit Credit	(UAAL)	Ratio	Payroll	Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)

Exhibit A-3

Date	 (a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/2008	\$ -	\$ 31,148,581	\$ 31,148,581	0.00%	\$ 26,887,613	115.85%

Wilson County, North Carolina Other Postemployment Benefits Required Supplementary Allowance Schedule of Employer Contributions

Exhibit A-4

			Annual	
	Year Ended	I	Required	Percentage
_	June 30	Co	ontribution	Contributed
-	2009	\$	2,707,166	13.00%
	2010		2,707,166	15.00%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions: Investment rate of return*	4.00%
Medical cost trend	10.50% to 5.00%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

Individual Fund Schedules

Major Governmental Funds

Exhibit B-1

	Budget	Actual		Variance Positive (Negative)
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 43,954,277	\$ 46,494,402	\$	2,540,125
Penalties and interest	 350,000	 342,945		(7,055)
Total	\$ 44,304,277	\$ 46,837,347	\$	2,533,070
Local Option Sales Taxes	\$ 12,025,988	\$ 10,687,110	\$	(1,338,878)
Other Taxes and Licenses:				
Franchise tax	\$ 75,000	\$ 87,829	\$	12,829
Rental vehicle sales tax	29,000	35,866		6,866
Privilege and civil licenses	79,400	146,410		67,010
Beer and wine tax	36,000	37,330		1,330
Excise tax	 300,000	 357,046		57,046
Total	\$ 519,400	\$ 664,481	\$	145,081
Unrestricted Intergovernmental:				
Housing Authority	\$ 35,000	\$ 43,665	\$	8,665
Wilson County ABC Board:				
Profit distribution	 150,000	 225,000		75,000
Total	\$ 185,000	\$ 268,665	\$	83,665
Restricted Intergovernmental:				
General Fund	\$ 2,605,798	\$ 2,560,483	\$	(45,315)
Library	155,905	158,806		2,901
Health Services	1,473,447	1,379,010		(94,437)
Social Services	16,244,707	16,412,366		167,659
Court facility fees	 200,000	 165,221		(34,779)
Total	\$ 20,679,857	\$ 20,675,886	\$	(3,971)

Exhibit B-1

	Budget	Actual	(Variance Positive Negative)
Revenues (continued):	 Laagot	 		
Permits and Fees:				
Building permits and inspection fees	\$ 60,000	\$ 92,799	\$	32,799
Register of deeds	343,000	328,494		(14,506)
Total	\$ 403,000	\$ 421,293	\$	18,293
Sales and Services:				
Jail fees and Sheriff fees	\$ 956,296	\$ 900,969	\$	(55,327)
Rents, concessions, and fees	8,229,989	8,095,437		(134,552)
Ambulance service fees	1,275,000	1,420,224		145,224
Communication Center	 900,000	 937,381		37,381
Total	\$ 11,361,285	\$ 11,354,011	\$	(7,274)
Investment Earnings	\$ 303,000	\$ 80,324	\$	(222,676)
Miscellaneous:				
Sale of fixed assets	\$ -	\$ 129,454	\$	129,454
Other	41,001	42,361		1,360
Total	\$ 41,001	\$ 171,815	\$	130,814
Total Revenues	\$ 89,822,808	\$ 91,160,932	\$	1,338,124
Expenditures:				
General Government:				
Board of Commissioners:				
Salaries and employee benefits	\$ 61,361	\$ 61,361	\$	-
Other operating expenditures	 26,268	25,824		444
Total	\$ 87,629	\$ 87,185	\$	444

Exhibit B-1

	Budget	Actual		Variance Positive (Negative)	
Expenditures: (continued)					
General Government: (continued)					
Administration:					
Salaries and employee benefits	\$ 405,051	\$	403,137	\$	1,914
Other operating expenditures	 11,250		10,476		774
Total	\$ 416,301	\$	413,613	\$	2,688
Human Resources:					
Salaries and employee benefits	\$ 141,339	\$	141,315	\$	24
Other operating expenditures	23,982		23,473		509
Total	\$ 165,321	\$	164,788	\$	533
Board of Elections:					
Salaries and employee benefits	\$ 271,210	\$	257,499	\$	13,711
Other operating expenditures	78,500	·	46,522	·	31,978
Capital outlay	-		-		-
Total	\$ 349,710	\$	304,021	\$	45,689
Finance:					
Salaries and employee benefits	\$ 474,618	\$	464,261	\$	10,357
Other operating expenditures	31,180		28,791		2,389
Data Processing charges	159,122		159,120		2
Capital outlay	-		-		-
Total	\$ 664,920	\$	652,172	\$	12,748
Office of Tax Supervisor:					
Salaries and employee benefits	\$ 1,037,091	\$	962,097	\$	74,994
Other operating expenditures	229,270		205,673		23,597
Data processing charges	88,250		86,451		1,799
Capital outlay	-		-		-
Total	\$ 1,354,611	\$	1,254,221	\$	100,390

Exhibit B-1

		Budget		Actual		/ariance Positive legative)
Expenditures (continued):					•	z <i>i</i>
General Government (continued):						
Technology Services:						
Salaries and employee benefits	\$	377,281	\$	369,340	\$	7,941
Data processing charges		62,530		55,270		7,260
Other operating expenditures		185,149		142,497		42,652
Capital outlay		53,750		49,766		3,984
Total	\$	678,710	\$	616,873	\$	61,837
Register of Deeds:						
Salaries and employee benefits	\$	338,140	\$	337,635	\$	505
Other operating expenditures		65,867	·	50,239		15,628
Capital outlay		-		-		-
Total	\$	404,007	\$	387,874	\$	16,133
Public Buildings:						
Salaries and employee benefits	\$	2,052	\$	-	\$	2,052
Other operating expenditures	·	836,904	Ţ	751,462	Ŧ	85,442
Capital outlay		132,810		131,414		1,396
Total	\$	971,766	\$	882,876	\$	88,890
Court Facilities:						
Salaries and employee benefits	\$	368,883	\$	362,126	\$	6,757
Other operating expenditures	Ψ	219,105	Ψ	200,953	Ψ	18,152
Capital outlay		33,950		33,950		-
Total	\$	621,938	\$	597,029	\$	24,909
	<u>+</u>	,	<u>+</u>	,•_•		,
Central Service:						
Other operating expenditures	\$	1,357,826	\$	1,190,412	\$	167,414

Exhibit B-1

	 Budget	 Actual		Variance Positive Vegative)
Expenditures (continued):				
General Government (continued):				
Other:				
Upper Coastal Plain COG	\$ 41,876	\$ 41,876	\$	-
Block Grant Aging	595,856	604,928		(9,072)
Other area projects	 1,414,243	 1,274,648		139,595
Total	\$ 2,051,975	\$ 1,921,452	\$	130,523
Total General Government	\$ 9,124,714	\$ 8,472,516	\$	652,198
Public Safety:				
Sheriff:				
Salaries and employee benefits	\$ 4,552,193	\$ 4,436,314	\$	115,879
Other operating expenditures	1,217,127	1,160,193		56,934
Capital outlay	52,370	44,414		7,956
Total	\$ 5,821,690	\$ 5,640,921	\$	180,769
Jail:				
Salaries and employee benefits	\$ 3,348,668	\$ 3,070,518	\$	278,150
Other operating expenditures	834,275	822,790		11,485
Capital outlay	1,198	1,148		50
Total	\$ 4,184,141	\$ 3,894,456	\$	289,685
Animal Control:				
Salaries and employee benefits	\$ 467,278	\$ 417,520	\$	49,758
Other operating expenditures	112,361	98,067		14,294
Capital outlay	19,420	19,420		, _
Total	\$ 599,059	\$ 535,007	\$	64,052

Exhibit B-1

		Budget		Actual	F	/ariance Positive legative)
Expenditures (continued):						
Public Safety (continued):						
Emergency Communications:						
Salaries and employee benefits	\$	1,718,419	\$	1,673,901	\$	44,518
Other operating expenditures		197,710		192,901		4,809
		1,574		1,440		134
Total	\$	1,917,703	\$	1,868,242	\$	49,461
Emergency Management:						
Salaries and employee benefits	\$	142,279	\$	138,401	\$	3,878
Other operating expenditures	Ŧ	95,897	Ŧ	32,941	Ŧ	62,956
Capital outlay		22,089		22,018		71
Total	\$	260,265	\$	193,360	\$	66,905
Emergency Medical Servicing:						
Salaries and employee benefits	\$	2,883,778	\$	2,842,076	\$	41,702
Other operating expenditures	Ψ	639,121	Ψ	558,466	Ψ	80,655
Capital outlay		252,034		252,034		-
Total	\$	3,774,933	\$	3,652,576	\$	122,357
Total Public Safety	\$	16,557,791	\$	15,784,562	\$	773,229
Transportation:						
Rocky Mount/Wilson Airport	\$	47,857	\$	47,857	\$	-
Environmental Protection: Forestry Program:						
Other operating expenditures	\$	80,791	\$	69,888	\$	10,903

Exhibit B-1

		Budget		Actual	I	/ariance Positive legative)
Expenditures (continued):		Duugot		Notual	(loguillo)
Environmental Protection: (continued):						
Soil Conservation:						
Salaries and employee benefits	\$	191,130	\$	191,007	\$	123
Other operating expenditures	Ŧ	22,653	Ŧ	17,611	Ŧ	5,042
Capital outlay		,		-		-
Total	\$	213,783	\$	208,618	\$	5,165
Total Environmental Protection	\$	294,574	\$	278,506	\$	16,068
Economic and Physical Development: Agricultural Extension and 4-H:						
Salaries and employee benefits	\$	428,853	\$	414,627	\$	14,226
Other operating expenditures		53,416		40,240		13,176
Capital outlay		13,521		9,567		3,954
Total	\$	495,790	\$	464,434	\$	31,356
Planning and Zoning:						
Salaries and employee benefits	\$	568,372	\$	521,685	\$	46,687
Other operating expenditures		105,789		54,239		51,550
Capital outlay		4,000		3,392		608
Total	\$	678,161	\$	579,316	\$	98,845
Total Economic and						
Physical Development	\$	1,173,951	\$	1,043,750	\$	130,201
Human Services:						
Mental Health	\$	367,702	\$	-	\$	367,702
Diversified Opportunities	\$	45,000	\$	45,000	\$	-

Exhibit B-1

		Budget	Actual	F	/ariance Positive legative)
Expenditures (continued):					
Human Services (continued):					
Senior Center:					
Salaries and employee benefits	\$	52,261	\$ 52,663	\$	(402)
Other operating expenditures		78,690	72,567		6,123
Capital outlay		-	 -		-
Total	\$	130,951	\$ 125,230	\$	5,721
Temporary Care Giver:					
Salaries and employee benefits	\$	14,778	\$ 15,072	\$	(294)
Other operating expenditures		41,222	 37,430		3,792
Total	\$	56,000	\$ 52,502	\$	3,498
Health:					
Administration:					
Salaries and employee benefits	\$	298,891	\$ -	\$	298,891
Other operating expenditures		256,044	181,850		74,194
Capital outlay		10,770	 10,659		111
Total	\$	565,705	\$ 192,509	\$	373,196
Health Promotion:					
Salaries and employee benefits	\$	31,079	\$ 29,514	\$	1,565
Other operating expenditures		4,539	 4,222		317
Total	\$	35,618	\$ 33,736	\$	1,882
Tuberculosis Control:					
Salaries and employee benefits	\$	57,797	\$ 52,188	\$	5,609
Other operating expenditures		33,906	22,527		11,379
Capital outlay	_	4,100	 3,498		602
Total	\$	95,803	\$ 78,213	\$	17,590

Exhibit B-1

		Budget		Actual	Variance Positive (Negative)		
Expenditures (continued):							
Human Services (continued):							
Health (continued):							
Home Health:							
Salaries and employee benefits	\$	3,410,448	\$	3,348,542	\$	61,906	
Other operating expenditures		1,926,403		1,926,289		114	
Capital outlay		183,550		182,544		1,006	
Total	\$	5,520,401	\$	5,457,375	\$	63,026	
Family Planning:	•	570 400	•	500.004	•	07.440	
Salaries and employee benefits	\$	576,402	\$	538,984	\$	37,418	
Other operating expenditures		221,693		179,148		42,545	
Capital outlay		4,900		4,488		412	
Total	\$	802,995	\$	722,620	\$	80,375	
Maternal Health:							
Salaries and employee benefits	\$	294,622	\$	287,350	\$	7,272	
Other operating expenditures		47,482		32,019		15,463	
Capital outlay		47,450		23,651		23,799	
Total	\$	389,554	\$	343,020	\$	46,534	
Environmental Health:							
Salaries and employee benefits	\$	555,017	\$	460,969	\$	94,048	
Other operating expenditures	Ψ	37,368	Ψ	400,909	Ψ	8,266	
Capital outlay		9,470		29,102 7,608		8,200 1,862	
Total	\$	601,855	\$	497,679	\$	104,176	
ισιαι	φ	001,000	φ	491,019	φ	104,170	

Exhibit B-1

	Budget Actual					Variance Positive (Negative)		
Expenditures (continued):		Dudget		/1010101	(1	oganvoj		
Human Services (continued):								
Health (continued):								
Immunization:								
Salaries and employee benefits	\$	19,566	\$	19,395	\$	171		
Other operating expenditures		6,782		6,326		456		
Capital outlay		5,230		5,229		1		
Total	\$	31,578	\$	30,950	\$	628		
Communicable Diseases:								
Salaries and employee benefits	\$	361,693	\$	357,660	\$	4,033		
Other operating expenditures	Ŷ	25,548	Ŷ	16,532	Ŷ	9,016		
Capital outlay		409		408		1		
Total	\$	387,650	\$	374,600	\$	13,050		
Comprehensive Breast Cancer Prevention:	¢		۴		¢	200		
Salaries and employee benefits	\$	59,954	\$	59,556	\$	398		
Other operating expenditures		14,928		11,891		3,037		
Capital outlay	<u>_</u>	3,600		3,498	•	102		
Total	\$	78,482	\$	74,945	\$	3,537		
Child Health:								
Salaries and employee benefits	\$	705,143	\$	696,750	\$	8,393		
Other operating expenditures		90,885		72,615		18,270		
Total	\$	796,028	\$	769,365	\$	26,663		
Child Service Coordinator:								
Salaries and employee benefits	\$	330,269	\$	306,593	\$	23,676		
Other operating expenditures		49,275		18,594		30,681		
Capital outlay		40,200		14,862		25,338		
Total	\$	419,744	\$	340,049	\$	79,695		

Exhibit B-1

		Budget	Actual	Variance Positive (Negative)		
Expenditures (continued):		Budget		Actual	(IN	
Human Services (continued):						
Health (continued):						
WIC Clinic Administration:						
Salaries and employee benefits	\$	89,797	\$	81,099	\$	8,698
Other operating expenditures	·	4,741	Ţ	2,889	Ŧ	1,852
Capital outlay		-		_,		-
Total	\$	94,538	\$	83,988	\$	10,550
WIC Nutrition Education:						
Salaries and employee benefits	\$	121,652	\$	112,037	\$	9,615
Other operating expenditures	·	26,351	·	1,919	·	24,432
Total	\$	148,003	\$	113,956	\$	34,047
AIDS Control:						
Salaries and employee benefits	\$	8,312	\$	2,637	\$	5,675
Other operating expenditures	·	4,188	·	4,066	·	122
Total	\$	12,500	\$	6,703	\$	5,797
Bioterrorism:						
Salaries and employee benefits	\$	65,531	\$	57,800	\$	7,731
Other operating expenditures		71,837		61,760		10,077
Capital outlay		53,019		52,632		387
Total	\$	190,387	\$	172,192	\$	18,195
WIC Client Services:						
Salaries and employee benefits	\$	445,281	\$	420,174	\$	25,107
Other operating expenditures		88,371		17,271		71,100
Capital outlay		1,300		1,297		3
Total	\$	534,952	\$	438,742	\$	96,210

Exhibit B-1

		Budget		Actual	Variance Positive (Negative)		
Expenditures (continued):		¥			`	.	
Human Services (continued):							
Health (continued):							
Maternal Child Care:							
Salaries and employee benefits	\$	619,188	\$	556,722	\$	62,466	
Other operating expenditures		99,695		60,906		38,789	
Capital outlay		-		-		-	
Total	\$	718,883	\$	617,628	\$	101,255	
Breast and Cervical Cancer:							
Salaries and employee benefits	\$	4,453	\$	4,350	\$	103	
Other operating expenditures		10,460		11,593		(1,133)	
Total	\$	14,913	\$	15,943	\$	(1,030)	
Adult Health:	•	004 007	•	000 500	•	70 705	
Salaries and employee benefits	\$	301,237	\$	222,502	\$	78,735	
Other operating expenditures	<u></u>	67,390		62,878	<u>۴</u>	4,512	
Total	\$	368,627	\$	285,380	\$	83,247	
Total Health	\$	11,808,216	\$	10,649,593	\$	1,158,623	
Social Services:							
Administration:							
Salaries and employee benefits	\$	11,682,800	\$	11,107,253	\$	575,547	
Other operating expenditures	Ŧ	2,043,421	Ŧ	1,739,727	Ŧ	303,694	
Capital outlay		249,412		223,909		25,503	
Total	\$	13,975,633	\$	13,070,889	\$	904,744	
		· · ·				·	

Exhibit B-1

Expenditures (continued):		Budget	Actual			Variance Positive (Negative)		
Human Services (continued):								
Social Services (continued):								
4D Child Support:								
Salaries and employee benefits	\$	106,366	\$	106,284	\$	82		
Other operating expenditures		67,239		34,616		32,623		
Total	\$	173,605	\$	140,900	\$	32,705		
Income Maintenance Programs:								
AFDC program - County participation	\$	100,000	\$	21,740	\$	78,260		
AFDC Foster Care		604,250		353,400		250,850		
Special assistance - Adults		1,105,642		1,030,990		74,652		
Medicaid - County participation		1,500,000		495,290		1,004,710		
Total	\$	3,309,892	\$	1,901,420	\$	1,408,472		
Other Services:								
Other operating expenditures	\$	7,812,335	\$	7,108,144	\$	704,191		
Homeless Prevention and Rapid Re-Housi	ng:							
Salaries and employee benefits	\$	231,007	\$	52,361	\$	178,646		
Other operating expenditures		566,318		66,335		499,983		
Total	\$	797,325	\$	118,696	\$	678,629		
Subsidized Employment Program:								
Other operating expenditures	\$	502,060	\$	173,087	\$	328,973		
Total Social Services	\$	26,570,850	\$	22,513,136	\$	4,057,714		

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)		
Expenditures (continued):					
Human Services (continued):					
Veterans Affairs:					
Salaries and employee benefits	\$ 46,376	\$ 46,327	\$	49	
Other operating expenditures	 200	 221		(21)	
Total	\$ 46,576	\$ 46,548	\$	28	
Total Human Services	\$ 39,025,295	\$ 33,432,009	\$	5,593,286	
Cultural and Recreational:					
Recreation:					
Other operating expenditures	\$ 225,185	\$ 224,685	\$	500	
Libraries:					
Salaries and employee benefits	\$ 1,165,763	\$ 1,149,180	\$	16,583	
Other operating expenditures	397,210	395,356		1,854	
Capital outlay	 -	 -		-	
Total	\$ 1,562,973	\$ 1,544,536	\$	18,437	
Total Cultural and Recreational	\$ 1,788,158	\$ 1,769,221	\$	18,937	
Education:					
Public schools - current	\$ 16,743,425	\$ 16,743,425	\$	-	
Public schools - capital outlay	139,491	139,490		1	
Public school bond fund	-	-		-	
Community colleges - current	39,279	39,279		-	
Community colleges - capital outlay	 1,767,523	 1,767,523		-	
Total Education	\$ 18,689,718	\$ 18,689,717	\$	1	

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)		
Expenditures (continued):	 			· · · · · · · · · · · · · · · · · · ·	
Debt Service:					
Principal retirement	\$ 4,906,490	\$ 4,900,826	\$	5,664	
Interest and other charges	 2,169,793	 2,165,489		4,304	
Total Debt Service	\$ 7,076,283	\$ 7,066,315	\$	9,968	
Total Expenditures	\$ 93,778,341	\$ 86,584,453	\$	7,193,888	
Revenues Over Expenditures	\$ (3,955,533)	\$ 4,576,479	\$	8,532,012	
Other Financing Sources (Uses):					
Transfers from other funds	\$ 985,000	\$ -	\$	(985,000)	
Transfers to other funds	(1,679,000)	(1,679,000)		-	
Fund balance appropriated	4,409,458	-		(4,409,458)	
Capital lease obligations issued	252,034	252,034		-	
Contingency	 (11,959)	 -		11,959	
Total Other Financing Sources (Uses)	\$ 3,955,533	\$ (1,426,966)	\$	(5,382,499)	
Revenues and Other Financing Sources Over (Under) Expenditures					
and Other Financing Uses	\$ -	\$ 3,149,513	\$	3,149,513	
Fund Balances:					
Beginning of year, July 1		23,293,067			
End of year, June 30		\$ 26,442,580			

Non-Major Governmental Funds

Wilson County, North Carolina Combining Balance Sheet Nonmajor Governmental Funds June 30, 2010

	Special Revenue Funds												
	Revaluation Fund		Emergency Fire Telephone Districts System Fund Fund				nsportation Fund	Total Non-major Special Revenue Funds					
Assets													
Cash and	•	050 777	~	004 070	~	700 050	^	407 440	•	4 400 445			
cash equivalents	\$	353,777	\$	281,876	\$	729,352	\$	127,440	\$	1,492,445			
Restricted cash		-		-		-		-		-			
Taxes receivable, net Accounts receivable, net		-		56,069		-		-		56,069 08 105			
Due from other funds		-		-		45,193 18,760		53,002		98,195 18,760			
Due nom other tunus		-		-		10,700		-		10,700			
Total Assets	\$	353,777	\$	337,945	\$	793,305	\$	180,442	\$	1,665,469			
Liabilities and Fund Balanc Liabilities: Accounts payable and	es												
accrued liabilities	\$	-	\$	281,876	\$	2,990	\$	27,416	\$	312,282			
Deferred revenue	•	-	·	56,069	·	-	·	-	•	56,069			
Unearned revenue		-		-		-		-		-			
Due to other funds		-		-		-		-		-			
Total Liabilities	\$	-	\$	337,945	\$	2,990	\$	27,416	\$	368,351			
Fund Balances: Reserved:													
By state statute Designated for subsequent year's	\$	-	\$	-	\$	63,953	\$	53,002	\$	116,955			
expenditures		-		-		-		-		-			
Unreserved		353,777		-		726,362		100,024		1,180,163			
Total Fund Balances	\$	353,777	\$	-	\$	790,315	\$	153,026	\$	1,297,118			
Total Liabilities and Fund Balances	\$	353,777	\$	337,945	\$	793,305	\$	180,442	\$	1,665,469			

Exhibit C-1

Dev	Economic evelopment Reserve Fund		Public Buildings Fund		Grant rojects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor vernmental Funds
\$	158,455	\$	1,008,813	\$	21,621	\$ 1,188,889	\$ 2,681,334
	- - 115,000 -		- - -		- - 6,985 -	- - 121,985 -	- 56,069 220,180 18,760
\$	273,455	\$	1,008,813	\$	28,606	\$ 1,310,874	\$ 2,976,343
\$	112,000 - - -	\$	- - -	\$	19,096 - 9,510 -	\$ 131,096 - 9,510 -	\$ 443,378 56,069 9,510 -
\$	112,000	\$	-	\$	28,606	\$ 140,606	\$ 508,957
\$	115,000	\$	-	\$	-	\$ 115,000	\$ 231,955
	- 46,455		1,000,000 8,813		-	1,000,000 55,268	1,000,000 1,235,431
\$	161,455	\$	1,008,813	\$	-	\$ 1,170,268	\$ 2,467,386
\$	273,455	\$	1,008,813	\$	28,606	\$ 1,310,874	\$ 2,976,343

Wilson County, North Carolina Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Year Ended June 30, 2010

	Special Revenue Funds											
	Re	evaluation Fund	Emergency Fire Telephone District System Fund Fund			nergency elephone System		nsportation Fund	Total Non-major Special Revenue Funds			
Revenues												
Ad valorem taxes	\$	-	\$	1,161,227	\$	-	\$	-	\$	1,161,227		
Local option sales tax		-		277,800		-		-		277,800		
Other taxes		-		-		542,315		-		542,315		
Restricted intergovernmental		-		-		-		295,786		295,786		
Sales and Services		-		-		-		70,637		70,637		
Investment earnings		1,155		-		2,382		-		3,537		
Miscellaneous		-		-		-		122,454		122,454		
Total Revenues	\$	1,155	\$	1,439,027	\$	544,697	\$	488,877	\$	2,473,756		
Expenditures												
Economic Incentives	\$	-	\$	-	\$	-	\$	-	\$	-		
Public Safety		-		1,439,027		393,589		435,567		2,268,183		
Debt Service:												
Principal		-		-		-		-		-		
Interest		-		-		-		-		-		
Capital Projects		-		-		-		-		-		
General Government		-		-		-		-		-		
Total Expenditures	\$	-	\$	1,439,027	\$	393,589	\$	435,567	\$	2,268,183		
Excess (Deficiency) of												
Revenues Over Expenditures	\$	1,155	\$	-	\$	151,108	\$	53,310	\$	205,573		
Other Financing Sources:												
Transfers (to) from other funds	\$	75,000	\$	-	\$	-	\$	-	\$	75,000		
Sale of capital assets												
Debt proceeds		-		-		-		-		-		
Total Other Financing Sources	\$	75,000	\$	-	\$	-	\$	-	\$	75,000		
Net Change in Fund Balances	\$	76,155	\$	-	\$	151,108	\$	53,310	\$	280,573		
Fund Balances:												
Beginning of year, July 1		277,622		-		639,207		99,716		1,016,545		
End of year, June 30	\$	353,777	\$	-	\$	790,315	\$	153,026	\$	1,297,118		

Reserve Buildings Pr	Grant rojects Fund		Capital	ľ	Total	
		Nonmajor			Nonmajor overnmental Funds	
\$-\$-\$	-	\$-		\$	1,161,227	
	-		-		277,800	
	-		-		542,315	
547,087 -	56,405		603,492		899,278	
	-		-		70,637	
	-		-		3,537	
<u> </u>	-		-	122,454		
\$ 547,087 \$ - \$	56,405	\$	603,492	\$	3,077,248	
\$ 1,720,650 \$ \$ _	-	\$	1,720,650 -	\$	1,720,650 2,268,183	
-	-		-		-	
\$ 633,717 -	60,541 -		694,258 -		694,258 -	
\$ 2,354,367 \$ - \$	60,541	\$	2,414,908	\$	4,683,091	
<u>\$ (1,807,280) </u>	(4,136)	\$	(1,811,416)	\$	(1,605,843)	
\$ 1,604,000 \$ \$ -	-	\$	1,604,000 - -	\$	1,679,000 - -	
\$ 1,604,000 \$ - \$	-	\$	1,604,000	\$	1,679,000	
\$ (203,280) \$ - \$	(4,136)	\$	(207,416)	\$	73,157	
364,735 1,008,813	4,136		1,377,684		2,394,229	
\$ 161,455 \$ 1,008,813 \$	-	\$	1,170,268	\$	2,467,386	

Wilson County, North Carolina Revaluation Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

	2010								
	E	Budget		Actual	P	ariance ositive egative)			
Revenues:									
Investment earnings	\$	500	\$	1,155	\$	655			
Expenditures:									
Revaluation expense		75,500		-		75,500			
Revenues Over (Under) Expenditures	\$	(75,000)	\$	1,155	\$	76,155			
Other Financing Sources: Transfer In:									
General Fund		75,000		75,000		-			
Revenues and Other Financing Sources Over (Under) Expenditures	\$	-	\$	76,155	\$	76,155			
Appropriated fund balance		-		-					
Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures	\$		\$	76,155	\$	76,155			
Fund Balances: Beginning of year, July 1				277,622					
End of year, June 30			\$	353,777					

Wilson County, North Carolina Fire District Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

		2010			
	Budget	Actual	Variance Positive (Negative)		
Revenues:					
Ad Valorem Taxes:					
Current year	\$ 1,141,443	\$ 1,119,956	\$	(21,487)	
Prior year	40,705	41,271		566	
Total Ad Valorem Taxes	\$ 1,182,148	\$ 1,161,227	\$	(20,921)	
Other taxes	284,576	277,800		(6,776)	
Total Revenues	\$ 1,466,724	\$ 1,439,027	\$	(27,697)	
Expenditures:					
Public Safety	1,466,724	1,439,027		27,697	
Revenues Over (Under) Expenditures	\$ -	\$ -	\$	-	
Fund Balances:					
Beginning of year, July 1		-			
End of year, June 30		\$ -			

Wilson County, North Carolina Emergency Telephone System Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

	2010									
		Budget		Actual	I	/ariance Positive legative)				
Revenues:					<u> </u>					
Other taxes	\$	427,896	\$	542,315	\$	114,419				
Investment earnings		750		2,382		1,632				
Total Revenues	\$	428,646	\$	544,697	\$	116,051				
Expenditures:										
Salaries and employee benefits	\$	133,553	\$	123,095	\$	10,458				
Operating expenses		295,093		209,754		85,339				
Capital outlay		74,829		60,740		14,089				
Total Expenditures	\$	503,475	\$	393,589	\$	109,886				
Revenues Over (Under) Expenditures	\$	(74,829)	\$	151,108	\$	225,937				
Other Financing Sources:										
Fund balance appropriated		74,829				(74,829)				
Revenues and Other Financing Sources Over (Under) Expenditures	\$	-	\$	151,108	\$	151,108				
	<u> </u>		Ŧ	,	<u> </u>	,				
Fund Balances:										
Beginning of year, July 1				639,207						
End of year, June 30			\$	790,315						

Wilson County, North Carolina Transportation Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

	2010								
						Variance Positive			
		Budget		Actual	(Negative)			
Revenues:									
Restricted Intergovernmental:									
Rural Operating Grant	\$	223,831		223,811	\$	(20)			
Capital Grant		243,900		359		(243,541)			
Public Transportation Grant		93,900		71,616		(22,284)			
Sales & Services		47,701		70,637		22,936			
Miscellaneous		100,000		122,454		22,454			
Total Revenues	\$	709,332	\$	488,877	\$	(220,455)			
Expenditures:									
Salaries and employee benefits	\$	45,827	\$	45,822	\$	5			
Operating expenses		452,050		389,145		62,905			
Capital outlay		244,100		600		243,500			
Total Expenditures	\$	741,977	\$	435,567	\$	306,410			
Revenues Over (Under) Expenditures	\$	(32,645)	\$	53,310	\$	85,955			
Other Financing Sources (Uses):									
Fund balance appropriated		32,645		-		(32,645)			
Revenues and Other Financing Sources									
(Uses) Over (Under) Expenditures	\$	-	\$	53,310	\$	53,310			
Fund Balances:									
Beginning of year, July 1				99,716					
End of year, June 30			\$	153,026					

Wilson County, North Carolina Economic Development Reserve Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

	_		2010	
		Budget	Actual	Variance Positive Negative)
Revenues:				
N.C. Dept. of Commerce - NC 1 Grant	\$	150,000	\$ 150,000	\$ -
Waterline Refund		113,569	26,939	(86,630)
Industrial Development Fund Grant		460,000	370,148	(89,852)
Total Revenues	\$	723,569	\$ 547,087	\$ (176,482)
Expenditures:				
Economic incentives	\$	1,720,650	\$ 1,720,650	\$ -
Capital outlay		723,570	633,717	89,853
Total Expenditures	\$	2,444,220	\$ 2,354,367	\$ 89,853
Revenues Over (Under) Expenditures	\$	(1,720,651)	\$ (1,807,280)	\$ (86,629)
Other Financing Sources (Uses):				
General Fund Contribution	\$	1,604,000	\$ 1,604,000	\$ -
Fund balance appropriated		116,651	-	(116,651)
Total Other Financing Sources (Uses)	\$	1,720,651	\$ 1,604,000	\$ (116,651)
Revenues and Other Financing Sources				
(Uses) Over (Under) Expenditures	\$		\$ (203,280)	\$ (203,280)
Fund Balances:				
Beginning of year, July 1			364,735	
End of year, June 30			\$ 161,455	

Wilson County, North Carolina Public Buildings Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Fiscal Year Ended June 30, 2010

	2010								
		Budget		Actual		Variance Positive (Negative)			
Revenues:		<u> </u>							
Anticipated Revenue	\$	8,390,379	\$	-	\$	(8,390,379)			
Expenditures:									
Capital outlay	\$	8,390,379	\$	-	\$	8,390,379			
Other energy conservation		-		-		-			
Debt Service:									
Principal		-		-		-			
Interest		-		-		-			
Total Expenditures	\$	8,390,379	\$	-	\$	8,390,379			
Revenues Over (Under) Expenditures	\$	-	\$		\$	-			
Other Financing Sources (Uses):									
Fund balance appropriated	\$	-	\$	-	\$	-			
Transfers in		-		-		-			
Lease proceeds		-		-		-			
Total Other Financing Sources (Uses)	\$	-	\$	-	\$	-			
Revenues and Other Financing Sources									
Over (Under) Expenditures	\$	-	\$	-	\$	-			
Fund Balances:									
Beginning of year, July 1				1,008,813					
End of year, June 30			\$	1,008,813					

Wilson County, North Carolina Grant Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances (Uses) - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2010

						V	/ariance			
		Project		Prior	C	Current		Total to	Positive	
	Au	thorization		Years		Year		Date	(N	legative)
Revenues:									<u> </u>	
Restricted Intergovernment	tal:									
Community Development Blo	ock G	Frants:								
Scattered Sites										
(#09-C-2011)	\$	400,000	\$	-	\$	36,231	\$	36,231	\$	(363,769)
(#06-C-1542)		400,000		380,920		-		380,920		(19,080)
Sugar Hill (#05-C-1426)		700,000		691,220		-		691,220		(8,780)
Local Match		30,000		30,306		(306)		30,000		-
DSS-IDA (#06-C-1567)		50,000		9,520		20,480		30,000		(20,000)
Total Revenues	\$	1,580,000	\$	1,111,966	\$	56,405	\$	1,168,371	\$	(411,629)
Expenditures:										
DSS - Individual Developmer	nt									
Account (IDA)										
Administration	\$	40,000	\$	7,520	\$	20,480	\$	28,000	\$	12,000
Acquisition		10,000		2,000		-		2,000		8,000
Total DSS-IDA	\$	50,000	\$	9,520	\$	20,480	\$	30,000	\$	20,000
Scattered Sites:	•		•		•		•		•	
Administration	\$	7,000	\$	-	\$	7,000	\$	7,000	\$	-
Administration		73,000		37,772		15,372		53,144		19,856
Rehabilitation		720,000		341,849		15,158		357,007		362,993
Total Scattered Sites	\$	800,000	\$	379,621	\$	37,530	\$	417,151	\$	382,849
Sugar Hill:										
Matching	\$	_	\$	30,000	\$	_		30,000	\$	(30,000)
Administration	Ψ	67,000	Ψ	64,300	Ψ	2,531		66,831	Ψ	(00,000) 169
Rehabilitation		663,000		624,389		2,551		624,389		38,611
Total Sugar Hill	\$	730,000	\$	718,689	\$	2,531	\$	721,220	\$	8,780
Total Sugar Till	Ψ	730,000	Ψ	710,009	Ψ	2,551	Ψ	721,220	Ψ	0,700
Total Expenditures	\$	1,580,000	\$	1,107,830	\$	60,541	\$	1,168,371	\$	411,629
· · · · · · · · · · · · · · · · · · ·		.,	<u> </u>	.,,.	<u> </u>		<u> </u>	.,,	<u> </u>	,
Revenues Over										
(Under) Expenditures	\$	-	\$	4,136	\$	(4,136)	\$	-	\$	-
Fund Balances:										
Beginning of year, July 1						4,136				
					<u> </u>					
End of year, June 30					\$	-				

Wilson County, North Carolina New Elementary School Construction Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances (Uses) - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2010

				Variance			
	Project	Prior	(Current	Total to	I	Positive
	Authorization	Years		Year	Date	(Negative)	
Revenues							
Bond proceeds	\$ 18,263,082	\$ 18,241,142	\$	-	\$ 18,241,142	\$	(21,940)
Investment earnings	-	514,356		777	515,133		515,133
Total Revenues	\$ 18,263,082	\$ 18,755,498	\$	777	\$ 18,756,275	\$	493,193
Expenditures							
Land	\$ 1,024,800	\$ 1,008,564	\$	-	\$ 1,008,564	\$	16,236
Capital outlay	17,238,282	17,072,217		158,851	17,231,068		7,214
Total Expenditures	\$ 18,263,082	\$ 18,080,781	\$	158,851	\$ 18,239,632	\$	23,450
Revenues Over (Under) Expenditures	<u>\$ -</u>	\$ 674,717	\$	(158,074)	\$ 516,643	\$	516,643
Fund Balances: Beginning of year, July 1				674,717			
beginning of year, July 1				0/4,/1/			
End of year, June 30			\$	516,643			

Enterprise Funds

Wilson County, North Carolina Solid Waste Fund Schedule of Revenues and Expenditures, Budger and Actual (Non - GAAP) For the Fiscal Year Ended June 30, 2010

Exhibit D-1

	2010							
						Variance		
		Budget		Actual		Positive Negative)		
Revenues:		Buuget		Actual		Negative)		
Operating Revenues:								
Charges for services	\$	2,217,730	\$	2,347,945	\$	130,215		
Expenditures:								
Operating expenses	\$	6,222,930	\$	2,246,354	\$	3,976,576		
Capital outlay		658,676		618,076		40,600		
Total Expenditures	\$	6,881,606	\$	2,864,430	\$	4,017,176		
Revenues Over (Under) Expenditures	\$	(4,663,876)	\$	(516,485)	\$	4,147,391		
Other Financing Sources (Uses):								
Investment earnings	\$	51,822	\$	58,118	\$	6,296		
Fund balance appropriated		4,537,054		-		(4,537,054)		
Transfer from other funds		75,000		-		(75,000)		
Total Other Financing Sources (Uses)	\$	4,663,876	\$	58,118	\$	(4,605,758)		
Revenues and Other Financing Sources								
(Uses) Over (Under) Expenditures	\$	-	\$	(458,367)	\$	(458,367)		
Descusilistica from budgeters besis								
Reconciliation from budgetary basis (modified accrual) to full accrual:								
Reconciling Items:								
Capital outlays			\$	618,076				
Depreciation			Ψ	(213,964)				
Allowance for bad debts				(1,283)				
(Increase) Decrease in accrued landfill closu	re and	costs		(87,500)				
(Increase) in accrued compensated absence				2				
Total Reconciling Items			\$	315,331				
Change in Net Assets			\$	(143,036)				

Wilson County, North Carolina Southeast Water District Schedule of Revenues and Expenditures, Budger and Actual (Non - GAAP) For the Fiscal Year Ended June 30, 2010

Exhibit D-2

		2010		
	 Budget	Actual	F	ariance Positive legative)
Revenues:	 Buuget	 Actual		
Operating Revenues:				
Charges for services	\$ 651,979	\$ 712,617	\$	60,638
Expenditures:				
Operating Expenditures:				
Operating expenses	\$ 259,422	\$ 213,781	\$	45,641
Water purchases	 150,000	 137,368		12,632
Total Operating Expenditures	\$ 409,422	\$ 351,149	\$	58,273
Debt Service:				
Interest	\$ 170,818	\$ 167,823	\$	2,995
Principal	 78,122	 71,576		6,546
Total Debt Service	\$ 248,940	\$ 239,399	\$	9,541
Capital outlay	\$ 	\$ 	\$	
Total Expenditures	\$ 658,362	\$ 590,548	\$	67,814
Revenues Over Expenditures	\$ (6,383)	\$ 122,069	\$	128,452
Other Financing Sources (Uses):				
Fund balance appropriated	 6,383	 -		(6,383)
Revenues and Other Financing Sources				
(Uses) Over (Under) Expenditures	\$ -	\$ 122,069	\$	122,069
Reconciliation from budgetary basis (modified accrual) to full accrual: Reconciling Items:				
Capital outlay		\$ -		
Principal paid on long-term debt		71,576		
Allowance for bad debt		(11,444)		
Depreciation		(242,052)		
Increase in accrued interest		(1,412)		
Increase in postemployment benefit		(6,008)		
Increase in accrued compensated absences		 (2,448)		
Total Reconciling Items		\$ (191,788)		
Change in Net Assets		\$ (69,719)		

Wilson County, North Carolina Southwest Water District Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP) For the Fiscal Year Ended June 30, 2010

Exhibit D-3

				2010		
		Budget		Actual	Р	ariance ositive egative)
Revenues:		Duugei		Actual		egativej
Operating Revenues:						
Charges for services	\$	808,352	\$	801,675	\$	(6,677)
Expenditures:						
Operating Expenditures:						
Operating expenses	\$	243,337	\$	223,654	\$	19,683
Water purchases	Ŧ	159,400	Ŧ	159,394	Ŧ	6
Capital outlay		-		-		-
Total Operating Expenditures	\$	402,737	\$	383,048	\$	19,689
Debt Service:						
Interest	\$	293,472	\$	291,159	\$	2,313
Principal	Ψ	118,526	Ψ	113,836	Ψ	4,690
Total Debt Service	\$	411,998	\$	404,995	\$	7,003
Total Expenditures	\$	814,735	\$	788,043	\$	26,692
Revenues Over (Under) Expenditures	\$	(6,383)	\$	13,632	\$	20,015
Other Financing Sources (Uses):						
Fund balance appropriated		6,383		-		(6,383)
Revenues and Other Financing Sources						
(Uses) Over (Under) Expenditures	\$	-	\$	13,632	\$	13,632
Reconciliation from budgetary basis						
(modified accrual) to full accrual:						
Reconciling Items:						
Capital Outlay			\$	_		
Principal paid on long-term debt			Ψ	113,836		
Depreciation				(22,177)		
Allowance for bad debts				(360,384)		
Decrease in accrued interest				(1,591)		
Increase in other postemployment benefit				(6,007)		
Increase in accrued compensated absences				(2,448)		
Total Reconciling Items			\$	(278,771)		
Change in Net Assets			\$	(265,139)		
			Ψ	(_00,100)		

Other Schedules/Statements

Wilson County, North Carolina General Fund Schedule of Ad Valorem Taxes Receivable June 30, 2010

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2009			Collections Additions And Credits				Incollected Balance Ine 30, 2010
2009-2010	\$	-	\$	46,645,101	\$	45,190,485	\$	1,454,616
2008-2009		1,610,669		-		1,230,530		380,139
2007-2008		308,333		-		102,977		205,356
2006-2007		217,332		-		39,992		177,340
2005-2006		141,221		-		18,088		123,133
2004-2005		159,655		-		11,708		147,947
2003-2004		116,684		-		8,181		108,503
2002-2003		112,222		-		8,339		103,883
2001-2002		90,168		-		5,486		84,682
2000-2001		80,331		-		4,180		76,151
1999-2000		69,697		-		69,697		-
	\$	2,906,312	\$	46,645,101	\$	46,689,663	\$	2,861,750
		: Allowance fo neral Fund	or Und	collectible Accou	unts:			(815,790)
	-	alorem Taxes neral Fund	Rece	ivable - Net:			\$	2,045,960
		cilement with alorem taxes -	-				\$	46,837,347
	Reco	onciling Items:						
	Inte	erest collected					\$	(342,945)
	Tax	xes written off						195,261
		Total Reconcil	ing It	ems			\$	(147,684)
	Tota	l Collections ar	nd Cre	edits			\$	46,689,663

Wilson County, North Carolina Analysis of Current Tax Levy For the Fiscal Year Ended June 30, 2010

Exhibit E-2

	Cou	nty - Wid	de	Total Levy Property excluding Registered	Registered
	Property	•	Amount	Motor	Motor
	Valuation	Rate	of Levy	Vehicles	Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 6,043,993,295	0.73	\$ 44,155,976	\$ 41,780,419	\$ 2,375,557
Motor vehicles taxed					
at prior year's rate	221,570,981	0.76	1,617,485	-	1,617,485
Discoveries	152,012,344	0.73	1,214,952	1,199,821	15,131
Abatements:					
at current year's rate	(20,668,680)	0.73	(152,381)	(126,461)	(25,920)
at prior year's rate	(23,854,175)	0.76	(190,931)	(162,824)	(28,107)
Total Property Valuation	\$ 6,373,053,765				
Net Levy			\$ 46,645,101	\$ 42,690,955	\$ 3,954,146
Uncollected taxes a	t June 30, 2010		(1,454,616)	(898,223)	(556,393)
Current Year's Taxe	es Collected		\$ 45,190,485	\$ 41,792,732	\$ 3,397,753
Current Levy Collec	tion Percentage		96.88%	97.90%	85.93%

Wilson County, North Carolina Agency Funds Statement of Changes in Assets and Liabilities For The Fiscal Year Ended June 30, 2010

Exhibit E-3

	J	alance uly 1, 2009	Ac	Iditions	Dec	ductions	Ju	alance ine 30, 2010
Motor Vehicle Tax								
Assets:								
Cash and cash equivalents	\$	5,365	\$	67,670	\$	68,788	\$	4,247
Liabilities: Miscellaneous liabilities	\$	5,365	\$	67,670	\$	68,788	\$	4,247
Deed of Trust Fee Fund								
Assets:								
Cash and cash equivalents	\$	-	\$	7,500	\$	6,520	\$	980
Liabilities: Miscellaneous liabilities	\$		\$	7,500	\$	6,520	\$	980

Compliance Section

Flowers & Stanley, L.L.P.

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Eric B. Harrell, CPA

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American Institute of Certified Public Accountants

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

To the Board of County Commissioners Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises Wilson County's basic financial statements, and have issued our report thereon dated November 4, 2010. Our report includes a reference to 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. Other auditors audited the financial statements of the Wilson County ABC Board, as described in our report on Wilson County's financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Wilson County, in a separate letter dated November 4, 2010.

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

Flowers & Stanley, LIP

Tarboro, North Carolina November 4, 2010

Flowers & Stanley, L.L.P.

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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 Wilson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

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 to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

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

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina November 4, 2010

Flowers & Stanley, L.L.P.

Certified Public Accountants 3403 N. Main Street – Tarboro, North Carolina 27886 Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members North Carolina Association of Certified Public Accountants

American Institute of Certified Public Accountants

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 Wilson County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010. 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; and 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 compliance requirements referred to above that are could have a direct and material effect on each of its major State programs for the year ended June 30, 2010

Internal Control over Compliance

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 the requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program on a timely basis.

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

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

Flowers & Stanley, LIP

Tarboro, North Carolina November 4, 2010

Wilson County, North Carolina Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified Internal control over financial reporting: • Material weakness(es) identified? __yes X_no • Significant deficiency (ies) identified that are not considered to be material weaknesses __yes X_none reported Noncompliance material to financial statements noted __yes X_no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____yes _X_no
- Significant deficiency (ies) identified that are not considered to be material weaknesses ____yes _X_none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 ____yes _X_no

Wilson County, North Carolina Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Identification of major federal programs:

CFDA#	Program Name				
10.551 and 10.561 93.778 93.568 93.558 93.714 93.575 93.667 93.558 93.596 93.713					
Dollar threshold used to d between Type A and Type B	-	\$3,000,000			
Auditee qualified as low-r	risk auditee	yes <u>X</u> no			
State Awards					
Internal control over majo	or State programs:				
• Material weakness(es) identified?	yes <u>X</u> no			
• Significant deficient identified that are a to be material weakness	not considered esses	yes <u>X</u> none reported			
Type of auditor's report i Unqualified.	ssued on compliance fo	or major State programs:			
Any audit findings disclos to be reported in accordan Single Audit Implementatic	nce with the State	yes <u>X</u> no			
Identification of major St	ate programs:				
Program Name		<u>CFDA #</u>			
SC/SA Domiciliary Care CWS Adoption Subsidy Industrial Development Fur	nd	N/A N/A N/A			

Wilson County, North Carolina Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

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, 2010

Finding 09-1

Status: Corrected.

Finding 09-2

Status: Corrected.

Finding 09-3

Status: Corrected.

Finding 09-4

Status: Situation still exists, however, due to additional information obtained from the client, including State Monitoring reports, it is our opinion that this issue no longer presets a significant deficiency.

Finding 09-5

Status: Corrected.

Finding 09-6

Status: Corrected.

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

Grantor/Pass-Through	Federal CFDA
Grantor/Program Title	Number
CASH PROGRAMS:	
FEDERAL GRANTS:	
U.S. Department of Agriculture:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Administration:	
Food Stamp Cluster:	
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
Agri-SFP Food Program	10.559
Total Direct Benefit Payments	
Total U.S. Department of Agriculture	
U.S. Department of Health and Human Services:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Foster Care and Adoption Cluster:	
Assistance Foster Care Title IV-E	93.658
Title IV-E Adoption Subsidy	93.659
IV-E Adoption/Foster Care - Direct Benefits Payments	93.658
Total Foster Care and Adoption Cluster	

		-				
E	Expenditures		Expenditures		Expenditures	
\$	20,462,973 1,213,106	\$	-	\$	- 1,069,570	
\$	21,676,079	\$	-	\$	1,069,570	
\$	589,000	\$		\$		
\$	2,280,098	\$	-	\$	-	
\$	2,280,992	\$	-	\$	-	

State

Local

Federal

\$

24,546,071

\$ 729,966	\$ 58,971	\$ 564,269
500 000	407 404	407 707

\$ -

\$

1,069,570

529,908	107,431	107,767
 208,369	 50,236	 54,554
\$ 1,468,243	\$ 216,638	\$ 726,590

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

	Federal
Grantor/Pass-Through	CFDA
Grantor/Program Title	Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Division of Social Services: (continued)	
Medical Assistance Program - Medicaid Title XIX	93.778
ARRA - TANF	93.714
Low Income Energy Assistance/Crisis Intervention	93.568
NC Health Choice	93.767
Social Services Block Grant	93.667
Child Support Enforcement	93.563
Permanency Planning	93.645
Temporary Assistance for Needy Families	93.558
Family Preservation	93.556
LINKS	93.674
LINKS - Direct Benefit	93.674
Total Division of Social Services	
Division of Public Health:	
Tuberculosis Control Project - CDC	93.116
Promotion Program	93.991
Maternal and Child Health Services Block Grant	93.994
Temporary Assistance for Needy Families	93.558
Immunization Action Plan	93.268
Prevention Investigations and Technical Assistance	93.283
Family Planning Services	93.217
Total Division of Public Health	

Ex	Federal penditures	State Expenditures		Ex	Local penditures
	1,724,114		114,091		1,572,417
	239,270		-		-
	585,348		-		-
	81,354		4,833		21,535
	399,990		18,940		134,430
	1,054,812		(35)		543,423
	22,865		6,071		1,726
	2,196,744		-		1,231,430
	10,489		-		-
	10,616		2,654		-
	18,201		-		-
\$	7,812,046	\$	363,192	\$	4,231,551
\$	11,550	\$	_	\$	_
Ψ	15,063	Ψ	_	Ψ	-
	241,925		-		-
	14,700		-		-
	25,205		-		-
	157,809		-		-
	131,867		-		-
\$	598,119	\$	-	\$	-

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

	Federal
Grantor/Pass-Through	CFDA
Grantor/Program Title	Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services, (centinued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Subsidized Child Care Cluster: (Note 2)	
Child Care Development Fund Cluster:	
Division of Social Services:	00 500
Child Care Development Fund - Administration	93.596
Division of Child Development:	00 575
Child Care Development Funds Discretionary	93.575
Child Care and Development Fund - Mandatory	93.596
Child Care and Development Fund - Match	93.596
ARRA - Child Care and Development Block Grant	93.713
Total Child Care Development Fund Cluster	
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
TANF - MOE	N/A
State Appropriations	N/A
Smart Start	N/A
Total Subsidized Child Care Cluster	
Aging Cluster:	
Title III - C1/Congregate Nutrition	93.045
ARRA - Aging Congregate Nutrition for States	93.707
Title III - C2/Home Delivered Meals	93.045
ARRA - Aging Home-Delivered Nutrition Services for States	93.705
Title III - B/Access	93.044
Title III - B/In-Home Services	93.044
Title III - Family Caregiver	93.053
Total Aging Cluster	

Experiantal de		pomantarioo			
\$	230,730	\$ -	\$	-	
	2,694,297	-		-	
	274,624	-		-	
	634,045	341,851		-	
	1,125,313	 -		-	
\$	4,959,009	\$ 341,851	\$	-	
	41,459	-		-	
	513,197	-		-	
	-	384,010		-	
	-	306,753		-	
	-	 20,923		-	
\$	5,513,665	\$ 1,053,537	\$	-	
\$	99,725	\$ 5,866	\$	-	
	21,103	\$ 1,241	\$	-	
	147,395	8,670		-	
	10,389	611		-	
	15,609	918		-	
	78,143	4,597		-	
	61,682	 -		-	
\$	434,046	\$ 21,903	\$	-	

State

Expenditures

Local

Expenditures

Federal

Expenditures

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	00.007
Social Service Block Grant (SSBG) - In-Home Services	93.667
Nutrition Services Incentive Program (NSIP) Supplement	93.053
Direct Benefit Payments:	
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.S. Department of Commerce:	
Passed-through N.C. Department of Commerce:	
Small Cities Community Development Block Grant	14.228
U.S. Department of Transportation:	
Passed-through N.C. Department of Transportation:	
Formula Grant for Other than Urbanized Areas	20.509
U.S. Department of Homeland Security:	
Passed-through N.C. Department of Crime and Public Safety:	
	97.073
Emergency Medical Homeland Security	97.075
U.S. Department of Justice:	
Passed-through N.C. Department of Crime and Public Safety:	
2009 Earmark Gang Prevention Grant	16.541
ARRA - Assistance to Rural law Enforcement to Combat Crime and Drugs	19.810
Total U.S. Department of Justice	

Federal Expenditures		E	State xpenditures	Local Expenditures	
\$	43,816	\$	1,252	\$	-
\$	21,094	\$	1,406	\$	
\$	83,842,297 728,059 405,766	\$	29,435,666 (906)	\$	33,157 1,638
\$	84,976,122	\$	29,434,760	\$	34,795
\$	99,398,908	\$	30,876,050	\$	4,266,346
\$	56,711	\$		\$	
\$	245,824	\$	26,298	\$	
\$	20,098	\$		\$	
\$	2,806 105,999	\$	-	\$	-
\$	108,805	\$	-	\$	-

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

Grantor/Pass-Through	Federal CFDA
Grantor/Program Title	Number
FEDERAL GRANTS: (continued)	
U.S. Department of Housing and Urban Development:	
Passed-through N.C. Office of Economic Recovery and Investment:	
North Carolina's Homelessness Prevention and Rapid Re-housing Program	14.257
STATE GRANTS:	
N.C. Department of Transportation:	
RGP	N/A
Rural Operating Assistance	N/A
ROA - Workfirst	N/A
Total N.C. Department of Transportation	
N.C. Department of Health and Human Services:	
Division of Social Services:	
Energy Assistance	N/A
County Funded Programs	N/A
CWS Adoption Subsidy - Direct Benefit	N/A
SC/SA Domiciliary Care - Direct Benefit	N/A
State Foster Home - Direct Benefit	N/A
SFHF Maximization - Direct Benefit	N/A
Foster Care Special Provision - Direct Benefit	N/A
TANF/AFDC Program Integrity	N/A
State Aid to Counties	N/A
State Adult Protective Service	N/A
Smart Start	N/A
F/C At Risk Maximization	N/A
SC/SA Administration	N/A
Total Divison of Social Services	

Federal Expenditures		Ex	State penditures	Ex	Local Expenditures	
\$	155,582	\$		\$		
\$	- - -	\$	111,576 98,266 13,969	\$	- - -	
\$	-	\$	223,811	\$	-	
\$	-	\$	2,036	\$	-	
	-		- 329,752		618,048 42,752	
	-		1,028,601		42,752	
	-		74,650		74,650	
	-		147,855		147,855	
	-		6,506		-	
	-		5,918		-	
	-		-		255,783	
	-		53,619 37,567		-	
	-		1,036		- 567	
			-		72,998	
\$	-	\$	1,687,540	\$	2,241,254	

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

Cronter/Deee Through	Federal CFDA
Grantor/Pass-Through Grantor/Program Title	Number
STATE GRANTS: (continued)	
N.C. Department of Health and Human Services: (continued)	
Division of Health:	
General Health	N/A
Tuberculosis Control	N/A
Public Health Nurse Training	N/A
Preparedness and Response	N/A
AIDS Control Project	N/A
Risk Reduction/Health Promotion	N/A
Communicable Disease	N/A
Women's Preventative Health	N/A
TB Medical Service	N/A
Breast and Cervical Cancer Control	N/A
LHD Smokefree Law	N/A
Public Health Lab	N/A
Total Division of Health	
Division of Aging and Adult Services:	
Access - 90% State Funds	N/A
In-Home Services - 90% State Funds	N/A
Caregiver Match - 90% State Funds	N/A
Home Delivered Meals - 90% State Funds	N/A
Senior Center Development	N/A
Total Division of Aging and Adult Services	
Total N.C. Department of Health and Human Services	
N.C. Department of Public Instruction:	
Public School Building Fund	N/A
N.C. Department of Environment and Natural Resources:	
Scrap Tire Program	N/A

Federal Expenditures		Ex	State Expenditures		Local Expenditures	
ዮ		¢	169 622	\$		
\$	-	\$	168,632 59,408	Φ	-	
	-		1,000		-	
	_		34,672		-	
	_		8,135		-	
	-		6,366		-	
	-		8,294		-	
	-		12,097		-	
	-		3,643		-	
	-		5,100		-	
	-		1,770		-	
	-		13		-	
\$	-	\$	309,130	\$	-	
\$	-	\$	21,482	\$	-	
	-		98,694		-	
	-		5,885		-	
	-		61,773		-	
	-		12,652		-	
\$	-	\$	200,486	\$	-	
\$	-	\$	2,197,156	\$	2,241,254	
\$		\$	42,542	\$		
\$	-	\$	113,965	\$		

(continued)

Wilson County, North Carolina Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Cultural Resources:	
Aid to Public Libraries Fund	N/A
N.C. Department of Commerce:	
One NC Fund Grant	N/A
Rural Economic Development	N/A
Industrial Development Fund	N/A
Total N.C. Department of Commerce	
N.C. Department of Corrections:	
Criminal Justice Partnership Program	N/A
N.C. Department of Juvenile Justice and Delinquency Prevention:	
Juvenile Crime Prevention Programs	N/A
N.C. Department of Insurance:	
SHIIP	N/A
N.C. Department of Crime Control and Public Safety:	
Emergecny Management Grants	N/A

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 basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.
- Note 2: The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: **Subsidized Child Care**.

Federal Expenditures		E	State xpenditures	Local Expenditures	
\$	-	\$	140,305	\$	
\$	-	\$	150,000	\$	-
	-		26,939		-
	-		370,149		-
\$	-	\$	547,088	\$	-
\$		\$	88,773	\$	
\$	-	\$	273,784	\$	-
\$		\$	2,525	\$	-
\$		\$	35,314	\$	
\$	124,531,999	\$	34,567,611	\$	7,577,170