

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

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

***WILSON COUNTY  
NORTH CAROLINA***



FINANCE DEPARTMENT  
TIFFANY REESE  
FINANCE DIRECTOR



**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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# **INTRODUCTORY SECTION**

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# Letter of Transmittal



December 8, 2015

Honorable Members of the Board of Commissioners  
Citizens of Wilson County, North Carolina

State laws along with policies and procedures of the North Carolina Local Government Commission require, that all general purpose local governments in the State publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of Wilson County for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Wilson County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management, to provide a reasonable basis for making these representations, has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the County's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Wilson County Government's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and State mandated “Single Audit” designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government’s internal controls and compliance with legal requirements. This is to be done with special emphasis on internal controls and legal requirement involving the administration of federal and state awards. These reports are available in the compliance section of this report.

GAAP requires management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Wilson County’s MD&A can be found immediately following the report of independent auditors.

## PROFILE OF WILSON COUNTY

Wilson County was formed in 1855. It was formed from parts of Edgecombe, Nash, Wayne and Johnston counties. It was named in honor of Louis Dicken Wilson (1789-1847), a prominent politician and military officer who died during the Mexican War and was considered “the most eminent citizen of Edgecombe County”.

Wilson County is located in the east-central part of the State, amid the broad coastal plain which covers nearly half the State, from the Atlantic to the fall lines of the Roanoke, Tar, Neuse, and Cape Fear Rivers. The County, which measures approximately 30 miles from east to west and 20 miles from north to south, encompasses approximately 373 square miles. The principal waterways are the Contentnea Creek, Toisnot Swamp, Black Creek, and Town Creek. The June 2015 tax distribution reported Wilson County’s population at 81,397. The City of Wilson, which is the county seat and the County’s largest population center with a population of 49,097 according to the 2015 June Tax distribution, covers 28.5 square miles. Other municipalities located in the County include the towns of Elm City, Saratoga, Stantonsburg, Black Creek, Lucama, and Sims.

The County is strategically situated with access to all major, regional, national, as well as, international markets. Wilson County is served by US Highways 117, 264, and 301 and North Carolina Highways 42 and 58, along with Interstate highway 95. NC Highway 42 was upgraded to a five-lane road better connecting the City of Wilson to Interstate Highway 95. Interstate 795 connects to the City of Goldsboro and on to I-40 south, which greatly enhances access to seaports at Wilmington and Morehead City, North Carolina. The US Highway 264 bypass provides interstate grade highway connecting Greenville, North Carolina and the Research Triangle Park. It is also served by the Rocky Mount-Wilson regional airport with the Raleigh-Durham International Airport, a major commercial airport approximately 55 miles west of the County. In addition Wilson is served by the CSX Railroad and Southern Railroad that provide rail freight service.

Wilson County operates under a Commission-Manager form of Government. The governing body of the County is the Board of County Commissioners, which formulates policies and has legislative authority for the administration of the County. In addition, the Board passes ordinances, annually adopts a balanced budget and establishes a tax rate for the support of the County’s programs. The Board consists of seven commissioners which serve concurrent four-year terms. Partisan elections for the Board are held in November every four years. The Board takes office the first Monday in December following the November elections. At that time, the Board elects a chairman and vice chairman from among its members.

The County Manager is appointed by, and serves at the pleasure of the Board as the County’s Chief Administrative Officer. The Manager has appointive and removal authority over department heads and other employees of the County. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager’s responsibilities include implementation of policies established by the Board of Commissioners, as well as the administration of the annual budget adopted by the Board.

The County provides a wide range of services including public safety, human services (Social Services, Health and Aging), funds for education, cultural and recreational activities, environmental protection, general administration

and others. Additionally, the County owns and operates water distribution systems and a construction and demolition (“C&D”) debris landfill consisting of 10 acres. This report includes all of the County’s activities in maintaining these services, except schools, which are administered by the Wilson County Board of Education. The County also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens. Among these is Wilson Community College. The County Commissioners appoint all members of the Wilson County ABC Board (the “ABC Board”) and the 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 Government-wide statements include the ABC Board as a discretely presented component unit. The ABC Board is a corporate body with powers outlined by General Statutes (chapter 18B-701).

The annual budget serves as the foundation for Wilson County’s financial planning and control. As required by the North Carolina Budget and Fiscal Control Act, the County adopts an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance that are multi-year in nature. Appropriations to the various funds are formally budgeted on a departmental or project level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). Purchase orders that would create an over encumbrance at that level are not written until additional appropriations are available through budget amendments. In accordance with state law, the County’s budget is prepared on the modified accrual basis. Its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County’s General Fund, Special Revenue Funds, and Capital Project Funds are reported on the modified accrual basis in the financial statements. The Agency Funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

County Management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets; and (3) compliance with applicable laws and regulation related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the County’s internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County’s single audit, the independent auditor performed a review of the County’s internal control structure. This review was not an audit and no opinion was issued on the County’s internal control structure; however, the procedures performed by the independent auditor indicated no internal control weaknesses or reportable conditions.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

#### FACTORS AFFECTING FINANCIAL CONDITION

##### Local economy

Wilson County’s economy has evolved over the last 30 years from a largely agriculture-based economy to a diverse mix of agriculture, manufacturing, commercial, and service sectors. However, the County is still a leading farm market in the state with \$181,780,796 in farm sales in 2014. Major industries located within the County include tire manufacturing, pharmaceuticals, glass containers, building components, aerospace fire protection equipment, and

food processing among others. The State also has a significant presence in the County with a major long-term health care facility and a school for the deaf located in the City of Wilson.

The County has experienced the recession as has the rest of the United States. Unemployment in Wilson has increased 10.3% from 9.9% still higher when compared to 5.8% for the State. The average weekly wage for 2015 for Wilson County was \$805, the eleventh highest average weekly wage in the State.

In 2015, Wilson County saw the location of a granary, Southern Grain Co. LLC. Bridgestone Americas, Southern Containers Corporation, and Linamar Corporation, will be expanding in the coming months and will be investing \$80,100,000.00 in the local economy and creating 153 new jobs.

Branch Banking & Trust Company, the nation's 12th largest financial holding company, continues to grow and currently employs approximately 2,297 people. Bridgestone Americas operates a plant in Wilson that employs approximately 1,800 people making radial tires for cars and light trucks. It continues its commitment to make new investment in its facility. Equipment upgrades and modernizations increase productivity and contribute, on average, \$35 million in new investment dollars annually with plans to continue through 2016. Other large employers include Wilson County Schools with approximately 1,500 employees; Wilson Medical Center with approximately 1,200 employees, Alliance One International with approximately 1,000 employees, and Smithfield Packing Company with approximately 700 employees.

Retail sales in Wilson County were \$829,972,195 in 2014-2015. There were 6 new restaurants and 4 new retail stores that opened in 2015 along with other businesses. Retail vacancies have remained the same as prior year with no significant increases or decreases.

#### Long-term financial planning

Meeting the needs in the community by providing additional services and meeting the capital needs for the County, and our Educational partners continue to be a challenge. The County is in the process of developing a capital improvements plan to plan for future building and equipment improvements. The CIP will address many of the capital improvements needs within the County, Wilson County Schools, and Wilson Community College. The CIP will be revised and updated annually to correspond with changing revenues and the current economic environment.

At the close of Fiscal Year June 30, 2015, the County completed the construction of the Department of Social Services Community Services Building, the Solid Waste Sims, NC Convenient Center, and the Emergency Medical Services Elm City substation. In the upcoming fiscal year, the County is expected to start construction on the Department of Emergency Medical Services substation in the southern part of the County allowing for expansion of Service to residents.

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Wilson, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 3<sup>rd</sup> consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



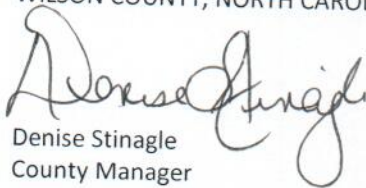
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ACKNOWLEDGEMENTS

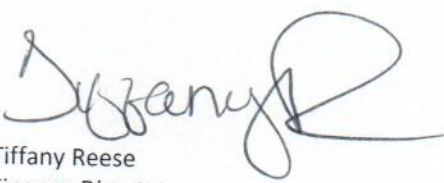
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Office. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit also must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

Respectfully submitted,

WILSON COUNTY, NORTH CAROLINA



Denise Stinagle  
County Manager



Tiffany Reese  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

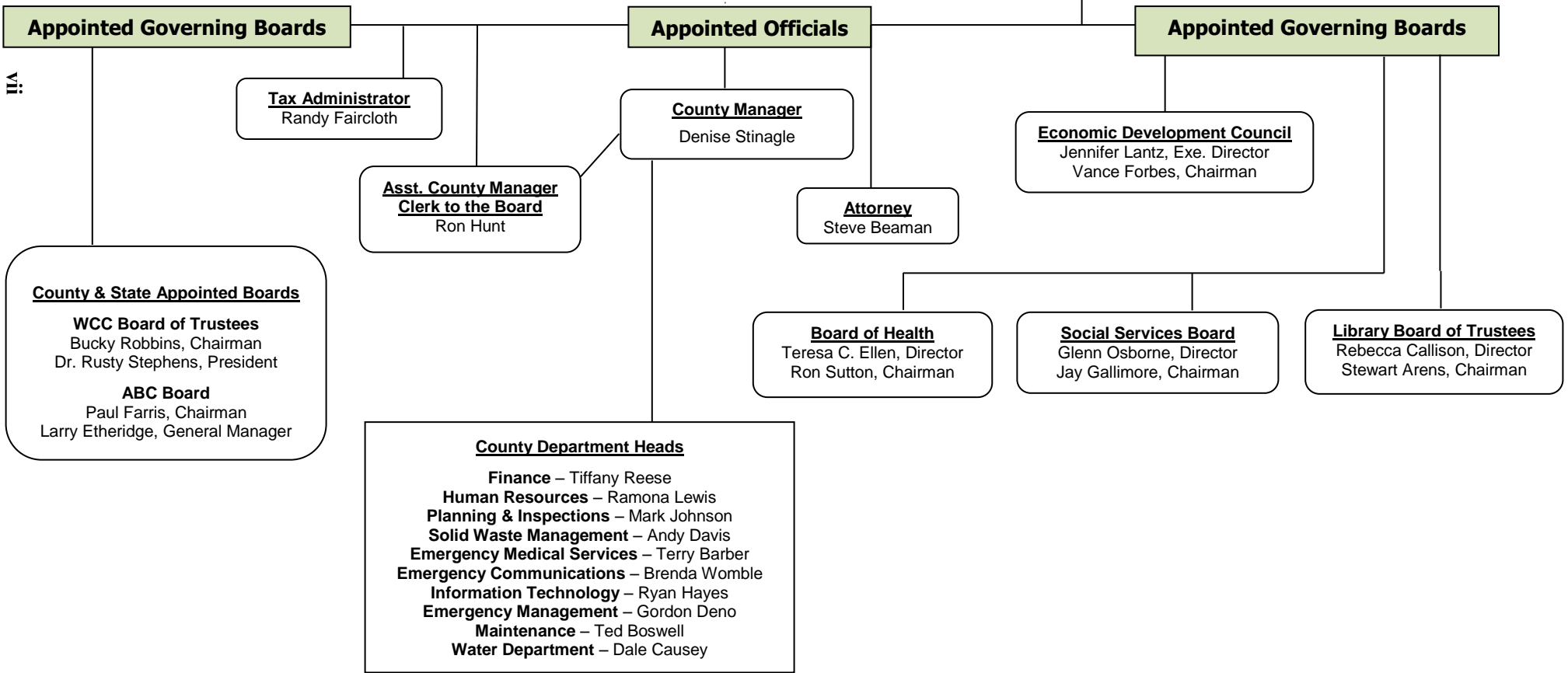
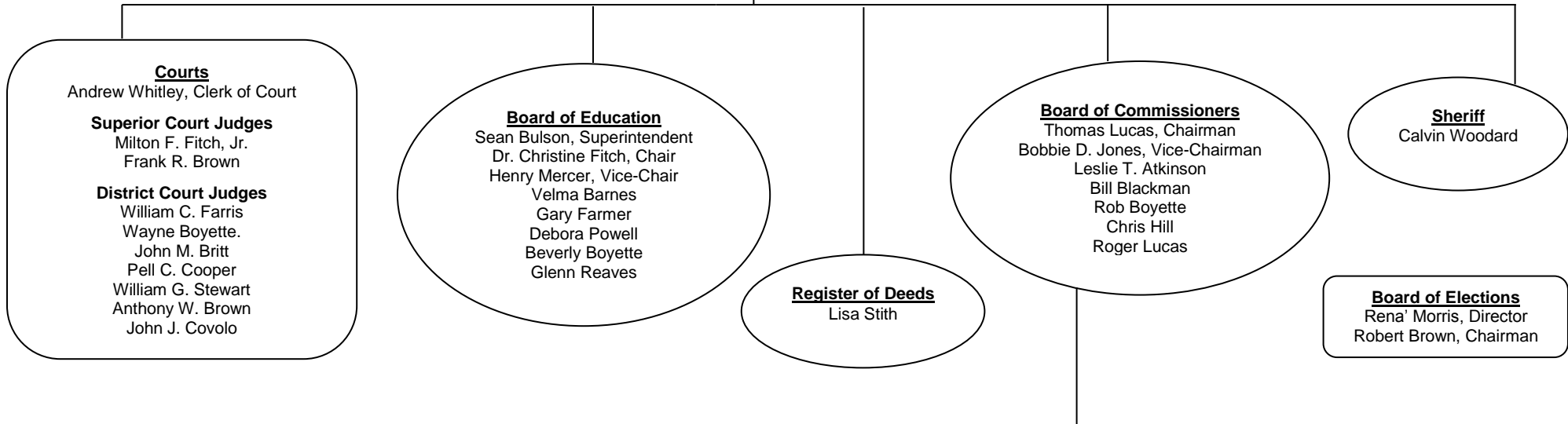
**County of Wilson  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# ELECTED OFFICIALS



**Wilson County  
List of Principal Officials  
June 30, 2015**

**Elected Officials**

Commissioner	District 2	Thomas Lucas, Chairman
Commissioner	District 3	Bobbie D. Jones, Vice Chairman
Commissioner	District 1	Leslie T. Atkinson
Commissioner	District 4	Roger Lucas
Commissioner	District 5	Rob Boyette
Commissioner	District 6	Chris Hill
Commissioner	District 7	Bill Blackman
Sheriff		Calvin Woodard
Register of Deeds		Lisa Stith

**Administrative Officials**

Manager	Denise Stinagle
Attorney	Stephen Beaman
Clerk	Ron Hunt
Finance Director	Tiffany Reese
Tax Administrator	Randy Faircloth
Social Services Director	Glenn Osborne
Health Services Director	Teresa Ellen
Elections Director	Rena Morris
Director of Library	Rebecca Callison
Solid Waste/Landfill Director	Andy Davis
Water Systems Director	Dale Causey
County Extension Director	Walter Earle
Emergency Medical Services Director	Terry Barber
Emergency Communications Director	Brenda Womble
Planning and Inspections Director	Mark Johnson
Building Maintenance Director	Ted Boswell
Technology Services Director	Ryan Hayes
Emergency Management Coordinator	Gordon Deno
Human Resource Coordinator	Ramona Lewis
Soil & Water Conservation Coordinator	Sue Glover

## **FINANCIAL SECTION**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Wilson County  
Wilson, North Carolina

### Report On the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County's basic financial statements. The introductory information, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and statistical section, 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 State and Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of Wilson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson County's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2015

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## 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, 2015. 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

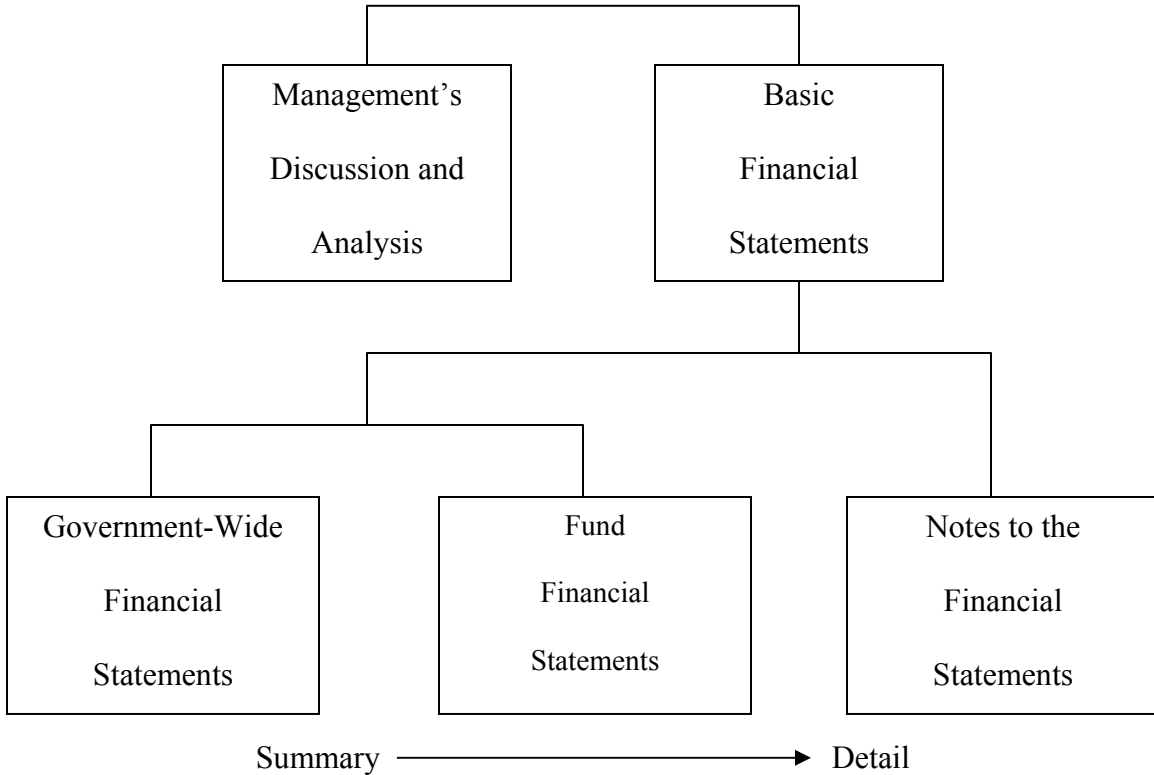
- The assets and deferred outflows of resources of Wilson County activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$63,828,151.
- The government's total net position increased by \$7,653,341, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$46,081,680, after a net increase in fund balance of \$1,762,095. Approximately 29.56 percent of this total amount, or \$13,623,799, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,879,746, or 24.37 percent, of total General Fund expenditures for the fiscal year.
- The County holds the following bond ratings:
  - Moody's Aa2
  - Fitch 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.

Management's Discussion and Analysis  
Wilson County

**Required Components of Annual Financial Report  
Figure 1**



**Basic Financial Statements**

The first two statements, Exhibits A and B, 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 C through J, 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 four parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary funds statements and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

## Management's Discussion and Analysis Wilson County

### **Government-Wide Financial Statements**

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and solid waste (landfill) services offered by Wilson County. The final category is the component unit. The Wilson County ABC Board is legally separate from the County however the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits A and B of this report.

### **Fund Financial Statements**

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

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

## Management's Discussion and Analysis Wilson County

County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges to appropriations, and ending balances in the General Fund, and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds.** Wilson County maintains two kinds of proprietary funds, an Enterprise fund and Internal Service 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 Activity. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of Wilson County. The County uses an internal service fund to account for one activity – health insurance benefits. Because this operation benefits predominantly governmental rather than business-type activities, the Internal Service Fund has been included within the governmental activities in the government-wide financial statements.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Wilson County has seven fiduciary funds, all of which are agency funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information concerning Wilson County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 78 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial condition. The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources by \$63,828,151 as of June 30, 2015.

Management's Discussion and Analysis  
Wilson County

**Wilson County's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current and other assets	\$ 55,370,794	\$ 51,732,305	\$ 18,710,459	\$ 18,340,470	\$ 74,081,253	\$ 70,072,775
Restricted assets	3,299,015	644,054	272,567	167,712	3,571,582	811,766
Capital assets	26,278,075	26,605,139	27,032,356	27,079,232	53,310,431	53,684,371
Other assets	1,570,538	1,832,294	-	-	1,570,538	1,832,294
Total assets	<u>86,518,422</u>	<u>80,813,792</u>	<u>46,015,382</u>	<u>45,587,414</u>	<u>132,533,804</u>	<u>126,401,206</u>
<b>Deferred outflows of resources</b>						
	<u>2,168,056</u>	<u>150,684</u>	<u>63,796</u>	<u>-</u>	<u>2,231,852</u>	<u>150,684</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	43,578,975	47,400,690	13,711,307	13,795,360	57,290,282	61,196,050
Other liabilities	<u>5,441,378</u>	<u>4,431,288</u>	<u>420,028</u>	<u>427,290</u>	<u>5,861,406</u>	<u>4,858,578</u>
Total liabilities	<u>49,020,353</u>	<u>51,831,978</u>	<u>14,131,335</u>	<u>14,222,650</u>	<u>63,151,688</u>	<u>66,054,628</u>
<b>Deferred inflows of resources</b>						
	<u>7,564,720</u>	<u>375,141</u>	<u>221,097</u>	<u>-</u>	<u>7,785,817</u>	<u>375,141</u>
<b>Net Position:</b>						
Net investment in capital assets	22,025,930	21,398,624	26,291,591	26,285,558	48,317,521	47,684,182
Restricted	13,623,799	10,559,337	-	-	13,623,799	10,559,337
Unrestricted	<u>(3,548,324)</u>	<u>(3,200,604)</u>	<u>5,435,155</u>	<u>5,079,206</u>	<u>1,886,831</u>	<u>1,878,602</u>
Total net position	<u>\$ 32,101,405</u>	<u>\$ 28,757,357</u>	<u>\$ 31,726,746</u>	<u>\$ 31,364,764</u>	<u>\$ 63,828,151</u>	<u>\$ 60,122,121</u>

The County's net position increased by \$7,653,341 for the fiscal year ended June 30, 2015. One of the largest portions \$48,317,521 (75.7%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). 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 position \$13,623,799 (21.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,886,831 (3.0%) is unrestricted. Also, Wilson County implemented GASB Statement 68 this year. With the new reporting change, the City is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$3,965,260. Decisions regarding the allocations are made by the administrators of the pension plan, not by Wilson County's management.

Management's Discussion and Analysis  
Wilson County

**Wilson County's Changes in Net Position**  
**Figure 3**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Programs revenues:						
Charges for services	\$ 12,422,855	\$ 14,667,624	\$ 4,612,892	\$ 4,485,916	\$ 17,035,747	\$ 19,153,540
Grants & contributions:						
Operating	19,660,556	18,277,404	54,400	-	19,714,956	18,277,404
Capital	2,052,455	2,711,121	-	-	2,052,455	2,711,121
General revenues:						
Property taxes	51,596,469	52,414,386	-	-	51,596,469	52,414,386
Local option sales tax	12,344,117	11,577,053	-	-	12,344,117	11,577,053
Other taxes & licenses	625,189	699,995	-	-	625,189	699,995
Investment earnings	39,376	47,280	14,758	345,483	54,134	392,763
Grants & other contributions not restricted to specific programs	365,625	243,750	-	-	365,625	243,750
Miscellaneous	128,209	239,841	208,588	33,216	336,797	273,057
Total revenues	<u>99,234,851</u>	<u>100,878,454</u>	<u>4,890,638</u>	<u>4,864,615</u>	<u>104,125,489</u>	<u>105,743,069</u>
<b>Expenses:</b>						
General Government	9,127,244	9,903,936	-	-	9,127,244	9,903,936
Public Safety	21,366,326	22,263,611	-	-	21,366,326	22,263,611
Transportation	37,357	47,857	-	-	37,357	47,857
Environmental Protection	479,357	524,329	-	-	479,357	524,329
Economic & Physical Development	3,182,859	3,393,417	-	-	3,182,859	3,393,417
Human Services	33,194,761	34,289,859	-	-	33,194,761	34,289,859
Culture & Recreational	1,897,152	1,847,127	-	-	1,897,152	1,847,127
Education	21,736,297	20,610,068	-	-	21,736,297	20,610,068
Interest & other charges	1,026,307	1,216,232	-	-	1,026,307	1,216,232
Landfill	-	-	2,454,250	2,603,931	2,454,250	2,603,931
Water	-	-	1,970,238	2,434,397	1,970,238	2,434,397
Total expenses	<u>92,047,660</u>	<u>94,096,436</u>	<u>4,424,488</u>	<u>5,038,328</u>	<u>96,472,148</u>	<u>99,134,764</u>
Change in net position	<u>7,187,191</u>	<u>6,782,018</u>	<u>466,150</u>	<u>(173,713)</u>	<u>7,653,341</u>	<u>6,608,305</u>
Net position, beginning, previously reported	28,757,357	21,975,339	31,364,764	31,538,477	60,122,121	53,513,816
Restatement	<u>(3,843,143)</u>	<u>-</u>	<u>(104,168)</u>	<u>-</u>	<u>(3,947,311)</u>	<u>-</u>
Net position, beginning, restated	<u>24,914,214</u>	<u>21,975,339</u>	<u>31,260,596</u>	<u>31,538,477</u>	<u>56,174,810</u>	<u>53,513,816</u>
Net position, ending	<u>\$ 32,101,405</u>	<u>\$ 28,757,357</u>	<u>\$ 31,726,746</u>	<u>\$ 31,364,764</u>	<u>\$ 63,828,151</u>	<u>\$ 60,122,121</u>



## Management's Discussion and Analysis Wilson County

**Governmental Activities.** Governmental activities increased the County's net position by \$7,187,191, thereby accounting for 94% of the total growth in the net position of Wilson County. Key elements of the increase are as follows:

- Continued diligence in the collection of property taxes with collection percentage of 98%
- Increases in sales tax revenue for FY 2015 at 6%
- 3% increase in intergovernmental revenues due to increase in state and federal grant funding
- Management of expenses through use of debt service planning and various operating budgets

**Business-Type Activities.** Business-type activities increased Wilson County's net position by \$466,150. Key elements of this increase are as follows:

- Decreased costs in operation of water districts and landfill departments

### Financial Analysis of the County's Funds

As noted earlier, Wilson County uses fund accounting to ensure and demonstrate compliance with finance-related 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. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, Wilson County's fund balance available in the General Fund was \$34,864,817, while total fund balance for the General Fund is \$44,150,285. The governing body of Wilson County has determined that the County should maintain an available fund balance of 18% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. The County currently has an available fund balance of 36.75% of General Fund expenditures, while total fund balance represents 46.54% of that same amount.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$46,081,680, an increase of \$1,762,095. This increase is due primary to the increase in fund balance in the general fund. General fund revenues remain fairly flat compared to fiscal year end June 30, 2014. General fund expenses decreased from prior year by 1.5%.

**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 \$1,739,419. This increase was primarily 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.

Management's Discussion and Analysis  
Wilson County

Unrestricted net position of Solid Waste Fund at the end of the fiscal year amounted to \$12,954,113 and those for the water funds equaled (\$7,585,726). The total growth in net position for the Solid Waste Fund was \$558,451 and the total decrease in net position for the water funds was \$145,184. Other factors concerning the finances of these funds have already been addressed in the discussion of Wilson County's business-type activities.

**Capital Asset and Debt Administration**

**Capital Assets.** Wilson County's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$53,310,431 (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;
- Disposed of old equipment and vehicle in Public Safety Department;
- Constructed new buildings and purchased new equipment for General Government;
- Purchased new furniture and fixtures, vehicles and equipment for Human Services Department;
- Disposed of old equipment and furniture and fixtures in the Human Services Department;
- Disposal of old vehicle and equipment for the Water Districts;
- Constructed Convenient Center for Solid Waste Landfill;
- Purchased new equipment for Solid Waste Landfill;
- Disposed of old equipment in Solid Waste Landfill;
- Purchased new equipment for Water Districts;
- Purchase of new equipment in Cultural and Recreational departments;
- Disposed of old equipment Cultural and Recreational Departments;

**Wilson County's Capital Assets  
(Net of Depreciation)  
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Construction in progress	-	738,140	-	20,049	-	758,189
Buildings and improvements	32,139,641	30,398,763	2,882,070	2,345,883	35,021,711	32,744,646
Equipment and plant distribution	9,214,094	9,865,957	28,859,897	28,773,831	38,073,991	38,639,788
Vehicles	4,834,751	4,891,768	780,188	799,930	5,614,939	5,691,698
Total	49,588,189	49,294,331	35,730,869	35,148,407	85,319,058	84,442,738
Less: Accumulated Depreciation	23,310,114	22,689,192	8,698,513	8,069,175	32,008,627	30,758,367
Net assets	<u>\$ 26,278,075</u>	<u>\$ 26,605,139</u>	<u>\$ 27,032,356</u>	<u>\$ 27,079,232</u>	<u>\$ 53,310,431</u>	<u>\$ 53,684,371</u>

Additional information on Wilson County's capital assets can be found in Note II.A.5 of this Basic Financial Statement.

**Long-Term Debt.** As of June 30, 2015, Wilson County had total bonded debt outstanding of \$13,325,000 which is backed by the full faith and credit of the County.

Management's Discussion and Analysis  
Wilson County

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
All bonds	\$ 4,855,000	\$ 7,270,000	\$ 8,470,000	\$ 8,660,000	\$ 13,325,000	\$ 15,930,000

Wilson County has two legally separate water districts. During fiscal year 2012-2013, the County entered into a Limited Obligation Refunding agreement to defease the debt from three Series of USDA general obligation bonds of \$9,377,999 within the two districts.

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$511,492,106. 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 expenses to total general governmental expenses is 6.20%, a slight decrease from fiscal year 2014 ratio of 7.34%.

The County's general obligation debt per capita, at June 30, 2015 was \$59.65, while the County's \$34,639,587 gross debt per capita is \$432.89.

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

**Economic Factors and Next Year's Budget and Rates**

- Tax collections for Wilson County remain strong, in spite of the national economic downturn. In FY 2015 tax collection rate was 98%.
- The employment rate 10.3% at June 30, 2015 for Wilson County continues to be higher than the NC average of 5.8%.

**Budget Highlights for Fiscal Year 2015-2016**

**Governmental Activities.** The 2016 General Fund's adopted budget increased \$474,667, less than 1% from the amended budget for the fiscal year ended June 30, 2015. The increase in the budget for 2016 is primarily due to budgeting for capital projects, cost of living adjustments for employees, and increases to educational funding.

**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

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## **BASIC FINANCIAL STATEMENTS**

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Assets:</b>				
Cash and cash equivalents	\$ 42,859,716	\$ 18,235,685	\$ 61,095,401	\$ 638,545
Receivables (net)	3,912,781	359,668	4,272,449	8,391
Due from other governments	7,326,859	48,338	7,375,197	-
Due from component unit	121,875	-	121,875	-
Internal balances	(66,768)	66,768	-	-
Inventories	-	-	-	1,145,188
Prepaid items	-	-	-	16,921
Restricted cash and cash equivalents	254,787	181,851	436,638	-
Net investment in Joint Venture	954,575	-	954,575	-
Capital lease receivable - current portion	261,756	-	261,756	-
Other assets:				
Capital lease receivable	1,570,538	-	1,570,538	-
Net pension asset	3,044,228	90,716	3,134,944	48,595
Capital assets:				
Land, improvements, and construction in progress	3,399,703	3,208,714	6,608,417	574,341
Other capital assets, net of depreciation	22,878,372	23,823,642	46,702,014	2,200,255
Total capital assets	26,278,075	27,032,356	53,310,431	2,774,596
Total assets	86,518,422	46,015,382	132,533,804	4,632,236
<b>Deferred Outflows of Resources:</b>				
Contributions to pension plan in current fiscal year	1,999,959	61,736	2,061,695	41,361
Pension deferrals	67,641	2,060	69,701	166
Charge on refunding of debt	100,456	-	100,456	-
Total deferred outflows of resources	2,168,056	63,796	2,231,852	41,527

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Liabilities:</b>				
Accounts payable and accrued expenses	4,903,658	215,425	5,119,083	579,235
Accrued interest payable	199,840	22,752	222,592	-
Due to other governments	337,880	-	337,880	40,625
Due to primary government	-	-	-	121,875
Liabilities to be paid from restricted cash:				
Customer deposits	-	181,851	181,851	-
Long-term liabilities:				
Due within one year	7,023,026	317,156	7,340,182	-
Due in more than one year	36,555,949	13,394,151	49,950,100	324,960
Total long-term liabilities	43,578,975	13,711,307	57,290,282	324,960
Total liabilities	49,020,353	14,131,335	63,151,688	1,066,695
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	7,151,723	221,097	7,372,820	-
Other deferred inflows	412,997	-	412,997	118,438
Total deferred inflows of resources	7,564,720	221,097	7,785,817	118,438
<b>Net Position:</b>				
Net investment in capital assets	22,025,930	26,291,591	48,317,521	2,774,596
Restricted for:				
Stabilization by State statute	9,355,655	-	9,355,655	-
Public safety	467,233	-	467,233	-
Register of Deeds	163,176	-	163,176	-
Health and human services	2,565,128	-	2,565,128	-
Working capital	-	-	-	227,716
Community development projects	1,072,607	-	1,072,607	-
Unrestricted (deficit)	(3,548,324)	5,435,155	1,886,831	486,318
Total net position	\$ 32,101,405	\$ 31,726,746	\$ 63,828,151	\$ 3,488,630

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 9,127,244	\$ 519,520	\$ -	\$ -
Public safety	21,366,326	3,842,377	729,220	-
Transportation	37,357	170,271	213,730	165,017
Environmental protection	479,357	-	-	-
Economic and physical development	3,182,859	-	208,025	-
Human services	33,194,761	7,890,687	18,382,266	-
Cultural and recreation	1,897,152	-	127,315	-
Education	21,736,297	-	-	1,887,438
Interest on long-term debt	1,026,307	-	-	-
Total governmental activities	<u>92,047,660</u>	<u>12,422,855</u>	<u>19,660,556</u>	<u>2,052,455</u>
<b>Business-Type Activities:</b>				
Landfill	2,454,250	2,787,838	54,400	-
Water	<u>1,970,238</u>	<u>1,825,054</u>	-	-
Total business-type activities	<u>4,424,488</u>	<u>4,612,892</u>	<u>54,400</u>	-
Total primary government	<u>\$ 96,472,148</u>	<u>\$ 17,035,747</u>	<u>\$ 19,714,956</u>	<u>\$ 2,052,455</u>
<b>Component Unit:</b>				
ABC Board	<u>\$ 5,767,718</u>	<u>\$ 5,920,624</u>	<u>\$ -</u>	<u>\$ -</u>

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



WILSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Wilson County ABC Board
	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (8,607,724)	\$ -	\$ (8,607,724)	
Public safety	(16,794,729)	-	(16,794,729)	
Transportation	511,661	-	511,661	
Environmental protection	(479,357)	-	(479,357)	
Economic and physical development	(2,974,834)	-	(2,974,834)	
Human services	(6,921,808)	-	(6,921,808)	
Cultural and recreation	(1,769,837)	-	(1,769,837)	
Education	(19,848,859)	-	(19,848,859)	
Interest on long-term debt	(1,026,307)	-	(1,026,307)	
Total governmental activities	<u>(57,911,794)</u>	<u>-</u>	<u>(57,911,794)</u>	
<b>Business-Type Activities:</b>				
Landfill	-	387,988	387,988	
Water	-	(145,184)	(145,184)	
Total business-type activities	<u>-</u>	<u>242,804</u>	<u>242,804</u>	
Total primary government	<u>(57,911,794)</u>	<u>242,804</u>	<u>(57,668,990)</u>	
<b>Component Unit:</b>				
ABC Board				\$ <u>152,906</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purpose	51,596,469	-	51,596,469	-
Local option sales tax	12,344,117	-	12,344,117	-
Other taxes and licenses	625,189	-	625,189	-
Grants and contributions not restricted to specific programs	365,625	-	365,625	-
Investment earnings, unrestricted	39,376	14,758	54,134	1,563
Miscellaneous	128,209	208,588	336,797	10,886
Total general revenues	<u>65,098,985</u>	<u>223,346</u>	<u>65,322,331</u>	<u>12,449</u>
Change in net position	<u>7,187,191</u>	<u>466,150</u>	<u>7,653,341</u>	<u>165,355</u>
<b>Net Position:</b>				
Beginning of year - July 1	28,757,357	31,364,764	60,122,121	3,389,864
Prior period adjustment	(3,843,143)	(104,168)	(3,947,311)	(66,589)
Beginning of year, restated - July 1	<u>24,914,214</u>	<u>31,260,596</u>	<u>56,174,810</u>	<u>3,323,275</u>
End of year - June 30	<u>\$ 32,101,405</u>	<u>\$ 31,726,746</u>	<u>\$ 63,828,151</u>	<u>\$ 3,488,630</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 37,554,292	\$ 2,260,190	\$ 39,814,482
Restricted cash	254,787	-	254,787
Taxes receivable, net	1,561,745	37,675	1,599,420
Accounts and other receivables, net	1,906,921	-	1,906,921
Due from other governments	7,256,672	70,187	7,326,859
Due from component unit	121,875	-	121,875
	<u>48,656,292</u>	<u>2,368,052</u>	<u>51,024,344</u>
Total assets	<u>\$ 48,656,292</u>	<u>\$ 2,368,052</u>	<u>\$ 51,024,344</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 2,444,924	\$ 65,335	\$ 2,510,259
Due to other governments	4,233	333,647	337,880
Miscellaneous liabilities	82,108	-	82,108
Total liabilities	<u>2,531,265</u>	<u>398,982</u>	<u>2,930,247</u>
	<u>1,974,742</u>	<u>37,675</u>	<u>2,012,417</u>
<b>Deferred Inflows of Resources</b>			
<b>Fund Balances:</b>			
Restricted:			
Stabilization by State statute	9,285,468	70,187	9,355,655
Register of Deeds	163,176	-	163,176
Public safety	-	467,233	467,233
Human services	2,565,128	-	2,565,128
Community development projects	-	1,072,607	1,072,607
Committed:			
Tax revaluation	254,787	-	254,787
Assigned:			
Subsequent year's expenditures	8,251,980	-	8,251,980
Transportation	-	198,474	198,474
Future capital	-	129,849	129,849
Future capital community college	750,000	-	750,000
Unassigned	<u>22,879,746</u>	<u>(6,955)</u>	<u>22,872,791</u>
Total fund balances	<u>44,150,285</u>	<u>1,931,395</u>	<u>46,081,680</u>
	<u>48,656,292</u>	<u>2,368,052</u>	<u>51,024,344</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,656,292</u>	<u>\$ 2,368,052</u>	<u>\$ 51,024,344</u>

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

**WILSON COUNTY, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<u><b>Total Governmental Funds</b></u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance, governmental funds	\$ 46,081,680
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,278,075
The County has a long-term receivable from an interlocal agreement. This asset does not provide a current financial resource and, therefore, is not reported in the funds.	1,832,294
Net investment in Joint Venture	954,575
Net pension asset	3,044,228
Contributions to pension plans in the current fiscal year and pension related deferrals are deferred outflows of resources on the Statement of Net Position	2,067,600
Charges related to refunding bond issue	100,456
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	1,073,615
Pension related deferrals	(7,151,723)
Deferred inflows of resources for taxes receivable	1,599,420
Some liabilities, including bonds payable and other post-employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(43,778,815)</u>
Net position of governmental activities	<u>\$ 32,101,405</u>

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 50,602,432	\$ 1,335,235	\$ 51,937,667
Local option sales taxes	12,034,973	309,144	12,344,117
Other taxes and licenses	625,189	-	625,189
Unrestricted intergovernmental	386,087	-	386,087
Restricted intergovernmental	20,526,089	954,051	21,480,140
Permits and fees	1,247,286	-	1,247,286
Sales and service	11,733,064	170,271	11,903,335
Investment earnings	38,956	420	39,376
Miscellaneous	83,741	-	83,741
	<u>97,277,817</u>	<u>2,769,121</u>	<u>100,046,938</u>
Total revenues			
<b>Expenditures:</b>			
Current:			
General government	8,892,958	-	8,892,958
Public safety	18,140,221	2,633,286	20,773,507
Transportation	47,857	-	47,857
Environmental protection	274,118	-	274,118
Economic and physical development	2,703,158	500,000	3,203,158
Human services	33,942,679	-	33,942,679
Cultural and recreational	1,746,637	-	1,746,637
Intergovernmental:			
Education	21,736,297	-	21,736,297
Capital projects	-	1,313,220	1,313,220
Debt service:			
Principal	5,349,232	-	5,349,232
Interest and other charges	1,061,244	-	1,061,244
	<u>93,894,401</u>	<u>4,446,506</u>	<u>98,340,907</u>
Total expenditures			
Revenues over (under) expenditures	<u>3,383,416</u>	<u>(1,677,385)</u>	<u>1,706,031</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds	(977,293)	-	(977,293)
Transfers from other funds	250,000	727,293	977,293
Sale of capital assets	56,064	-	56,064
	<u>(671,229)</u>	<u>727,293</u>	<u>56,064</u>
Total other financing sources (uses)			
Net change in fund balances	<u>2,712,187</u>	<u>(950,092)</u>	<u>1,762,095</u>
<b>Fund Balances:</b>			
Beginning of year, July 1	41,753,567	2,566,018	44,319,585
Prior period adjustment	(315,469)	315,469	-
	<u>41,438,098</u>	<u>2,881,487</u>	<u>44,319,585</u>
Beginning of year, restated			
End of year, June 30	<u>\$ 44,150,285</u>	<u>\$ 1,931,395</u>	<u>\$ 46,081,680</u>

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

## WILSON COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	\$ 1,762,095
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	(500,947)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,762,381
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(27,921)
Gain (loss) from the change in Net Investment in Joint Venture related to the Rocky Mount/Wilson Airport during the year, not recognized on the modified accrual basis	954,575
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,061,524)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,999,959
Pension expense	(196,711)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. (This includes debt refunding transactions.)	5,507,814
Increases in other post-employment benefits accrued liability are reported as expenses in the in the entity-wide financial statements. However, it is not an expenditure in the governmental funds statement.	(1,713,222)
The change in the accrued interest liability account is reported as an expense in the entity-wide financial statements. However, it is not an expenditure in the governmental funds statement.	34,937
Changes in bond premium	12,057
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	(49,384)
Expenses related to compensated absences and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	15,066
Changes in deferred outflow related to bond issuance	<u>(50,228)</u>
Total changes in net position of governmental activities	<u>\$ 7,187,191</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Over/Under
<b>Revenues:</b>				
Ad valorem taxes	\$ 48,635,375	\$ 48,816,375	\$ 50,602,432	\$ 1,786,057
Local option sales tax	11,683,219	11,683,219	12,034,973	351,754
Other taxes and licenses	496,100	496,100	625,189	129,089
Unrestricted intergovernmental	243,750	243,750	386,087	142,337
Restricted intergovernmental	18,208,521	19,583,424	20,526,089	942,665
Permits and fees	746,000	746,000	1,247,286	501,286
Sales and services	11,709,897	11,876,267	11,733,064	(143,203)
Investment earnings	35,000	35,000	38,732	3,732
Miscellaneous	50,000	67,146	83,741	16,595
Total revenues	<u>91,807,862</u>	<u>93,547,281</u>	<u>97,277,593</u>	<u>3,730,312</u>
<b>Expenditures:</b>				
Current:				
General government	9,254,179	9,496,030	8,428,467	1,067,563
Public safety	19,608,642	19,547,201	18,140,221	1,406,980
Transportation	47,857	47,857	47,857	-
Environmental protection	283,781	287,502	274,118	13,384
Economic and physical development	1,492,790	1,531,949	1,417,492	114,457
Human services	37,015,172	39,104,944	33,942,679	5,162,265
Cultural and recreational	1,880,940	1,901,565	1,746,637	154,928
Intergovernmental:				
Education	22,450,297	22,486,297	21,736,297	750,000
Debt service:				
Principal retirement	5,242,880	5,349,234	5,349,232	2
Interest and other charges	1,167,599	1,061,245	1,061,244	1
Total expenditures	<u>98,444,137</u>	<u>100,813,824</u>	<u>92,144,244</u>	<u>8,669,580</u>
Revenues over (under) expenditures	<u>(6,636,275)</u>	<u>(7,266,543)</u>	<u>5,133,349</u>	<u>12,399,892</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			Variance with Final Over/Under
	Original Budget	Final Budget	Actual	
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(1,479,000)	(2,456,293)	(2,456,293)	-
Transfers from other funds	250,000	250,000	250,000	-
Sale of capital assets	-	-	56,064	56,064
Fund balance appropriated	<u>7,865,275</u>	<u>9,472,836</u>	<u>-</u>	<u>(9,472,836)</u>
Total other financing sources (uses)	<u>6,636,275</u>	<u>7,266,543</u>	<u>(2,150,229)</u>	<u>(9,416,772)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,983,120</u>	<u>\$ 2,983,120</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			41,109,513	
Prior period adjustment			<u>(315,469)</u>	
Beginning of year, restated			<u>40,794,044</u>	
End of year, June 30			<u>\$ 43,777,164</u>	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			\$ 224	
Transfer in from General Fund			1,479,000	
Expenditures - Economic Development			(1,285,666)	
Expenditures - Tax Listing			(464,491)	
Fund balance, beginning			<u>644,054</u>	
Fund balance, ending (Exhibit D)			<u>\$ 44,150,285</u>	

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

WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Major Enterprise Funds			Governmental Activities	
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total	Internal Service Fund
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 17,004,887	\$ 980,864	\$ 249,934	\$ 18,235,685	\$ 2,978,466
Restricted cash and cash equivalents	-	88,845	93,006	181,851	-
Receivables, net	115,793	114,121	129,754	359,668	-
Due from other governments	48,338	-	-	48,338	-
Total current assets	<u>17,169,018</u>	<u>1,183,830</u>	<u>472,694</u>	<u>18,825,542</u>	<u>2,978,466</u>
Non-current assets:					
Net pension asset	60,478	15,119	15,119	90,716	-
Capital assets:					
Land and construction in progress	3,081,656	48,389	78,669	3,208,714	-
Other capital assets, net of depreciation	3,766,907	8,163,641	11,893,094	23,823,642	-
Capital assets, net	<u>6,848,563</u>	<u>8,212,030</u>	<u>11,971,763</u>	<u>27,032,356</u>	<u>-</u>
Total non-current assets	<u>6,909,041</u>	<u>8,227,149</u>	<u>11,986,882</u>	<u>27,123,072</u>	<u>-</u>
Total assets	<u>24,078,059</u>	<u>9,410,979</u>	<u>12,459,576</u>	<u>45,948,614</u>	<u>2,978,466</u>
<b>Deferred Outflows of Resources:</b>					
Contributions to pension plan in current fiscal year	41,156	10,290	10,290	61,736	-
Pension deferrals	1,374	343	343	2,060	-
Total deferred outflows of resources	<u>42,530</u>	<u>10,633</u>	<u>10,633</u>	<u>63,796</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	156,989	10,003	48,433	215,425	761,769
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	27,175	7,495	7,495	42,165	-
Current portion of debt	13,125	69,884	134,071	217,080	-
Accrued interest	-	8,296	14,456	22,752	-
Total current liabilities	<u>197,289</u>	<u>119,753</u>	<u>233,291</u>	<u>550,333</u>	<u>761,769</u>

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



WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	88,845	93,006	181,851	-
Accrued landfill closure and post-closure care costs	3,631,488	-	-	3,631,488	-
Compensated absences	9,413	4,505	4,505	18,423	-
Other post-employment benefits	332,326	43,114	43,114	418,554	-
Notes payable	-	312,982	374,872	687,854	-
Limited obligation bond	-	2,925,000	5,355,000	8,280,000	-
Unamortized bond premium	-	126,992	235,840	362,832	-
Total non-current liabilities	<u>3,973,227</u>	<u>3,501,438</u>	<u>6,106,337</u>	<u>13,581,002</u>	<u>-</u>
Total liabilities	<u>4,170,516</u>	<u>3,621,191</u>	<u>6,339,628</u>	<u>14,131,335</u>	<u>761,769</u>
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	<u>147,397</u>	<u>36,850</u>	<u>36,850</u>	<u>221,097</u>	<u>-</u>
<b>Net Position:</b>					
Net investment in capital assets	6,848,563	7,874,973	11,568,055	26,291,591	-
Unrestricted	<u>12,954,113</u>	<u>(2,111,402)</u>	<u>(5,474,324)</u>	<u>5,368,387</u>	<u>2,216,697</u>
Total net position	<u>\$ 19,802,676</u>	<u>\$ 5,763,571</u>	<u>\$ 6,093,731</u>	31,659,978	<u>\$ 2,216,697</u>
The assets and liabilities of the Internal Service Fund are not included in the fund financial statements, but are included in the business-type activities of the Statement of Net Position.				<u>66,768</u>	
Total net position - business-type activities				<u>\$ 31,726,746</u>	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Major Enterprise Funds				Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Water Fund		Internal Service Fund
<b>Operating Revenues:</b>						
Charges for services	\$ 2,787,838	\$ 825,722	\$ 999,332	\$ -	\$ 4,612,892	\$ 6,548,653
<b>Operating Expenses:</b>						
Salaries and employee benefits	1,128,877	131,754	131,751	-	1,392,382	-
Operating expense	990,839	125,363	148,503	-	1,264,705	5,079,669
Landfill closure	125,519	-	-	-	125,519	-
Depreciation/amortization	209,015	275,590	349,930	-	834,535	-
Water purchase	-	207,501	262,402	-	469,903	-
Total operating expenses	2,454,250	740,208	892,586	-	4,087,044	5,079,669
Operating income (loss)	333,588	85,514	106,746	-	525,848	1,468,984
<b>Non-Operating Revenues (Expenses):</b>						
Interest/investment revenue	14,758	-	-	-	14,758	-
Restricted intergovernmental revenue	54,400	-	-	-	54,400	-
Interest expense	-	(120,702)	(216,742)	-	(337,444)	-
Miscellaneous revenue	155,705	-	-	-	155,705	-
Total non-operating revenues (expenses)	224,863	(120,702)	(216,742)	-	(112,581)	-
Change in net position	558,451	(35,188)	(109,996)	-	413,267	1,468,984
Beginning of year - July 1	19,325,636	5,892,039	6,353,896	(220,692)	31,350,879	747,713
Prior period adjustment	(81,411)	(93,280)	(150,169)	220,692	(104,168)	-
Beginning of year, restated - July 1	19,244,225	5,798,759	6,203,727	-	31,246,711	747,713
End of year - June 30	\$ 19,802,676	\$ 5,763,571	\$ 6,093,731	\$ -	\$ 31,659,978	\$ 2,216,697
Change in net position, per above					\$ 413,267	
Internal service funds are used by management to charge the cost of health insurance to individual funds. A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities of the Statement of Activities.					52,883	
Total change in net position - business-type activities					\$ 466,150	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities			Governmental	
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Internal Service Fund	
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 2,778,159	\$ 819,917	\$ 993,296	\$ 4,591,372	\$ 6,548,653
Cash paid for goods and services	(1,018,649)	(326,471)	(392,305)	(1,737,425)	(5,130,738)
Cash paid to employees for services	(1,128,843)	(135,891)	(135,888)	(1,400,622)	-
Net cash provided (used) by operating activities	<u>630,667</u>	<u>357,555</u>	<u>465,103</u>	<u>1,453,325</u>	<u>1,417,915</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(848,572)	-	-	(848,572)	-
Principal paid on bond maturities and equipment contracts	-	(89,073)	(153,836)	(242,909)	-
Interest paid on bond maturities equipment contracts	-	(120,940)	(217,139)	(338,079)	-
Net cash provided (used) by capital and related financing activities	<u>(848,572)</u>	<u>(210,013)</u>	<u>(370,975)</u>	<u>(1,429,560)</u>	<u>-</u>
<b>Cash Flows from Non-Capital and Related Activities:</b>					
Other non-operating revenues	<u>257,063</u>	-	-	<u>257,063</u>	-
Net cash provided (used) by non-capital and related financing activities	<u>257,063</u>	-	-	<u>257,063</u>	-
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	<u>14,758</u>	-	-	<u>14,758</u>	-
Net cash provided (used) by investing activities	<u>14,758</u>	-	-	<u>14,758</u>	-
Net increase (decrease) in cash and cash equivalents	53,916	147,542	94,128	295,586	1,417,915
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	<u>16,950,971</u>	<u>922,167</u>	<u>248,812</u>	<u>18,121,950</u>	<u>1,560,551</u>
End of year - June 30	<u>\$ 17,004,887</u>	<u>\$ 1,069,709</u>	<u>\$ 342,940</u>	<u>\$ 18,417,536</u>	<u>\$ 2,978,466</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	<u>\$ 333,588</u>	<u>\$ 85,514</u>	<u>\$ 106,746</u>	<u>\$ 525,848</u>	<u>\$ 1,468,984</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation/amortization	209,015	275,590	349,930	834,535	-
Pension expense	4,134	1,035	1,035	6,204	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(9,679)	(15,700)	(10,280)	(35,659)	-
(Increase) decrease in deferred outflows of resources for pensions	(41,156)	(10,290)	(10,290)	(61,736)	-
Increase (decrease) in post-closure	125,519	-	-	125,519	-
Increase (decrease) in accounts payable and accrued liabilities	(29,024)	16,441	22,997	10,414	(51,069)
Increase (decrease) in OPEB payable	38,270	4,965	4,965	48,200	-
Total adjustments	<u>297,079</u>	<u>272,041</u>	<u>358,357</u>	<u>927,477</u>	<u>(51,069)</u>
Net cash provided (used) by operating activities	<u>\$ 630,667</u>	<u>\$ 357,555</u>	<u>\$ 465,103</u>	<u>\$ 1,453,325</u>	<u>\$ 1,417,915</u>

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

**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITON  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ <u>110,274</u>
<b>Liabilities:</b>	
Miscellaneous liabilities	\$ 57,199
Intergovernmental payable	<u>53,075</u>
Total liabilities	<u>\$ 110,274</u>

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### I. Summary of Significant Accounting Policies

The accounting policies of Wilson County, North Carolina, 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 Wilson County ABC Board, which has a June 30 year-end, is presented as if they are separate proprietary funds of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Wilson County Southeast Water District	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The rates for user charges and bond issuance are approved by the County's Board of Commissioners.	None issued.
Wilson County Southwest Water District	Blended	Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The rates for user charges and bond issuance are approved by the County's Board of Commissioners.	None issued.
Wilson County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member Board of Commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued.
Wilson County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Wilson County ABC Board P.O. Box 7290 Wilson, N.C. 27895

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **B. Basis of Presentation, Basis of Accounting**

#### **Basis of Presentation, Measurement Focus – Basis of Accounting**

##### **Government-Wide Statements**

The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component 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. Interfund services provided and used are not eliminated in the process of consolidation. 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. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

**Water Fund** – This fund was previously used to account for the activities of the investment in Water Distribution Funds’ General Obligation Bonds and liabilities for proceeds received for the issuance of Limited Obligation Bonds.

**Solid Waste Fund** – The Landfill Closure and Post-Closure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the closure and post-closure care costs that will be incurred by the landfill in the future. The Landfill Closure and Post-Closure 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:

**Internal Service Fund** – The County has a Hospital Self-Insurance Fund for the accumulation and allocation of health insurance costs.

**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 six agency funds: Fines and Forfeitures Fund, which is used to account for fines and forfeitures collected by the County that are required to be remitted to the Wilson County Board of Education; 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; the Social Services Trust Fund, which is used to account for monies deposited with the County’s Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Tax Collections held for Municipalities, which is used to account for tax monies collected for the benefit on municipalities located in the County; the Jail Inmate Fund, which is used to account for monies held for inmates; and the Sheriff Agency Fund, which accounts for monies collected by the Sheriff’s Department that are required to be remitted to governmental agencies.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Nonmajor Funds** – The County maintains six legally budgeted non-major funds. The Emergency Telephone System Fund, the Fire District Fund, the Transportation Fund, and the Economic Development Grant Fund are reported as nonmajor special revenue funds. The Community Grants Fund and Public Buildings Fund are reported as capital projects funds.

### **Measurement Focus, Basis of Accounting**

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

### **Government-Wide, Proprietary, and Fiduciary Fund Financial Statements**

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

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

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

### **Governmental Fund Financial Statements**

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

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

Sales taxes and certain intergovernmental revenues, such as the 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

### **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, Fire District Fund, Emergency Telephone Service Fund, Economic Development Grant Fund, Public Buildings Fund, Transportation Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Grant Fund and the Solid Waste Capital Project Fund. A financial plan was adopted by the County as part of the Annual Budget ordinance approval for the Internal Service Fund operations as required by General Statutes.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental 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 departmental appropriations. 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, Deferred Inflows and Outflows, and Fund Equity**

#### **1. Deposits and Investments**

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

\$254,787 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$181,851 of customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 4. **Ad Valorem Taxes Receivable**

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

### 5. **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, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale.

Certain ABC Board payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and expensed as the items are used.

### 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; computer software, \$5,000; and vehicles, \$5,000. 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.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	5-25 years
Infrastructure	20-50 years
Furniture and equipment	3-10 years
Vehicles	5 years
Computer equipment	3 years
Computer software	5 years

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	40-50 years
Furniture and equipment	3-10 years
Vehicles	3-5 years
Leasehold improvements	5-20 years

### 8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category – prepaid taxes, taxes receivable, and other pension related deferrals.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

### 10. 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 Statements, 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.

### 11. Net Position/Fund Balances

#### Net Position

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

*Restricted for Register of Deeds* – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds’ office.

*Restricted for Public Safety* – portion of fund balance that is restricted by revenue source for use with Emergency Telephone System Fund.

*Restricted for Human Services* – portion of fund balance that is restricted by revenue source for use with Social Services.

*Restricted for Community Development Projects* – portion of fund balance that is restricted by revenue source for use for construction of community development projects.

Restricted fund balance at June 30, 2015 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Restricted, all other:		
Register of Deeds	\$ 163,176	\$ -
Public Safety	-	467,233
Human Services	2,565,128	-
Community Development Projects	-	1,072,607
<b>Total</b>	<b>\$ 2,728,304</b>	<b>\$ 1,539,840</b>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Committed Fund Balance** – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Wilson County's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Committed for Tax Revaluation in 2016* – portion of fund balance that can only be used for Tax Revaluation.

Committed fund balance at June 30, 2015 is as follows:

<u>Purpose</u>	<u>General Fund</u>
Committed:	
Tax Revaluation	\$ 254,787
Total	<u>\$ 254,787</u>

**Assigned Fund Balance** – portion of fund balance that the Wilson County governing board has budgeted.

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that has been budgeted by the Board of Commissioners for 2015-2016 expenditures.

*Assigned for Transportation* – portion of fund balance that has been budgeted by the Board for the use in Public Transportation.

*Assigned for Future School Capital* – portion of fund balance that has been budgeted by the Board for future capital construction.

*Assigned for Future Capital Community College* – portion of fund balance that has been budgeted by the Board for future community college capital construction.

Assigned fund balance at June 30, 2015 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Assigned:		
Subsequent year's expenditures	\$ 8,251,980	\$ -
Transportation	-	198,474
Future Capital	-	129,849
Future Capital Community College	<u>750,000</u>	<u>-</u>
Total	<u>\$ 9,001,980</u>	<u>\$ 328,323</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

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

Wilson County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business in such a manner that available fund balance is at least equal to or greater than 18% of General Fund expenditures. Any portion of the General Fund balance in excess of 18% of budgeted expenditures may be appropriated to fund capital, to reduce reliance on debt financing; or pay down outstanding County debt.

### 12. **Defined Benefit Pension Plans**

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### II. 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 agent or the ABC Board's agent 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, 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 and relies on the State Treasurer of North Carolina to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and ABC Board have no formal policy regarding custodial credit risk for deposits.

At June 30, 2015, the County's deposits had a carrying amount of \$34,369,769 and a bank balance of \$35,057,584. Of the bank balance, \$277,685 was covered by Federal depository insurance, and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2015, Wilson County had \$4,310 cash on hand.

At June 30, 2015, the carrying amount of deposits for Wilson County ABC Board was \$632,145 and the bank balance was \$615,448. Of the bank balance, \$300,205 was covered by Federal depository insurance, and \$315,243 in interest-bearing deposits was insured under the Pooling Method.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

At June 30, 2015, Wilson County ABC Board had \$6,400 cash on hand.

**2. Investments**

As of June 30, 2015, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
NC Capital Management Trust:				
Cash Portfolio	\$ 19,239,828	N/A	N/A	N/A
Term Portfolio	8,028,406	N/A	N/A	N/A
Total	<u>\$ 27,268,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*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 AAAM by Standard & Poor’s as of June 30, 2015. 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, 2015, the ABC Board had no investments.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,554,553	\$ 369,217	\$ 1,923,770
2013	1,574,875	232,300	1,807,175
2014	1,572,671	90,430	1,663,101
2015	<u>1,575,201</u>	<u>-</u>	<u>1,575,201</u>
Total	<u>\$ 6,277,300</u>	<u>\$ 691,947</u>	<u>\$ 6,969,247</u>

**4. Receivables**

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

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,439,225	\$ 2,756,171	\$ 7,256,672	\$ 12,452,068
Other governmental	<u>-</u>	<u>53,863</u>	<u>70,187</u>	<u>124,050</u>
Total receivables	2,439,225	2,810,034	7,326,859	12,576,118
Allowance for doubtful accounts	<u>(532,304)</u>	<u>(804,174)</u>	<u>-</u>	<u>(1,336,478)</u>
Total governmental activities	<u>\$ 1,906,921</u>	<u>\$ 2,005,860</u>	<u>\$ 7,326,859</u>	<u>\$ 11,239,640</u>
<b>Business-Type Activities:</b>				
Landfill	\$ 133,296	\$ -	\$ 48,338	\$ 181,634
Water and Sewer	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>
Total receivables	513,296	-	48,338	561,634
Allowance for doubtful accounts	<u>(153,628)</u>	<u>-</u>	<u>-</u>	<u>(153,628)</u>
Total business-type activities	<u>\$ 359,668</u>	<u>\$ -</u>	<u>\$ 48,338</u>	<u>\$ 408,006</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Local option sales tax	\$ 2,206,067	\$ -
White goods disposal tax	-	27,607
North Carolina administrative reimbursement and other	5,050,605	20,731
CDBG	6,955	-
Transportation	32,097	-
Emergency telephone	31,135	-
<b>Total</b>	<b>\$ 7,326,859</b>	<b>\$ 48,338</b>

Wilson County and the City of Wilson entered into an interlocal agreement (agreement) to jointly purchase 829 acres of an economic development park. The County is the sole record owner of the land in consideration for the debt obligation of the County totaling \$5,235,125; however, the agreement indicates the City has a lien in the amount of one-half the value of the land, and the City and the County shall be responsible for an equal share, being one-half each of the debt obligation arising under the County Loan, including principal and interest for the life of the County Loan. The County will carry the land at \$2,617,563 with a receivable from the City with an initial balance of \$2,617,562 with payments over 10 years each of which represents one-half of the value. The purpose of the transaction was for economic development.

The future minimum lease payments receivable as of June 30, 2015 were as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2016	\$ 261,756
2017	261,756
2018	261,756
2019	261,756
2020	261,756
2021-2023	523,514
<b>Total</b>	<b>\$ 1,832,294</b>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 5. Capital Assets

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

	<u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2015</u>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 3,399,703	\$ -	\$ -	\$ -	\$ 3,399,703
Construction in progress	738,140	1,137,864	-	(1,876,004)	-
Total non-depreciable assets	4,137,843	1,137,864	-	(1,876,004)	3,399,703
<b>Depreciable Capital Assets:</b>					
Buildings	23,303,648	-	-	1,876,004	25,179,652
Other improvements	7,095,115	22,587	-	(157,713)	6,959,989
Furniture and equipment	9,865,957	343,358	1,152,934	157,713	9,214,094
Vehicles	4,891,768	258,572	315,589	-	4,834,751
Total depreciable assets	45,156,488	624,517	1,468,523	1,876,004	46,188,486
<b>Less Accumulated Depreciation:</b>					
Buildings	10,721,174	449,302	-	-	11,170,476
Other improvements	2,269,648	227,403	-	(35,430)	2,461,621
Furniture and equipment	6,574,245	760,965	1,125,013	35,430	6,245,627
Vehicles	3,124,125	623,854	315,589	-	3,432,390
Total accumulated depreciation	22,689,192	\$ 2,061,524	\$ 1,440,602	\$ -	23,310,114
Total depreciable capital assets, net	22,467,296				22,878,372
<b>Governmental Activities</b>					
<b>Capital Assets, Net</b>	\$ 26,605,139				\$ 26,278,075

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

General government	\$ 401,089
Public safety	1,232,688
Economic and physical development	19,884
Human services	246,718
Cultural and recreational	151,959
Environmental protection	7,086
Transportation	2,100
Total	\$ 2,061,524

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2015</u>
<b>Business-Type Activities:</b>					
<b>Solid Waste:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 3,081,656	\$ -	\$ -	\$ -	\$ 3,081,656
Construction in progress	<u>20,049</u>	<u>516,138</u>	<u>-</u>	<u>(536,187)</u>	<u>-</u>
Total non-depreciable assets	<u>3,101,705</u>	<u>516,138</u>	<u>-</u>	<u>(536,187)</u>	<u>3,081,656</u>
<b>Depreciable Capital Assets:</b>					
Buildings	1,199,105	-	-	536,187	1,735,292
Infrastructure	1,146,778	-	-	-	1,146,778
Furniture and equipment	2,672,099	332,434	245,000	-	2,759,533
Vehicles	<u>698,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,600</u>
Total depreciable assets	<u>5,716,582</u>	<u>332,434</u>	<u>245,000</u>	<u>536,187</u>	<u>6,340,203</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	52,174	23,982	-	-	76,156
Infrastructure	98,673	25,218	-	-	123,891
Furniture and equipment	1,962,726	130,429	198,042	-	1,895,113
Vehicles	<u>448,750</u>	<u>29,386</u>	<u>-</u>	<u>-</u>	<u>478,136</u>
Total accumulated depreciation	<u>2,562,323</u>	<u>\$ 209,015</u>	<u>\$ 198,042</u>	<u>\$ -</u>	<u>2,573,296</u>
Total depreciable capital assets, net	<u>3,154,259</u>				<u>3,766,907</u>
<b>Solid Waste Capital Assets, Net</b>	<u>6,255,964</u>				<u>6,848,563</u>
<b>Southeast Water District:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	<u>48,389</u>	\$ -	\$ -	\$ -	<u>48,389</u>
<b>Depreciable Capital Assets:</b>					
Plant and distribution system	10,864,951	-	-	-	10,864,951
Office and maintenance equipment	17,788	-	1,368	-	16,420
Vehicles	<u>40,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,794</u>
Total depreciable assets	<u>10,923,533</u>	<u>-</u>	<u>1,368</u>	<u>-</u>	<u>10,922,165</u>
<b>Less Accumulated Depreciation:</b>					
Plant and distribution system	2,454,115	271,435	-	-	2,725,550
Office and maintenance equipment	10,345	880	1,368	-	9,857
Vehicles	<u>14,958</u>	<u>8,159</u>	<u>-</u>	<u>-</u>	<u>23,117</u>
Total accumulated depreciation	<u>2,479,418</u>	<u>\$ 280,474</u>	<u>\$ 1,368</u>	<u>\$ -</u>	<u>2,758,524</u>
Total depreciable capital assets, net	<u>8,444,115</u>				<u>8,163,641</u>
<b>Southeast Water District Capital Assets, Net</b>	<u>8,492,504</u>				<u>8,212,030</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2015</u>
<b>Business-Type Activities (continued):</b>					
<b>Southwest Water District:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	78,669	\$ -	\$ -	\$ -	78,669
<b>Depreciable Capital Assets:</b>					
Plant and distribution system	15,204,365	-	-	-	15,204,365
Office and maintenance equipment	14,628	-	-	-	14,628
Vehicles	60,536	-	19,742	-	40,794
Total depreciable assets	15,279,529	-	19,742	-	15,259,787
<b>Less Accumulated Depreciation:</b>					
Plant and distribution system	2,985,418	350,092	-	-	3,335,510
Office and maintenance equipment	7,316	750	-	-	8,066
Vehicles	34,700	8,159	19,742	-	23,117
Total accumulated depreciation	3,027,434	\$ 359,001	\$ 19,742	\$ -	3,366,693
Total depreciable capital assets, net	12,252,095				11,893,094
<b>Southwest Water District</b>					
<b>Capital Assets, Net</b>	12,330,764				11,971,763
<b>Business-Type Activities</b>					
<b>Capital Assets, Net</b>	\$ 27,079,232				\$ 27,032,356

**Construction Commitments**

The government has active construction projects as of June 30, 2015. The projects include the Elm City sub-stations. At June 30, 2015, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Elm City sub-stations	\$ 348,435	\$ 39,410
Total	\$ 348,435	\$ 39,410

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### Discretely Presented Component Unit

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

	<b>July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2015</b>
<b>Wilson County ABC Board:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
Construction in progress	622,390	-	622,390	-
Total assets not depreciated	1,196,731	-	622,390	574,341
 <b>Depreciable Capital Assets:</b>				
Buildings	1,692,011	730,002	-	2,422,013
Furniture and equipment	337,203	154,808	29,134	462,877
Vehicles	49,021	-	-	49,021
Leasehold improvements	49,510	-	285	49,225
Total depreciable assets	2,127,745	884,810	29,419	2,983,136
 <b>Less Accumulated Depreciation:</b>				
Buildings	373,808	48,560	-	422,368
Furniture and equipment	293,382	44,236	29,124	308,494
Vehicles	22,148	9,804	-	31,952
Leasehold improvements	14,012	6,340	285	20,067
Total accumulated depreciation	703,350	\$ 108,940	\$ 29,409	782,881
 Total depreciable capital assets, net	 1,424,395			 2,200,255
 <b>ABC Board Capital Assets, Net</b>	 \$ 2,621,126			 \$ 2,774,596



**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Net Investment in Capital Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 26,278,075	\$ 27,032,356
Long-term debt gross	26,022,145	9,210,765
Less: Long-term debt related to assets not owned by the County	(19,641,973)	(8,470,000)
Less: Other debt not issued for capital	(2,373,169)	-
Add: Deferred outflows of resources	100,456	-
Add: Unamortized liabilities related to capital debt	<u>144,686</u>	<u>-</u>
Capital debt, net	<u>4,252,145</u>	<u>740,765</u>
Net investment in capital assets	<u>\$ 22,025,930</u>	<u>\$ 26,291,591</u>

**B. Liabilities**

**1. Payables**

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Due to Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 4,441,418	\$ 396,905	\$ 199,840	\$ 4,233	\$ 5,042,396
Other governmental	<u>57,310</u>	<u>8,025</u>	<u>-</u>	<u>333,647</u>	<u>398,982</u>
Total governmental activities	<u>\$ 4,498,728</u>	<u>\$ 404,930</u>	<u>\$ 199,840</u>	<u>\$ 337,880</u>	<u>\$ 5,441,378</u>
<b>Business-Type Activities:</b>					
Solid Waste	\$ 97,980	\$ 59,009	\$ -	\$ -	\$ 156,989
Water Distribution Funds:					
Southeast District	8,825	1,178	8,296	-	18,299
Southwest District	<u>47,255</u>	<u>1,178</u>	<u>14,456</u>	<u>-</u>	<u>62,889</u>
Total business-type activities	<u>\$ 154,060</u>	<u>\$ 61,365</u>	<u>\$ 22,752</u>	<u>\$ -</u>	<u>\$ 238,177</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### 2. Pension Plan Obligations

#### Local Governmental Employees' Retirement System

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,057,877 for the year ended June 30, 2015.

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

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

At June 30, 2015, the County reported an asset of \$3,023,866 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 0.51274%, which was an increase of 0.00524% from its proportion measure as of June 30, 2013.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

For the year ended June 30, 2015, the County recognized pension expense of \$206,794. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 330,410
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,039,489
Changes in proportion and differences between County contributions and proportionate share of contributions	68,682	-
County contributions subsequent to the measurement date	<u>2,057,877</u>	-
Total	<u>\$ 2,126,559</u>	<u>\$ 7,369,899</u>

\$2,057,877 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Year Ending</b>
	<b>June 30</b>
	<b>Total</b>
	2016
	2017
	2018
	2019
	Total
	<u>\$(1,825,468)</u>
	<u>(1,825,468)</u>
	<u>(1,825,468)</u>
	<u>(1,824,813)</u>
	<u>\$(7,301,217)</u>

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

Inflation	3.0 percent
Salary increase	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	<u>4.5%</u>	3.7%
Total	<u>100.0%</u>	

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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

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

*Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	<u>\$ 10,264,305</u>	<u>\$ (3,023,866)</u>	<u>\$ (14,212,075)</u>

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

### **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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	14
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>92</u>
Total	<u><u>106</u></u>

A separate report was not issued for the plan.

### Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

The annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method and an 17 year level dollar closed amortization period and method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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 dollar on a closed basis. The remaining amortization period at December 31, 2013, was 17 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	\$ 236,294
Interest on net pension obligation	27,817
Adjustment to annual required contribution	<u>(46,998)</u>
Annual pension cost	217,113
Contributions made	<u>(170,225)</u>
Increase (decrease) in net pension obligation	46,888
Net pension obligation, beginning of year	<u>556,346</u>
Net pension obligation, end of year	<u><u>\$ 603,234</u></u>

**Three-Year Trend Information**

<b>For Year Ended June 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2013	\$ 180,366	111.07%	\$ 549,944
2014	182,481	96.49%	556,346
2015	217,113	78.40%	603,234

**Funded Status and Funding Progress.** As of December 31, 2014, 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 \$1,764,716. The covered payroll (annual payroll of active employees covered by the plan) was \$3,861,675, and the ratio of the UAAL to the covered payroll was 45.70%.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### **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. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension fund financial statements for the Internal Revenue Code Section 401(k) Plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 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, 2015 were \$225,357, which consisted of \$189,738 from the County and \$35,619 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 (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,818 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$111,078 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was 0.49006%, which was an increase of 0.01606% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(3,881). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,019	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	598
Changes in proportion and differences between County contributions and proportionate share of contributions	-	2,323
County contributions subsequent to the measurement date	3,818	-
Total	\$ 4,837	\$ 2,921

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$3,818 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Total</b>
2016	\$ (742)
2017	(742)
2018	(268)
2019	<u>(150)</u>
Total	<u>\$ (1,902)</u>

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

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

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

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

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (99,740)</u>	<u>\$(111,078)</u>	<u>\$(120,817)</u>

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

**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 healthcare 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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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.

As eligible retirees go on Medicare at the age of 65, the County will only pay the Medicare Supplement. This amount is a reduced amount from the normal health care plan covered by the County.

A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	116	14
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	634	92
Total	750	106

**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 8.48% of annual covered payroll. For the current year, the County contributed \$818,150 or 2.7% of annual covered payroll. The County obtains healthcare coverage through private insurers. Contributions made by employees totaled \$19,200 plus dependent coverage payments in the amount of \$19,960 for a grand total contribution of \$39,160.

**Summary of Significant Accounting Policies.** Post-employment 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 30 years.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 2,555,379
Interest on net OPEB obligation	541,370
Adjustment to annual required contribution	<u>(517,177)</u>
Annual OPEB cost (expense)	2,579,572
Contributions made	<u>(818,150)</u>
Increase (decrease) in net OPEB obligation	1,761,422
Net OPEB obligation, beginning of year	<u>13,534,258</u>
Net OPEB obligation, end of year	<u><u>\$ 15,295,680</u></u>

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

<b>For Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2013	\$ 2,908,216	24.6%	\$11,442,004
2014	2,912,133	28.2%	13,534,258
2015	2,579,572	31.7%	15,295,680

**Funded Status and Funding Progress.** As of December 31, 2014, the most recent actuarial the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$38,041,619. The covered payroll (annual payroll of active employees covered by the plan) was \$30,130,954, and the ratio of the UAAL to the covered payroll was 126.3 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

**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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used and a 30-year level of percentage pay, open amortization period and method. 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 7.50 to 5.00 percent annually. The investment rate included a 3.00 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. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 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, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**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 post-closure costs based on remaining capacity at June 30, 2015 are \$3,644,613.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulations that help determine if a unit is financially able to meet closure and post-closure 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 post-closure care costs. At June 30, 2015, those funds are held in investments with a cost and market value of \$4,713,088. 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 post-closure 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 Outflows and Inflows of Resources**

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

	<b>Deferred Inflows</b>
Prepaid taxes not yet earned	\$ 412,997
Taxes receivable, net (General Fund)	1,561,745
Taxes receivable, net (Special Revenue)	37,675
Pension deferrals	<u>7,372,820</u>
Total	<u>\$ 9,385,237</u>



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Deferred outflows of resources at year-end are comprised of the following:

	<b>Deferred Outflows</b>
Charge on refunding of debt	\$ 100,456
Contributions to pension plan in current fiscal year	2,061,695
Pension deferrals	<u>69,701</u>
Total	<u>\$ 2,231,852</u>

### 5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pool administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through multi-state public entity captive for single occurrence losses in excess of \$500,000 retention up to a \$2 million limit for liability coverage and \$1,750,000 of each loss in excess of \$250,000 per occurrence retention for property, and auto physical damage. 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 \$500,000 for employees 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 purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance of \$268,100 on one structure.

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.

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

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
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The County operates a limited risk, self-insurance program to provide health benefits to County employees. Premiums are paid into the General Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The Interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Administrative services are contracted with BCBSNC. Aggregate stop loss is purchased in the amount of 125% of expected annual claims and losses above \$138,000 on any one claim.

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$4,478,411 in claims was incurred for benefits during the year ended June 30, 2015. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Unpaid claims, beginning of year	\$ 812,838	\$ 797,570
Incurred claims (including IBNRs)	4,478,410	5,134,620
Claim payments	<u>(4,529,479)</u>	<u>(5,119,352)</u>
Unpaid claims, end of year	<u>\$ 761,769</u>	<u>\$ 812,838</u>

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; injuries to employees and natural disasters. The ABC Board has commercial property, general liability, auto liability, workers' compensation, public officials, employment practices liability, and employee health coverage. The ABC 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.

In accordance with G.S. 18B-700(i), each Board member and the employees designated as the General Manager and Finance Officer are bonded in the amount of \$50,000 secured by a corporate surety.

**6. Contingent Liabilities**

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

## WILSON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. 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.
2. Lease executed on August 11, 2011 for multitasking copier requiring sixty monthly installments of \$488
3. Lease executed on August 11, 2011 for multitasking copier requiring sixty monthly installments of \$488
4. Lease executed on October 1, 2012 for an IBM Server requiring sixty monthly installments of \$652

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

<u>Classes of Property:</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 83,288	\$ 59,268	\$ 24,020
Buildings	<u>1,091,055</u>	<u>196,390</u>	<u>894,665</u>
Total	<u>\$ 1,174,343</u>	<u>\$ 255,658</u>	<u>\$ 918,685</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 105,335
2017	95,441
2018	88,747
2019	86,800
2020	86,800
2021-2022	<u>130,200</u>
Total minimum lease payments	593,323
Less: amount representing interest	<u>(1,160)</u>
Present value of the minimum lease payments	<u>\$ 592,163</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**General Obligation Indebtedness**

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

In November 2012, the Water Districts (a blended component unit of the County) issued GO debt (30 year), the proceeds of which are used to refund existing USDA District debt. The original issue amount of the GO debt was \$9,190,000 with annual installments of \$190,000 to \$410,000; plus interest at 2 to 4.5 percent through June 1, 2042. The balance at June 30, 2015 was \$8,470,000. The County then issued Limited Obligation Bonds in an amount sufficient enough to purchase all the Districts GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

The County's general obligation bonds payable at June 30, 2015 are comprised of the following individual issues:

**Serviced by the County's General Fund:**

\$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	\$ 1,100,000
\$10,200,000 Advance Refunding Bonds 2010 - December 29, 2010; due in annual principal installments ranging from \$140,000 to \$2,145,000 through April 2017; interest at 2.0% to 4.0%; payable on October and April 1	<u>3,755,000</u>
Total	<u>\$ 4,855,000</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2015, including interest payments, are as follows:

Year Ending June 30	Governmental Activities		Total	
	Principal	Interest	Principal	Interest
2016	\$ 2,405,000	\$ 118,950	\$ 2,405,000	\$ 118,950
2017	2,050,000	65,250	2,050,000	65,250
2018	400,000	14,400	400,000	14,400
Total	\$ 4,855,000	\$ 198,600	\$ 4,855,000	\$ 198,600

The Water Districts are responsible for accounting for the Limited Obligation Bonds which should be accounted for as Limited Obligations in the Water Department.

**Water Department Limited Obligations:**

Serviced by the County's Water Districts:

\$9,190,000 2012 Limited Obligation Water Bonds;

due in annual installments of \$190,000 to \$410,000;

plus interest at 2.0% to 4.5% through June 1, 2042 \$ 8,470,000

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

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2016	\$ 195,000	\$ 315,713
2017	200,000	307,913
2018	210,000	299,913
2019	215,000	292,513
2020	230,000	283,913
2021-2025	1,270,000	1,324,763
2026-2030	1,515,000	1,011,613
2031-2035	1,795,000	734,781
2036-2040	2,030,000	358,425
2041-2042	810,000	42,525
Total	\$ 8,470,000	\$ 4,972,072

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

The County's financing debt at June 30, 2015, is comprised of the following notes payable:

	<u>Balance June 30, 2015</u>
<b>Notes Payable:</b>	
\$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	\$ 192,323
\$5,000,000 Financing Agreement - School Improvements - April 2, 2002; refinanced June 4, 2010; due in semi-annual fixed principal payments of \$163,944, plus interest at 2.99% through October 26, 2016; payable on October 26 and April 26	491,834
\$905,000 Financing Agreement - Energy Conservation - September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.35%	267,019
\$322,370 Financing Agreement - Energy Conservation - August 21, 2007, due in annual principal and interest payments of \$29,317 through January 2022; interest at 4.353%	172,423
<b>Certificate of Participation:</b>	
\$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 5.0%	14,950,000
<b>Installment Purchases:</b>	
\$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing	252,816

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Balance <u>June 30, 2015</u></b>
\$5,235,125 Economic Development Park - backed by an Inter-local agreement between the County of Wilson and the City of Wilson, each sharing one-half the amount of annual debt service; annual principal and interest payments of \$523,513, beginning June 8, 2013 through June 8, 2022; interest rate of 3.69%	3,664,588
\$300,000 Switch Infrastructure Project - annual principal and interest payments beginning September 20, 2013 through September 20, 2015; interest rate of 1.44%	101,433
\$576,923 NC Eastern Region Revolving Loan Fund - Annual principal and interest payments beginning May 2015 through April 16, 2019; without interest	461,538
\$26,211 Financing Agreement - Health Equipment annual principal and interest payments beginning June 2015 through June 17, 2018; interest rate of 1.97%	<u>19,848</u>
Total	<u>\$ 20,573,822</u>

**Balance  
June 30, 2015**

**Notes Payable Water Department:**

Serviced by the Southwest Water District; 2009 DENR Drinking Water Revolving Loan; \$576,724 due in annual installments of \$28,837; beginning 2009; plus interest at 2.10% through May 1, 2029	\$ 403,708
Serviced by the Southeast Water District; 2009 DENR Drinking Water Revolving Loan; \$481,507 due in annual installments of \$24,076; beginning 2009; plus interest at 2.10% through May 1, 2029	<u>337,057</u>
Total	<u>\$ 740,765</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2015, including interest payments, are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,776,555	\$ 862,865	\$ 52,911	\$ 15,556	\$ 2,829,466	\$ 878,421
2017	2,070,854	778,842	52,911	14,445	2,123,765	793,287
2018	1,911,933	694,549	52,911	13,334	1,964,844	707,883
2019	1,813,432	612,490	52,911	12,223	1,866,343	624,713
2020	1,699,164	534,556	52,911	11,111	1,752,075	545,667
2021-2025	6,851,884	1,667,414	264,557	38,890	7,116,441	1,706,304
2026-2029	3,450,000	301,875	211,653	11,111	3,661,653	312,986
Total	<u>\$ 20,573,822</u>	<u>\$ 5,452,591</u>	<u>\$ 740,765</u>	<u>\$ 116,670</u>	<u>\$ 21,314,587</u>	<u>\$ 5,569,261</u>

At June 30, 2015, the County had a legal debt margin of \$511,492,106.

**Debt Related to Capital Activities** – Of the total governmental activities debt listed, only \$4,007,003 relates to assets the County holds title.

### Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Current Portion of Balance
<b>Governmental Activities:</b>					
General					
obligation debt	\$ 7,270,000	\$ -	\$ 2,415,000	\$ 4,855,000	\$ 2,405,000
Capitalized leases	751,905	-	158,582	593,323	105,335
Notes payable	23,508,054	-	2,934,232	20,573,822	2,776,555
Bond premium	156,743	-	12,057	144,686	12,057
Compensated					
absences	1,993,738	1,628,319	1,690,273	1,931,784	1,724,079
Net pension					
liability (LGERS)	5,933,804	-	5,933,804	-	-
Unfunded Special					
Separation					
Allowance	556,346	217,113	170,225	603,234	-
Other post-employment					
benefits	13,163,904	2,508,984	795,762	14,877,126	-
Total governmental					
activities	<u>\$ 53,334,494</u>	<u>\$ 4,354,416</u>	<u>\$ 14,109,935</u>	<u>\$ 43,578,975</u>	<u>\$ 7,023,026</u>



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Business-Type Activities:</b>					
<b>Water Districts:</b>					
Limited obligation bond	\$ 8,660,000	\$ -	\$ 190,000	\$ 8,470,000	\$ 195,000
Notes payable	793,674	-	52,909	740,765	52,911
Bond premium	390,742	-	13,955	376,787	13,955
Compensated absences	23,694	15,002	14,696	24,000	14,990
Net pension liability (LGERS)	61,174	-	61,174	-	-
Other post-employment benefits	<u>76,298</u>	<u>14,542</u>	<u>4,612</u>	<u>86,228</u>	<u>-</u>
Total Water Districts	<u>10,005,582</u>	<u>29,544</u>	<u>337,346</u>	<u>9,697,780</u>	<u>276,856</u>
	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Solid Waste:</b>					
Accrued landfill closure and post-closure care costs	3,519,094	180,130	54,611	3,644,613	13,125
Compensated absences	37,802	25,428	26,642	36,588	27,175
Net pension liability (LGERS)	122,346	-	122,346	-	-
Other post-employment benefits	<u>294,056</u>	<u>56,046</u>	<u>17,776</u>	<u>332,326</u>	<u>-</u>
Total Solid Waste	<u>3,973,298</u>	<u>261,604</u>	<u>221,375</u>	<u>4,013,527</u>	<u>40,300</u>
Total business-type activities	<u>\$ 13,978,880</u>	<u>\$ 291,148</u>	<u>\$ 558,721</u>	<u>\$ 13,711,307</u>	<u>\$ 317,156</u>
	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Discretely Presented Component Unit:</b>					
<b>Long-Term Liabilities:</b>					
Compensated absences	\$ 39,250	\$ 2,156	\$ -	\$ 41,406	\$ -
Accrued liabilities	<u>727,842</u>	<u>-</u>	<u>444,288</u>	<u>283,554</u>	<u>-</u>
Total long-term liabilities	<u>\$ 767,092</u>	<u>\$ 2,156</u>	<u>\$ 444,288</u>	<u>\$ 324,960</u>	<u>\$ -</u>

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.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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

**8. Interfund Balances and Activity**

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

From the General Fund to the Public Buildings Fund for construction of the DSS Community Fund for Animal Shelter and EMS substation	\$ 400,369
From the General Fund to the Economic Development Grant Fund for moving funds for Economic Development/Revolving Fund Loan from Eastern region grant	576,924
From the Economic Development Grant Fund to the General Fund for contribution to General Fund	250,000
From the Solid Waste Fund to the Solid Waste Capital Project Fund for Sims Convenience Center	<u>541,737</u>
Total	<u><u>\$ 1,769,030</u></u>

**9. Fund Balance**

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

Total fund balance - General Fund	\$ 44,150,285
<b>Less:</b>	
Stabilization by State statute	<u>9,285,468</u>
Total available fund balance	<u><u>\$ 34,864,817</u></u>

Wilson County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 18% of budgeted expenditures.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### III. 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.

### IV. 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 \$251,852 to the Council for the fiscal year ended June 30, 2015. 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, 2015. 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 Rocky Mount, City of Wilson, Edgecombe County, and Nash County, participates in a joint venture to operate the Rocky Mount/Wilson Airport Authority (Authority). Each of the entities appoints members of the seven-member Board of Commissioners of the Authority. The County appoints one of the seven Board members. The County has an ongoing financial responsibility for the Authority. The County contributed \$47,857 to the Authority's operating purposes during the year ended June 30, 2015. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$954,575 has been reported in the governmental activities in the County's basic financial statements at June 30, 2015. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, 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 non-voting 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 \$2,309,259 and \$378,000

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2015. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

### **Eastpoint**

Wilson County, in conjunction with Bladen, Columbus, Duplin, Edgecombe, Nash, Lenoir, Robeson, Sampson, Scotland, Wayne, and Greene counties, participate in a joint venture to operate Eastpoint, a Local Management Entity (LME) and Managed Care Organization (MCO) of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. Each of the counties will have either (2) or (3) representatives based on population as published by the NC Department of Health and Human Services. Wilson County has two representatives on the Board. Each participant in the joint venture makes an annual appropriation to the joint venture, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2015, Wilson County contributed \$367,702 to the Eastpoint. None of the participating governments have an equity interest in Eastpoint, so no equity interest has been reflected in the financial statements at June 30, 2015. Complete financial statements for the Eastpoint may be obtained from the Eastpoint's corporate office at 514 East Main Street, PO Box 369, Beulaville, North Carolina 28518.

## **V. Jointly Governed Organizations**

### **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 \$36,358 to the Council during the fiscal year ended June 30, 2015.

### **Wilson County Tourism Development Authority**

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

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**VI. 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.

	<u>Federal</u>	<u>State</u>
Medical Assistance Program Medicaid -	\$ 82,814,670	\$ 44,899,078
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	2,092,838	-
Temporary Assistance for Needy Families	565,358	-
IV-E Foster Care	203,202	58,423
IV-E Adoption	430,039	97,640
Chafee Foster Care Independence	7,943	-
Family Support Payments to State Assistance Payments	(247)	(68)
State Children's Health Insurance Program - NC Health Choice	<u>1,129,992</u>	<u>354,967</u>
Total	<u>\$ 87,243,795</u>	<u>\$ 45,410,040</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

### VII. Summary Disclosure of Significant Commitments and Contingencies

#### Federal and State Assisted Programs

The County has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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.

### VIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$3,843,143 and \$122,117, respectively.

During the fiscal year ended June 30, 2015, the County determined that the Eastern Region funds should have been recorded in the Economic Development Grant Fund instead of the General Fund. Therefore, an adjustment to beginning fund balance has been recorded in the Economic Development Grant Fund and in the General Fund in the amount of \$315,469.

The County has changed its presentation of the issuance of Limited Obligation Bonds to purchase GO debt in the County's Water Districts resulting in a restatement in the Water Distribution Fund Southeast District, Water Distribution Fund Southwest District, and Water Fund. Beginning balances were restated by \$(72,927), \$(129,816), and \$220,692, respectively.

### IX. Subsequent Events

Events occurring subsequent to year-end have been evaluated through December 8, 2015. This is the date on which the financial statements were available to be issued.

On August 12, 2015, Wilson County entered into a contract to extend water lines to Sims. The total amount of the contract \$679,120 is entirely grant funded.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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This section contains additional information required by generally accepted accounting principles.

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Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance

Schedule of Funding Progress for Other Post-Employment Benefits

Schedule of Local Governmental Employees' Retirement System Proportionate Share of Net Pension Liability

Schedule of Local Governmental Employees' Retirement System Employer Contributions Last Two Fiscal Years

Schedule of Register of Deeds' Supplemental Pension Fund Employers Proportionate Share of Net Pension Liability

Schedule of Register of Deeds' Supplemental Pension Fund Employers Contributions Last Two Fiscal Years

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## WILSON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015

## 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
12/31/2009	\$ -	\$ 1,965,544	\$ 1,965,544	0.00%	\$ 3,795,700	51.78%
12/31/2010	-	1,855,164	1,855,164	0.00%	3,741,831	49.58%
12/31/2011	-	1,876,003	1,876,003	0.00%	3,425,288	54.77%
12/31/2012	-	1,904,864	1,904,864	0.00%	3,534,571	53.89%
12/31/2013	-	1,852,988	1,852,988	0.00%	3,706,127	50.00%
12/31/2014	-	1,764,716	1,764,716	0.00%	3,861,675	45.70%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 165,667	66.62%
2011	198,819	88.04%
2012	188,734	109.43%
2013	187,337	106.94%
2014	199,789	88.13%
2015	236,294	72.04%

## Notes to the Required Schedules:

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

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.25 to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

## WILSON COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2015

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 31,148,581	\$ 31,148,581	0.00%	\$ 26,887,613	115.85%
12/31/2010	-	32,207,864	32,207,864	0.00%	28,343,788	113.63%
12/31/2012	-	30,661,034	30,661,034	0.00%	26,485,900	115.76%
12/31/2014	-	38,041,619	38,041,619	0.00%	30,130,954	126.30%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,707,166	13.00%
2010	2,707,166	15.00%
2011	2,808,685	17.51%
2012	2,808,685	19.62%
2013	2,891,680	24.79%
2014	2,891,680	28.35%
2015	2,555,379	32.02%

## Notes to the Required Schedules:

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

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Amortization Factor	26.1695
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	
Pre-Medicare trend rate	7.50% to 5.00%
Post-Medicare trend rate	5.50% to 5.00%
Year of Ultimate trend rate	2020
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

**WILSON COUNTY, NORTH CAROLINA****WILSON COUNTY'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS\*****Local Governmental Employees' Retirement System**

	<u>2015</u>	<u>2014</u>
Wilson County's proportion of the net pension liability (asset) (%)	0.51274%	0.50750%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (3,023,866)	\$ 6,117,324
Wilson County's covered-employee payroll	\$ 28,860,961	\$ 26,563,359
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	( 10.48%)	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

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

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

**WILSON COUNTY, NORTH CAROLINA****WILSON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS****Local Governmental Employees' Retirement System**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,057,877	\$ 2,046,767
Contributions in relation to the contractually required contribution	<u>2,057,877</u>	<u>2,046,767</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 28,732,521	\$ 28,860,961
Contributions as a percentage of covered-employee payroll	7.16%	7.09%

**WILSON COUNTY, NORTH CAROLINA****WILSON COUNTY'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS\***

<b>Register of Deeds' Supplemental Pension Fund</b>		
	<u>2015</u>	<u>2014</u>
Wilson County's proportion of the net pension liability (asset) (%)	0.49006%	0.47400%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (111,078)	\$ (101,296)
Wilson County's covered-employee payroll	\$ 238,456	\$ 257,744
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	( 46.58%)	( 39.30%)
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

**WILSON COUNTY, NORTH CAROLINA****WILSON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TWO FISCAL YEARS****Register of Deeds' Supplemental Pension Fund**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>3,818</u>	<u>4,001</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 243,750	\$ 238,456
Contributions as a percentage of covered-employee payroll	1.57%	1.68%

**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

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# **Major Funds**

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## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Economic Development Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 50,602,432	\$ -	\$ -	\$ -	\$ 50,602,432
Local option sales tax	12,034,973	-	-	-	12,034,973
Other taxes and licenses	625,189	-	-	-	625,189
Unrestricted intergovernmental	386,087	-	-	-	386,087
Restricted intergovernmental	20,526,089	-	-	-	20,526,089
Permits and fees	1,247,286	-	-	-	1,247,286
Sales and services	11,733,064	-	-	-	11,733,064
Investment earnings	38,732	224	-	-	38,956
Miscellaneous	83,741	-	-	-	83,741
Total revenues	<u>97,277,593</u>	<u>224</u>	<u>-</u>	<u>-</u>	<u>97,277,817</u>
<b>Expenditures:</b>					
Current:					
General government	8,428,467	464,491	1,285,666	-	10,178,624
Public safety	18,140,221	-	-	-	18,140,221
Transportation	47,857	-	-	-	47,857
Environmental protection	274,118	-	-	-	274,118
Economic and physical development	1,417,492	-	-	-	1,417,492
Human services	33,942,679	-	-	-	33,942,679
Cultural and recreational	1,746,637	-	-	-	1,746,637
Intergovernmental:					
Education	21,736,297	-	-	-	21,736,297
Debt service:					
Principal retirement	5,349,232	-	-	-	5,349,232
Interest and other charges	1,061,244	-	-	-	1,061,244
Total expenditures	<u>92,144,244</u>	<u>464,491</u>	<u>1,285,666</u>	<u>-</u>	<u>93,894,401</u>
Revenues over (under) expenditures	<u>5,133,349</u>	<u>(464,267)</u>	<u>(1,285,666)</u>	<u>-</u>	<u>3,383,416</u>
<b>Other Financing Sources (Uses):</b>					
Transfers to other funds	(2,456,293)	-	-	1,479,000	(977,293)
Transfers from other funds	250,000	75,000	1,404,000	(1,479,000)	250,000
Sale of capital assets	56,064	-	-	-	56,064
Total other financing sources (uses)	<u>(2,150,229)</u>	<u>75,000</u>	<u>1,404,000</u>	<u>-</u>	<u>(671,229)</u>
Net change in fund balances	<u>2,983,120</u>	<u>(389,267)</u>	<u>118,334</u>	<u>-</u>	<u>2,712,187</u>
<b>Fund Balances:</b>					
Beginning of year, July 1	41,109,513	644,054	-	-	41,753,567
Prior period adjustment	(315,469)	-	-	-	(315,469)
Beginning of year, restated	<u>40,794,044</u>	<u>644,054</u>	<u>-</u>	<u>-</u>	<u>41,438,098</u>
End of year, June 30	<u>\$ 43,777,164</u>	<u>\$ 254,787</u>	<u>\$ 118,334</u>	<u>\$ -</u>	<u>\$ 44,150,285</u>

## WILSON COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$ 48,335,000	\$ 50,128,779	\$ 1,793,779
Interest	481,375	473,653	(7,722)
Total	<u>48,816,375</u>	<u>50,602,432</u>	<u>1,786,057</u>
<b>Local Option Sales Taxes</b>	<u>11,683,219</u>	<u>12,034,973</u>	<u>351,754</u>
<b>Other Taxes and Licenses:</b>			
Franchise tax	93,000	81,349	(11,651)
Rental vehicle sales tax	36,500	50,384	13,884
Privilege and civil licenses	1,600	583	(1,017)
Beer and wine tax	115,000	133,060	18,060
Excise tax	250,000	359,813	109,813
Total	<u>496,100</u>	<u>625,189</u>	<u>129,089</u>
<b>Unrestricted Intergovernmental:</b>			
Housing Authority	-	20,462	20,462
Wilson County ABC Board:			
Profit distribution	243,750	365,625	121,875
Total	<u>243,750</u>	<u>386,087</u>	<u>142,337</u>
<b>Restricted Intergovernmental:</b>			
General Fund	3,201,982	3,116,022	(85,960)
Library	127,135	127,135	-
Health services	1,506,164	1,413,481	(92,683)
Social services	14,645,643	15,775,541	1,129,898
Court facility fees	102,500	93,910	(8,590)
Total	<u>19,583,424</u>	<u>20,526,089</u>	<u>942,665</u>
<b>Permits and Fees:</b>			
Building permits and inspection fees	65,000	94,060	29,060
Register of Deeds	327,500	327,632	132
Health services	353,500	825,594	472,094
Total	<u>746,000</u>	<u>1,247,286</u>	<u>501,286</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Sales and Services:</b>			
Jail fees and Sheriff fees	1,021,370	1,333,773	312,403
Rents, concessions, and fees	7,422,897	6,817,113	(605,784)
Ambulance service fees	2,332,000	2,508,604	176,604
Communication center	1,100,000	1,073,574	(26,426)
Total	<u>11,876,267</u>	<u>11,733,064</u>	<u>(143,203)</u>
Investment earnings	<u>35,000</u>	<u>38,732</u>	<u>3,732</u>
<b>Miscellaneous:</b>			
Other	<u>67,146</u>	<u>83,741</u>	<u>16,595</u>
Total revenues	<u>93,547,281</u>	<u>97,277,593</u>	<u>3,730,312</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Board of Commissioners:</b>			
Salaries and employee benefits	61,369	61,361	8
Other operating expenditures	36,656	30,176	6,480
Total	<u>98,025</u>	<u>91,537</u>	<u>6,488</u>
<b>Administration:</b>			
Salaries and employee benefits	420,917	372,495	48,422
Other operating expenditures	12,400	11,336	1,064
Capital outlay	5,900	5,368	532
Total	<u>439,217</u>	<u>389,199</u>	<u>50,018</u>
<b>Human Resources:</b>			
Salaries and employee benefits	188,690	175,166	13,524
Other operating expenditures	83,789	64,562	19,227
Total	<u>272,479</u>	<u>239,728</u>	<u>32,751</u>

## WILSON COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Board of Elections:</b>			
Salaries and employee benefits	271,436	225,541	45,895
Other operating expenditures	182,844	125,258	57,586
Total	<u>454,280</u>	<u>350,799</u>	<u>103,481</u>
<b>Finance:</b>			
Salaries and employee benefits	423,015	418,737	4,278
Other operating expenditures	30,645	29,415	1,230
Total	<u>453,660</u>	<u>448,152</u>	<u>5,508</u>
<b>Office of Tax Supervisor:</b>			
Salaries and employee benefits	931,985	906,428	25,557
Other operating expenditures	529,658	399,131	130,527
Data processing charges	172,066	135,338	36,728
Capital outlay	11,220	7,820	3,400
Total	<u>1,644,929</u>	<u>1,448,717</u>	<u>196,212</u>
<b>Technology Services:</b>			
Salaries and employee benefits	355,712	350,770	4,942
Data processing charges	61,070	48,825	12,245
Other operating expenditures	199,093	193,067	6,026
Capital outlay	195,000	143,763	51,237
Total	<u>810,875</u>	<u>736,425</u>	<u>74,450</u>
<b>Register of Deeds:</b>			
Salaries and employee benefits	343,140	340,779	2,361
Other operating expenditures	104,060	96,879	7,181
Total	<u>447,200</u>	<u>437,658</u>	<u>9,542</u>
<b>Public Buildings:</b>			
Other operating expenditures	730,359	697,715	32,644
Capital outlay	264,200	199,889	64,311
Total	<u>994,559</u>	<u>897,604</u>	<u>96,955</u>

## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Court Facilities:</b>			
Salaries and employee benefits	592,671	563,427	29,244
Other operating expenditures	284,462	268,644	15,818
Capital outlay	184,824	17,570	167,254
Total	<u>1,061,957</u>	<u>849,641</u>	<u>212,316</u>
<b>Central Service:</b>			
Other operating expenditures	<u>1,714,250</u>	<u>1,460,518</u>	<u>253,732</u>
<b>Other:</b>			
Upper Coastal Plain COG	40,000	40,000	-
Other area projects	1,064,599	1,038,489	26,110
Total	<u>1,104,599</u>	<u>1,078,489</u>	<u>26,110</u>
Total general government	<u>9,496,030</u>	<u>8,428,467</u>	<u>1,067,563</u>
<b>Public Safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	5,717,571	5,489,181	228,390
Other operating expenditures	1,296,190	1,077,806	218,384
Capital outlay	186,002	185,860	142
Total	<u>7,199,763</u>	<u>6,752,847</u>	<u>446,916</u>
<b>Jail:</b>			
Salaries and employee benefits	2,439,890	2,228,088	211,802
Other operating expenditures	1,159,764	1,001,020	158,744
Capital outlay	5,544	5,544	-
Total	<u>3,605,198</u>	<u>3,234,652</u>	<u>370,546</u>
<b>Animal Control:</b>			
Salaries and employee benefits	462,625	461,700	925
Other operating expenditures	108,367	112,559	(4,192)
Total	<u>570,992</u>	<u>574,259</u>	<u>(3,267)</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Emergency Communications:</b>			
Salaries and employee benefits	2,166,767	2,062,933	103,834
Other operating expenditures	242,243	202,724	39,519
Capital outlay	78,372	78,371	1
Total	<u>2,487,382</u>	<u>2,344,028</u>	<u>143,354</u>
<b>Emergency Management:</b>			
Salaries and employee benefits	160,420	159,942	478
Other operating expenditures	98,430	74,883	23,547
Total	<u>258,850</u>	<u>234,825</u>	<u>24,025</u>
<b>Emergency Medical Services:</b>			
Salaries and employee benefits	4,344,557	4,082,953	261,604
Other operating expenditures	883,455	743,979	139,476
Capital outlay	197,004	172,678	24,326
Total	<u>5,425,016</u>	<u>4,999,610</u>	<u>425,406</u>
Total public safety	<u>19,547,201</u>	<u>18,140,221</u>	<u>1,406,980</u>
<b>Transportation:</b>			
Rocky Mount/Wilson Airport	47,857	47,857	-
<b>Environmental Protection:</b>			
<b>Forestry Program:</b>			
Other operating expenditures	88,940	82,191	6,749
<b>Soil Conservation:</b>			
Salaries and employee benefits	176,091	175,239	852
Other operating expenditures	22,471	16,688	5,783
Total	<u>198,562</u>	<u>191,927</u>	<u>6,635</u>
Total environmental protection	<u>287,502</u>	<u>274,118</u>	<u>13,384</u>



## WILSON COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Economic and Physical Development:</b>			
<b>Agricultural Extension and 4-H:</b>			
Salaries and employee benefits	492,349	465,299	27,050
Other operating expenditures	94,359	41,784	52,575
Capital outlay	5,000	-	5,000
Total	<u>591,708</u>	<u>507,083</u>	<u>84,625</u>
<b>Planning and Zoning:</b>			
Salaries and employee benefits	590,293	586,905	3,388
Other operating expenditures	69,096	45,252	23,844
Capital outlay	29,000	26,400	2,600
Total	<u>688,389</u>	<u>658,557</u>	<u>29,832</u>
<b>Other:</b>			
Other projects	251,852	251,852	-
Total	<u>251,852</u>	<u>251,852</u>	<u>-</u>
Total economic and physical development	<u>1,531,949</u>	<u>1,417,492</u>	<u>114,457</u>
<b>Diversified Opportunities</b>	<u>29,250</u>	<u>29,250</u>	<u>-</u>
<b>Senior Center:</b>			
Salaries and employee benefits	98,426	89,601	8,825
Other operating expenditures	31,450	29,554	1,896
Capital outlay	20,000	11,322	8,678
Total	<u>149,876</u>	<u>130,477</u>	<u>19,399</u>
<b>Home and Community Care Block Grant:</b>			
Operating expenses	505,000	425,152	79,848
Total	<u>505,000</u>	<u>425,152</u>	<u>79,848</u>

## WILSON COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Temporary Care Giver:</b>			
Salaries and employee benefits	12,918	264	12,654
Other operating expenditures	21,028	8,047	12,981
Total	<u>33,946</u>	<u>8,311</u>	<u>25,635</u>
<b>Health:</b>			
<b>Administration:</b>			
Salaries and employee benefits	5,293	293	5,000
Other operating expenditures	535,816	432,991	102,825
Capital outlay	118,536	78,727	39,809
Total	<u>659,645</u>	<u>512,011</u>	<u>147,634</u>
<b>Health Promotion:</b>			
Salaries and employee benefits	19,293	10,039	9,254
Other operating expenditures	33,916	24,539	9,377
Total	<u>53,209</u>	<u>34,578</u>	<u>18,631</u>
<b>Tuberculosis Control:</b>			
Salaries and employee benefits	67,362	66,849	513
Other operating expenditures	44,769	20,874	23,895
Total	<u>112,131</u>	<u>87,723</u>	<u>24,408</u>
<b>Home Health:</b>			
Salaries and employee benefits	4,018,023	3,253,451	764,572
Other operating expenditures	2,240,701	2,121,086	119,615
Capital outlay	28,149	23,005	5,144
Total	<u>6,286,873</u>	<u>5,397,542</u>	<u>889,331</u>
<b>Family Planning:</b>			
Salaries and employee benefits	709,383	622,707	86,676
Other operating expenditures	196,000	171,816	24,184
Total	<u>905,383</u>	<u>794,523</u>	<u>110,860</u>

## WILSON COUNTY, NORTH CAROLINA

## GENERAL FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Maternal Health:</b>			
Salaries and employee benefits	553,205	547,032	6,173
Other operating expenditures	126,400	118,302	8,098
Total	<u>679,605</u>	<u>665,334</u>	<u>14,271</u>
<b>Environmental Health:</b>			
Salaries and employee benefits	451,936	433,579	18,357
Other operating expenditures	44,871	30,354	14,517
Total	<u>496,807</u>	<u>463,933</u>	<u>32,874</u>
<b>Immunization:</b>			
Salaries and employee benefits	64,353	63,339	1,014
Other operating expenditures	108,154	102,299	5,855
Total	<u>172,507</u>	<u>165,638</u>	<u>6,869</u>
<b>Communicable Diseases:</b>			
Salaries and employee benefits	289,553	284,933	4,620
Other operating expenditures	40,090	23,339	16,751
Total	<u>329,643</u>	<u>308,272</u>	<u>21,371</u>
<b>Comprehensive Breast Cancer Prevention:</b>			
Salaries and employee benefits	13,508	13,373	135
Other operating expenditures	41,961	31,242	10,719
Total	<u>55,469</u>	<u>44,615</u>	<u>10,854</u>
<b>Child Health:</b>			
Salaries and employee benefits	620,864	550,312	70,552
Other operating expenditures	56,900	26,050	30,850
Total	<u>677,764</u>	<u>576,362</u>	<u>101,402</u>
<b>Child Service Coordinator:</b>			
Salaries and employee benefits	282,897	270,253	12,644
Other operating expenditures	23,400	6,108	17,292
Total	<u>306,297</u>	<u>276,361</u>	<u>29,936</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>WIC Clinic Administration:</b>			
Salaries and employee benefits	45,652	45,329	323
Other operating expenditures	5,502	5,190	312
Total	<u>51,154</u>	<u>50,519</u>	<u>635</u>
<b>WIC Nutrition Education:</b>			
Salaries and employee benefits	155,091	154,644	447
Other operating expenditures	2,450	2,390	60
Total	<u>157,541</u>	<u>157,034</u>	<u>507</u>
<b>AIDS Control:</b>			
Salaries and employee benefits	12,794	4,836	7,958
Other operating expenditures	1,672	1,324	348
Total	<u>14,466</u>	<u>6,160</u>	<u>8,306</u>
<b>Bioterrorism:</b>			
Salaries and employee benefits	29,161	27,607	1,554
Other operating expenditures	5,490	4,533	957
Total	<u>34,651</u>	<u>32,140</u>	<u>2,511</u>
<b>WIC Client Services:</b>			
Salaries and employee benefits	455,880	455,021	859
Other operating expenditures	4,935	4,627	308
Total	<u>460,815</u>	<u>459,648</u>	<u>1,167</u>
<b>Maternal Child Care:</b>			
Salaries and employee benefits	233,300	182,900	50,400
Other operating expenditures	14,750	7,107	7,643
Total	<u>248,050</u>	<u>190,007</u>	<u>58,043</u>
<b>Breast and Cervical Cancer:</b>			
Salaries and employee benefits	61,259	60,113	1,146
Other operating expenditures	9,266	3,250	6,016
Total	<u>70,525</u>	<u>63,363</u>	<u>7,162</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Adult Health:</b>			
Salaries and employee benefits	363,219	351,964	11,255
Other operating expenditures	14,490	11,784	2,706
Total	<u>377,709</u>	<u>363,748</u>	<u>13,961</u>
Total health	<u>12,150,244</u>	<u>10,649,511</u>	<u>1,500,733</u>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and employee benefits	13,038,463	11,863,665	1,174,798
Other operating expenditures	3,424,866	2,974,719	450,147
Capital outlay	125,068	124,366	702
Total	<u>16,588,397</u>	<u>14,962,750</u>	<u>1,625,647</u>
<b>4D Child Support:</b>			
Salaries and employee benefits	90,561	70,762	19,799
Other operating expenditures	184,458	92,248	92,210
Total	<u>275,019</u>	<u>163,010</u>	<u>112,009</u>
<b>Income Maintenance Programs:</b>			
AFDC Fostercare	467,082	340,024	127,058
Special assistance - adults	993,048	933,066	59,982
Medicaid - County participation	1,600,000	794,409	805,591
Total	<u>3,060,130</u>	<u>2,067,499</u>	<u>992,631</u>
<b>Other Services:</b>			
Other operating expenditures	6,243,846	5,452,344	791,502
<b>Emergency Solutions Programs:</b>			
Other operating expenditures	19,437	5,133	14,304
Total social services	<u>26,186,829</u>	<u>22,650,736</u>	<u>3,536,093</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Veterans Affairs:</b>			
Salaries and employee benefits	49,404	48,858	546
Other operating expenditures	395	384	11
Total	<u>49,799</u>	<u>49,242</u>	<u>557</u>
Total human services	<u>39,104,944</u>	<u>33,942,679</u>	<u>5,162,265</u>
<b>Cultural and Recreational:</b>			
<b>Recreation:</b>			
Other operating expenditures	<u>144,070</u>	<u>93,148</u>	<u>50,922</u>
<b>Libraries:</b>			
Salaries and employee benefits	1,295,468	1,204,099	91,369
Other operating expenditures	462,027	449,390	12,637
Total	<u>1,757,495</u>	<u>1,653,489</u>	<u>104,006</u>
Total cultural and recreational	<u>1,901,565</u>	<u>1,746,637</u>	<u>154,928</u>
<b>Education:</b>			
Public schools - current	18,013,038	18,013,038	-
Public schools - capital outlay	1,036,000	1,036,000	-
Community colleges - current	2,309,259	2,309,259	-
Community colleges - capital outlay	1,128,000	378,000	750,000
Total education	<u>22,486,297</u>	<u>21,736,297</u>	<u>750,000</u>
<b>Debt Service:</b>			
Principal retirement	5,349,234	5,349,232	2
Interest and other charges	1,061,245	1,061,244	1
Total debt service	<u>6,410,479</u>	<u>6,410,476</u>	<u>3</u>
Total expenditures	<u>100,813,824</u>	<u>92,144,244</u>	<u>8,669,580</u>
Revenues over (under) expenditures	<u>(7,266,543)</u>	<u>5,133,349</u>	<u>12,399,892</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds:			
Revaluation Fund	(75,000)	(75,000)	-
Economic Development Fund	(1,404,000)	(1,404,000)	-
Economic Development Grant Fund	(576,924)	(576,924)	-
Public Buildings Fund	(400,369)	(400,369)	-
Transfers from other funds	250,000	250,000	-
Sale of capital assets	-	56,064	56,064
Fund balance appropriated	<u>9,472,836</u>	<u>-</u>	<u>(9,472,836)</u>
Total other financing sources (uses)	<u>7,266,543</u>	<u>(2,150,229)</u>	<u>(9,416,772)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,983,120</u>	<u>\$ 2,983,120</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		41,109,513	
Prior period adjustment		<u>(315,469)</u>	
Beginning of year, restated		<u>40,794,044</u>	
End of year, June 30		<u>\$ 43,777,164</u>	

## WILSON COUNTY, NORTH CAROLINA

LEGALLY BUDGETED TAX REVALUATION AND ECONOMIC DEVELOPMENT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
<b>Revenues:</b>			
Investment earnings	\$ 224	\$ -	\$ 224
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	464,491	-	464,491
Economic incentives	-	1,285,666	1,285,666
Total expenditures	<u>464,491</u>	<u>1,285,666</u>	<u>1,750,157</u>
Revenues over (under) expenditures	(464,267)	(1,285,666)	(1,749,933)
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>75,000</u>	<u>1,404,000</u>	<u>1,479,000</u>
Net change in fund balances	(389,267)	118,334	(270,933)
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>644,054</u>	<u>-</u>	<u>644,054</u>
End of year, June 30	<u>\$ 254,787</u>	<u>\$ 118,334</u>	<u>\$ 373,121</u>



## WILSON COUNTY, NORTH CAROLINA

REVALUATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Investment earnings	\$ 600	\$ 224	\$ (376)
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	<u>536,113</u>	<u>464,491</u>	<u>71,622</u>
Revenues over (under) expenditures	<u>(535,513)</u>	<u>(464,267)</u>	<u>71,246</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	75,000	75,000	-
Fund balance appropriated	<u>460,513</u>	<u>-</u>	<u>460,513</u>
Total other financing sources (uses)	<u>535,513</u>	<u>75,000</u>	<u>460,513</u>
Net change in fund balance	<u>\$ -</u>	<u>(389,267)</u>	<u>\$ (389,267)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>644,054</u>	
End of year, June 30		<u>\$ 254,787</u>	

**WILSON COUNTY, NORTH CAROLINA**

**ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Current:			
Economic incentives	\$ 1,404,000	\$ 1,285,666	\$ 118,334
Revenues over (under) expenditures	(1,404,000)	(1,285,666)	(118,334)
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>1,404,000</u>	<u>1,404,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	118,334	<u>\$ 118,334</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ 118,334</u>	

# **Nonmajor Governmental Funds**

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>Fire Districts Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 333,647	\$ 478,094	\$ 227,629	\$ 1,072,607	\$ 2,111,977
Taxes receivable, net	37,675	-	-	-	37,675
Accounts receivable, net	-	31,135	32,097	-	63,232
Total assets	<u>\$ 371,322</u>	<u>\$ 509,229</u>	<u>\$ 259,726</u>	<u>\$ 1,072,607</u>	<u>\$ 2,212,884</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 10,861	\$ 29,155	\$ -	\$ 40,016
Due to other governments	<u>333,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,647</u>
Total liabilities	<u>333,647</u>	<u>10,861</u>	<u>29,155</u>	<u>-</u>	<u>373,663</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	<u>37,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,675</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	-	31,135	32,097	-	63,232
Community development projects	-	-	-	1,072,607	1,072,607
Public safety	-	467,233	-	-	467,233
Assigned:					
Transportation	-	-	198,474	-	198,474
Future capital	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>498,368</u>	<u>230,571</u>	<u>1,072,607</u>	<u>1,801,546</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 371,322</u>	<u>\$ 509,229</u>	<u>\$ 259,726</u>	<u>\$ 1,072,607</u>	<u>\$ 2,212,884</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Community Grant Fund	Public Buildings Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 18,364	\$ 129,849	\$ 148,213	\$ 2,260,190
Taxes receivable, net	-	-	-	37,675
Accounts receivable, net	6,955	-	6,955	70,187
Total assets	<u>\$ 25,319</u>	<u>\$ 129,849</u>	<u>\$ 155,168</u>	<u>\$ 2,368,052</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 25,319	\$ -	\$ 25,319	\$ 65,335
Due to other governments	-	-	-	333,647
Total liabilities	<u>25,319</u>	<u>-</u>	<u>25,319</u>	<u>398,982</u>
<b>Deferred Inflows of Resources:</b>				
Taxes receivable	-	-	-	<u>37,675</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	6,955	-	6,955	70,187
Community development projects	-	-	-	1,072,607
Public safety	-	-	-	467,233
Assigned:				
Transportation	-	-	-	198,474
Future capital	-	129,849	129,849	129,849
Unassigned	<u>(6,955)</u>	<u>-</u>	<u>(6,955)</u>	<u>(6,955)</u>
Total fund balances	<u>-</u>	<u>129,849</u>	<u>129,849</u>	<u>1,931,395</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,319</u>	<u>\$ 129,849</u>	<u>\$ 155,168</u>	<u>\$ 2,368,052</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Fire District Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 1,335,235	\$ -	\$ -	\$ -	\$ 1,335,235
Local option sales tax	309,144	-	-	-	309,144
Restricted intergovernmental	-	373,621	378,747	-	752,368
Sales and services	-	-	170,271	-	170,271
Investment earnings	-	420	-	-	420
Total revenues	<u>1,644,379</u>	<u>374,041</u>	<u>549,018</u>	<u>-</u>	<u>2,567,438</u>
<b>Expenditures:</b>					
Economic development	-	-	-	500,000	500,000
Public safety	1,644,379	416,044	572,863	-	2,633,286
Capital projects	-	-	-	-	-
Total expenditures	<u>1,644,379</u>	<u>416,044</u>	<u>572,863</u>	<u>500,000</u>	<u>3,133,286</u>
Revenues over (under) expenditures	-	(42,003)	(23,845)	(500,000)	(565,848)
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	-	-	-	326,924	326,924
Net change in fund balances	<u>-</u>	<u>(42,003)</u>	<u>(23,845)</u>	<u>(173,076)</u>	<u>(238,924)</u>
<b>Fund Balances:</b>					
Beginning of year, July 1	-	540,371	254,416	930,214	1,725,001
Prior period adjustment	-	-	-	315,469	315,469
Beginning of year, restated	<u>-</u>	<u>540,371</u>	<u>254,416</u>	<u>1,245,683</u>	<u>2,040,470</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 498,368</u>	<u>\$ 230,571</u>	<u>\$ 1,072,607</u>	<u>\$ 1,801,546</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Community Grants Fund</u>	<u>Public Buildings Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,335,235
Local option sales tax	-	-	-	309,144
Restricted intergovernmental	201,683	-	201,683	954,051
Sales and services	-	-	-	170,271
Investment earnings	-	-	-	420
Total revenues	<u>201,683</u>	<u>-</u>	<u>201,683</u>	<u>2,769,121</u>
<b>Expenditures:</b>				
Economic development	-	-	-	500,000
Public safety	-	-	-	2,633,286
Capital projects	<u>201,683</u>	<u>1,111,537</u>	<u>1,313,220</u>	<u>1,313,220</u>
Total expenditures	<u>201,683</u>	<u>1,111,537</u>	<u>1,313,220</u>	<u>4,446,506</u>
Revenues over (under) expenditures	-	(1,111,537)	(1,111,537)	(1,677,385)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds	<u>-</u>	<u>400,369</u>	<u>400,369</u>	<u>727,293</u>
Net change in fund balances	<u>-</u>	<u>(711,168)</u>	<u>(711,168)</u>	<u>(950,092)</u>
<b>Fund Balances:</b>				
Beginning of year, July 1	-	841,017	841,017	2,566,018
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,469</u>
Beginning of year, restated	<u>-</u>	<u>841,017</u>	<u>841,017</u>	<u>2,881,487</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 129,849</u>	<u>\$ 129,849</u>	<u>\$ 1,931,395</u>

**WILSON COUNTY, NORTH CAROLINA**

**FIRE DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year	\$ 1,452,100	\$ 1,296,604	\$ (155,496)
Prior year	<u>85,343</u>	<u>38,631</u>	<u>(46,712)</u>
Total ad valorem taxes	1,537,443	1,335,235	(202,208)
Other taxes	<u>301,110</u>	<u>309,144</u>	<u>8,034</u>
Total revenues	1,838,553	1,644,379	(194,174)
<b>Expenditures:</b>			
Public safety	<u>1,838,553</u>	<u>1,644,379</u>	<u>194,174</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	



## WILSON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental			
NC 911 Board	\$ 373,621	\$ 373,621	\$ -
Investment earnings	<u>750</u>	<u>420</u>	<u>(330)</u>
Total revenues	<u>374,371</u>	<u>374,041</u>	<u>(330)</u>
<b>Expenditures:</b>			
Implemental functions	135,336	76,476	58,860
Telephone	194,775	190,034	4,741
Software maintenance	104,983	84,175	20,808
Hardware maintenance	202,298	58,584	143,714
Training	<u>12,000</u>	<u>6,775</u>	<u>5,225</u>
Total expenditures	<u>649,392</u>	<u>416,044</u>	<u>233,348</u>
Revenues over (under) expenditures	(275,021)	(42,003)	233,018
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>275,021</u>	<u>-</u>	<u>(275,021)</u>
Net change in fund balance	<u>\$ -</u>	<u>(42,003)</u>	<u>\$ (42,003)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>540,371</u>	
End of year, June 30		<u>\$ 498,368</u>	

## WILSON COUNTY, NORTH CAROLINA

**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 147,824	\$ (79,421)
Capital Grant	215,000	165,017	(49,983)
Public Transportation Grant	91,048	65,906	(25,142)
Sales and services	<u>225,739</u>	<u>170,271</u>	<u>(55,468)</u>
Total revenues	<u>759,032</u>	<u>549,018</u>	<u>(210,014)</u>
<b>Expenditures:</b>			
Salaries and employee benefits	71,200	70,997	203
Operating expenses	475,341	306,661	168,680
Capital outlay	<u>228,199</u>	<u>195,205</u>	<u>32,994</u>
Total expenditures	<u>774,740</u>	<u>572,863</u>	<u>201,877</u>
Revenues over (under) expenditures	(15,708)	(23,845)	(8,137)
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>15,708</u>	<u>-</u>	<u>(15,708)</u>
Net change in fund balance	<u>\$ -</u>	<u>(23,845)</u>	<u>\$ (23,845)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>254,416</u>	
End of year, June 30		<u>\$ 230,571</u>	

## WILSON COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay	\$ 1,076,924	\$ 500,000	\$ 576,924
Revenues over (under) expenditures	<u>(1,076,924)</u>	<u>(500,000)</u>	<u>576,924</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	750,000	-	(750,000)
Transfers in	576,924	576,924	-
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,076,924</u>	<u>326,924</u>	<u>(750,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(173,076)</u>	<u>\$ (173,076)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		930,214	
Prior period adjustment		<u>315,469</u>	
Beginning of year, restated		<u>1,245,683</u>	
End of year, June 30		<u>\$ 1,072,607</u>	

## WILSON COUNTY, NORTH CAROLINA

COMMUNITY GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NC Tomorrow Grant	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
CDBG Scattered Site	199,569	29,128	191,683	220,811	21,242
CDBG- E-2484- Rail	487,861	10,000	10,000	20,000	(467,861)
IDF- State- Rail	356,000	-	-	-	(356,000)
EIP- Rail	160,000	-	-	-	(160,000)
NCDOT- Rail	95,000	-	-	-	(95,000)
Total revenues	<u>1,298,430</u>	<u>89,128</u>	<u>201,683</u>	<u>290,811</u>	<u>(1,007,619)</u>
<b>Expenditures:</b>					
CDBG-NC Tomorrow- Admin	-	5,000	-	5,000	(5,000)
CDBG-NC Tomorrow- Rehab	-	45,000	-	45,000	(45,000)
CDBG Scattered Site- Admin	6,910	15,731	6,274	22,005	(15,095)
CDBG Scattered Site- Rehab	192,659	13,397	185,409	198,806	(6,147)
CDBG Rail	504,861	5,000	5,000	10,000	494,861
IDF- State Rail	339,000	5,000	5,000	10,000	329,000
EIP Rail	160,000	-	-	-	160,000
NCDOT- Rail	95,000	-	-	-	95,000
Total expenditures	<u>1,298,430</u>	<u>89,128</u>	<u>201,683</u>	<u>290,811</u>	<u>1,007,619</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

**WILSON COUNTY, NORTH CAROLINA**

**PUBLIC BUILDINGS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay	\$ 1,207,574	\$ 1,111,537	\$ 96,037
Total expenditures	<u>1,207,574</u>	<u>1,111,537</u>	<u>96,037</u>
Revenues over (under) expenditures	<u>(1,207,574)</u>	<u>(1,111,537)</u>	<u>96,037</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	807,205	-	(807,205)
Transfers in (out)	400,369	400,369	-
Total other financing sources (uses)	<u>1,207,574</u>	<u>400,369</u>	<u>(807,205)</u>
Net change in fund balance	<u>\$ -</u>	<u>(711,168)</u>	<u>\$ (711,168)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>841,017</u>	
End of year, June 30		<u>\$ 129,849</u>	

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# **Major Enterprise Funds**

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## WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 2,675,030	\$ 2,806,858	\$ 131,828
Non-operating revenues:			
Restricted intergovernmental revenues- NC DENR	31,000	54,400	23,400
Investment earnings	28,200	14,758	(13,442)
Other	199,000	155,705	(43,295)
Total non-operating revenues	<u>258,200</u>	<u>224,863</u>	<u>(33,337)</u>
Total revenues	<u>2,933,230</u>	<u>3,031,721</u>	<u>98,491</u>
<b>Expenditures:</b>			
Operating expenses	2,429,486	2,119,682	309,804
Capital outlay	399,650	340,727	58,923
Total expenditures	<u>2,829,136</u>	<u>2,460,409</u>	<u>368,727</u>
Revenues over (under) expenditures	<u>104,094</u>	<u>571,312</u>	<u>(270,236)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in (out)	(541,737)	(541,737)	-
Fund balance appropriated	437,643	-	(437,643)
Total other financing sources (uses)	<u>(104,094)</u>	<u>(541,737)</u>	<u>(437,643)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>29,575</u>	<u>\$ 29,575</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Capital outlays		340,727	
Transfer to Solid Waste Capital Project Fund		541,737	
Depreciation		(209,015)	
Contributions made to the pension plan in the current year		41,156	
Pension expense		(4,134)	
Allowance for bad debts		(19,020)	
Increase in accrued landfill closure and costs		(125,519)	
Increase in post-employment benefit		(38,270)	
Decrease in accrued compensated absences		1,214	
Total reconciling items		<u>528,876</u>	
Change in net position		<u>\$ 558,451</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Expenditures:</b>					
Construction	\$ 541,737	\$ -	\$ 507,845	\$ 507,845	\$ 33,892
Total expenditures	<u>541,737</u>	<u>-</u>	<u>507,845</u>	<u>507,845</u>	<u>33,892</u>
Revenues over (under) expenditures	<u>(541,737)</u>	<u>-</u>	<u>(507,845)</u>	<u>(507,845)</u>	<u>(33,892)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in (out)	<u>541,737</u>	<u>-</u>	<u>541,737</u>	<u>541,737</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,892</u>	<u>\$ 33,892</u>	<u>\$ 33,892</u>

## WILSON COUNTY, NORTH CAROLINA

**SOUTHEAST WATER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 725,034	\$ 826,651	\$ 101,617
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	307,515	261,254	46,261
Water purchases	<u>207,502</u>	<u>207,501</u>	<u>1</u>
Total operating expenditures	<u>515,017</u>	<u>468,755</u>	<u>46,262</u>
Debt service:			
Interest	120,941	120,940	1
Principal	<u>89,076</u>	<u>89,073</u>	<u>3</u>
Total debt service	<u>210,017</u>	<u>210,013</u>	<u>4</u>
Total expenditures	<u>725,034</u>	<u>678,768</u>	<u>46,266</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 147,883</u>	<u>\$ 147,883</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Principal paid on long-term debt		89,073	
Depreciation and amortization		(275,590)	
Contributions made to the pension plan in the current year		10,290	
Pension expense		(1,035)	
Allowance for bad debts		(929)	
Decrease in accrued interest		238	
Increase in other post-employment benefit		(4,965)	
Increase in accrued compensated absences		<u>(153)</u>	
Total reconciling items		<u>(183,071)</u>	
Change in net position		<u>\$ (35,188)</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 904,000	\$ 1,004,671	\$ 100,671
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	312,317	284,391	27,926
Water purchases	263,200	262,402	798
Total operating expenditures	<u>575,517</u>	<u>546,793</u>	<u>28,724</u>
Debt service:			
Interest	217,141	217,139	2
Principal	153,837	153,836	1
Total debt service	<u>370,978</u>	<u>370,975</u>	<u>3</u>
Total expenditures	<u>946,495</u>	<u>917,768</u>	<u>28,727</u>
Revenues over (under) expenditures	(42,495)	86,903	129,398
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>42,495</u>	<u>-</u>	<u>(42,495)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>86,903</u>	<u>\$ 86,903</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Principal paid on long-term debt		153,836	
Allowance for bad debt		(5,339)	
Depreciation and amortization		(349,930)	
Contributions made to the pension plan in the current year		10,290	
Pension expense		(1,035)	
Decrease in accrued interest		397	
Increase in post-employment benefit		(4,965)	
Increase in accrued compensated absences		(153)	
Total reconciling items		<u>(196,899)</u>	
Change in net position		<u>\$ (109,996)</u>	

# **Internal Service Fund**

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## WILSON COUNTY, NORTH CAROLINA

**HOSPITAL - SELF INSURANCE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Insurance premiums	\$ 6,300,000	\$ 6,548,653	\$ 248,653
<b>Expenditures:</b>			
Operating expenditures:			
Insurance claims and expenses	6,550,000	5,079,669	1,470,331
Revenues over (under) expenditures	(250,000)	1,468,984	1,718,984
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	250,000	-	(250,000)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,468,984</u>	<u>\$ 1,468,984</u>

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# **Agency Funds**

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**WILSON COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 449,374	\$ 449,374	\$ -
<b>Liabilities:</b>				
Intergovernmental payable	\$ -	\$ 449,374	\$ 449,374	\$ -
<b>Deed of Trust Fee Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,076	\$ 43,273	\$ 42,028	\$ 4,321
<b>Liabilities:</b>				
Intergovernmental payable	\$ 3,076	\$ 43,273	\$ 42,028	\$ 4,321
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 12,621	\$ 120,076	\$ 116,205	\$ 16,492
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 12,621	\$ 120,076	\$ 116,205	\$ 16,492
<b>Jail Inmate Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 25,611	\$ 349,534	\$ 335,710	\$ 39,435
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 25,611	\$ 349,534	\$ 335,710	\$ 39,435
<b>Sheriff Account Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 661	\$ 203,125	\$ 202,514	\$ 1,272
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 661	\$ 203,125	\$ 202,514	\$ 1,272

**WILSON COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>Tax Collections Held for Municipalities:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 52,083	\$ 1,588,183	\$ 1,591,512	\$ 48,754
<b>Liabilities:</b>				
Intergovernmental payable	\$ 52,083	\$ 1,588,183	\$ 1,591,512	\$ 48,754
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 94,052	\$ 2,753,565	\$ 2,737,343	\$ 110,274
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 38,893	\$ 672,735	\$ 654,429	\$ 57,199
Intergovernmental payable	55,159	2,080,830	2,082,914	53,075
Total liabilities	\$ 94,052	\$ 2,753,565	\$ 2,737,343	\$ 110,274

## **ADDITIONAL FINANCIAL DATA**

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This section includes additional information on property taxes.

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Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy – General Fund

Analysis of Current Tax Levy – Fire Districts

Secondary Market Disclosures

Ten Largest Taxpayers

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## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2015**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2014</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014-2015	\$ -	\$ 50,003,458	\$ 49,136,708	\$ 866,750
2013-2014	1,138,233	-	761,283	376,950
2012-2013	466,616	-	198,564	268,052
2011-2012	274,772	-	65,225	209,547
2010-2011	139,318	-	18,352	120,966
2009-2010	122,200	-	13,752	108,448
2008-2009	117,057	-	7,163	109,894
2007-2008	105,698	-	6,682	99,016
2006-2007	105,962	-	4,846	101,116
2005-2006	91,735	-	2,743	88,992
2004-2005	121,929	-	121,929	-
Total	<u>\$ 2,683,520</u>	<u>\$ 50,003,458</u>	<u>\$ 50,337,247</u>	2,349,731
Less: Allowance for uncollectible accounts:				
General Fund				<u>(787,986)</u>
Ad valorem taxes receivable, net:				
General Fund				<u>\$ 1,561,745</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				<u>\$ 50,602,432</u>
Reconciling items:				
Interest collected				(473,653)
Taxes written off				121,929
Misc				<u>86,539</u>
Total reconciling items				<u>(351,724)</u>
Total collections and credits				<u>\$ 50,337,247</u>

## WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2015

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 6,737,373,916	\$ 0.73	\$ 129,510,912	\$ 124,954,014	\$ 4,556,898
Motor vehicles taxed at prior year's rate	224,648	0.73	1,640	-	1,640
Total original levy	<u>6,737,598,564</u>		<u>129,512,552</u>	<u>124,954,014</u>	<u>4,558,538</u>
<b>Discoveries</b>	<u>124,503,361</u>	0.73	<u>958,950</u>	<u>958,755</u>	<u>195</u>
<b>Abatements:</b>					
At current year's rate	(9,033,531)	0.73	(80,367,097)	(80,367,097)	-
At prior year's rate	<u>(12,487,279)</u>	0.73	<u>(100,947)</u>	<u>(100,862)</u>	<u>(85)</u>
Total abatements	<u>(21,520,810)</u>		<u>(80,468,044)</u>	<u>(80,467,959)</u>	<u>(85)</u>
Total property valuation	<u>\$ 6,840,581,115</u>				
<b>Net Levy</b>			50,003,458	45,444,810	4,558,648
Uncollected taxes at June 30, 2015			<u>(866,750)</u>	<u>(866,266)</u>	<u>(484)</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 49,136,708</u>	<u>\$ 44,578,544</u>	<u>\$ 4,558,164</u>
<b>Current Levy Collection Percentage</b>			<u>98.27%</u>	<u>98.09%</u>	<u>99.99%</u>



**WILSON COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Original Levy</b>	<b>Uncollected Balance June 30, 2015</b>
Tri County	\$ 28,176	\$ 2,695
Green Hornet	16,193	270
Moyton	52,057	1,671
Polly Watson	8,032	522
Sims	58,035	1,638
East Nash	243,034	15,402
Lee Woodard	92,191	3,280
Toisnot	89,688	1,264
Rock Ridge	182,337	4,970
Silver Lake	114,633	4,075
Sanoca	81,248	5,447
Beulah	66,018	2,386
Cross Roads	112,477	5,003
Bakertown	42,580	2,641
Contentnea	132,183	2,576
West Edgecombe	2,513	23
Total original levy	<u>1,321,395</u>	<u>53,863</u>
Less: Allowance for uncollectible accounts: Fire Districts		<u>(16,188)</u>
Ad valorem taxes receivable, net: Fire districts		<u>\$ 37,675</u>
Less uncollected taxes at June 30, 2015	<u>(53,863)</u>	
<b>Current Year's Taxes Collected</b>	<u>\$ 1,267,532</u>	
<b>Current Levy Collection Percentage</b>		<u>95.92%</u>

## WILSON COUNTY, NORTH CAROLINA

### SECONDARY MARKET DISCLOSURE COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2015

#### Secondary Market Disclosures:

##### Assessed Valuation:

Assessment Ratio	<u>100.00%</u>
Real property <sup>1</sup>	4,910,234,502
Personal property	1,223,753,613
Public service companies <sup>2</sup>	82,135,749
Motor vehicles	<u>624,457,251</u>
Assessed valuation at current year rates	<u>\$ 6,840,581,115</u>
Tax rate per \$100	<u>\$ 0.73</u>
Penalties	<u>\$ 49,936,242</u> <u>67,216</u>
Net levy (includes discoveries, releases and abatements) - all rates	<u>\$ 50,003,458</u>

<sup>1</sup> Percentage of appraised value has been established by statute

<sup>2</sup> Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Telephone Commission.

Note 1: The next revaluation of real property will become effective with the 2015-2016 levy and will be reflected in the collections for the fiscal year ending June 30, 2016.

County-wide	\$ 50,003,458
Special fire districts	1,321,395
Solid waste district	<u>1,103,942</u>
Total	<u>\$ 52,428,795</u>

**WILSON COUNTY, NORTH CAROLINA**

**TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 353,189,451	32.09%
BB&T Centralized Solutions Inc.	Financial	159,611,014	14.50%
Merck	Pharmaceutical	114,677,596	10.42%
BD RX Inc	Pharmaceutical	101,773,670	9.25%
Sandoz	Pharmaceutical	91,180,442	8.28%
DLP Wilson Medical Center Inc	Medical	88,850,228	8.07%
Alliance One	Tobacco	58,895,021	5.35%
Perdue Pharmaceuticals	Pharmaceutical	56,971,476	5.18%
Saint Gobain Containers	Bottling	45,987,447	4.18%
Inland American Wilson	Real Estate Management	29,427,897	2.67%
Total		<u>\$ 1,100,564,242</u>	<u>100.00%</u>

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# County of Wilson, North Carolina

## STATISTICAL SECTION

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.

Table 1	Net Position By Component
Table 2	Changes in Net Position
Table 3	Fund Balances, Governmental Funds
Table 4	Changes In Fund Balances, Governmental Funds.

Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue sources.

Table 5	Assessed Value and Actual Value of Taxable Property
Table 6	Direct and Overlapping Governments
Table 7	Principal Property Tax Payers
Table 8	Property Tax Levies and Collections
Table 9	General Government Tax Revenues by Source

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

Table 10	Ratios of Outstanding Debt by Type
Table 11	Ratio of General Bonded Debt Outstanding and Legal Debt Margin

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Table 12	Demographic and Economic Statistics
Table 13	Principal Employers

Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Table 14	Full-Time County Government Employees by Function/Program
Table 15	Operating Indicators by Function/Program
Table 16	Capital Asset Statistics by Function/Program

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**TABLE 1**  
**Wilson County, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 14,991,356	\$ 17,033,706	\$ 17,651,796	\$ 16,779,850	\$ 16,394,856	\$ 16,914,580	\$ 18,731,866	\$ 19,698,346	\$ 21,398,624	\$ 22,025,930
Restricted	371,922	392,360	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799
Unrestricted	(6,047,533)	(4,605,305)	(15,129,108)	(19,608,823)	(14,931,994)	(15,774,211)	(10,211,306)	(7,960,954)	(3,200,604)	(3,548,324)
Total Governmental Activities Net Position	<u>\$ 9,315,745</u>	<u>\$ 12,820,761</u>	<u>\$ 2,628,404</u>	<u>\$ (2,690,219)</u>	<u>\$ 1,632,868</u>	<u>\$ 8,757,259</u>	<u>\$ 16,586,926</u>	<u>\$ 21,975,339</u>	<u>\$ 28,757,357</u>	<u>\$ 32,101,405</u>
Business-Type Activities										
Net investment in Capital Assets	\$ 16,358,676	\$ 17,056,014	\$ 17,117,626	\$ 17,026,441	\$ 17,013,528	\$ 17,157,058	\$ 17,343,940	\$ 17,618,131	\$ 26,285,558	\$ 26,291,591
Restricted	853,665	208,676	-	-	-	-	-	-	-	-
Unrestricted	12,905,047	14,169,801	15,487,424	15,978,199	15,513,216	15,008,537	14,628,460	13,920,346	5,079,206	5,435,155
Total Business-Type Activities Net Position	<u>\$ 30,117,388</u>	<u>\$ 31,434,491</u>	<u>\$ 32,605,050</u>	<u>\$ 33,004,640</u>	<u>\$ 32,526,744</u>	<u>\$ 32,165,595</u>	<u>\$ 31,972,400</u>	<u>\$ 31,538,477</u>	<u>\$ 31,364,764</u>	<u>\$ 31,726,746</u>
Primary Government										
Net Investment in Capital Assets	\$ 31,350,032	\$ 34,089,720	\$ 34,769,422	\$ 33,806,291	\$ 33,408,384	\$ 34,071,638	\$ 36,075,806	\$ 37,316,477	\$ 47,684,182	\$ 48,317,521
Restricted	1,225,587	601,036	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799
Unrestricted	6,857,514	9,564,496	358,316	(3,630,624)	581,222	(765,674)	4,417,154	5,959,392	1,878,602	1,886,831
Total Primary Government Net Position	<u>\$ 39,433,133</u>	<u>\$ 44,255,252</u>	<u>\$ 35,233,454</u>	<u>\$ 30,314,421</u>	<u>\$ 34,159,612</u>	<u>\$ 40,922,854</u>	<u>\$ 48,559,326</u>	<u>\$ 53,513,816</u>	<u>\$ 60,122,121</u>	<u>\$ 63,828,151</u>

Source: Annual audited financial statements of this entity.  
Data from Exhibit A

**TABLE 2**  
**Wilson County, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 6,553,323	\$ 8,591,788	\$ 9,716,338	\$ 9,168,058	\$ 8,957,720	\$ 8,882,777	\$ 7,651,150	\$ 7,248,404	\$ 9,903,936	\$ 9,127,244
Public safety	14,849,173	16,009,343	17,310,695	19,485,200	19,306,051	19,196,921	19,815,892	20,830,220	22,263,611	21,366,326
Transportation	42,714	40,214	44,199	59,660	50,861	50,724	49,967	50,246	47,857	37,357
Environmental protection	252,393	984,553	263,185	294,273	301,191	300,558	284,161	290,665	524,329	479,357
Economic and physical development	3,934,651	1,634,504	3,802,793	3,332,631	3,533,157	3,042,014	3,025,416	3,427,689	3,393,417	3,182,859
Human services	33,260,796	34,779,448	34,831,798	35,791,530	34,813,467	34,454,057	33,731,053	35,039,483	34,289,859	33,194,761
Cultural and recreational	2,204,386	1,947,966	2,012,515	2,122,205	2,014,077	2,002,703	1,813,114	1,903,182	1,847,127	1,897,152
Education	18,044,198	18,739,332	30,153,307	28,193,496	18,848,568	18,596,063	18,847,287	18,795,853	20,610,068	21,736,297
Interest on long-term debt	1,822,016	1,719,772	2,168,694	2,170,700	2,067,724	1,439,974	1,539,092	1,430,380	1,216,232	1,026,307
Total government activities expenses	<u>80,963,650</u>	<u>84,446,920</u>	<u>100,303,524</u>	<u>100,617,753</u>	<u>89,892,816</u>	<u>87,965,791</u>	<u>86,757,132</u>	<u>89,016,122</u>	<u>94,096,436</u>	<u>92,047,660</u>
Business-Type Activities:										
Landfill	1,940,209	2,352,221	2,552,162	2,379,231	2,549,099	2,408,065	2,535,925	2,632,369	2,603,931	2,454,250
Water	1,273,440	1,634,317	1,655,504	1,711,393	1,849,152	1,813,444	1,870,248	2,279,006	2,434,397	1,970,238
Total business-type activities expenses	<u>3,213,649</u>	<u>3,986,538</u>	<u>4,207,666</u>	<u>4,090,624</u>	<u>4,398,251</u>	<u>4,221,509</u>	<u>4,406,173</u>	<u>4,911,375</u>	<u>5,038,328</u>	<u>4,424,488</u>
Total primary government expenses	<u>\$ 84,177,299</u>	<u>\$ 88,433,458</u>	<u>\$ 104,511,190</u>	<u>\$ 104,708,377</u>	<u>\$ 94,291,067</u>	<u>\$ 92,187,300</u>	<u>\$ 91,163,305</u>	<u>\$ 93,927,497</u>	<u>\$ 99,134,764</u>	<u>\$ 96,472,148</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 696,166	\$ 975,562	\$ 785,436	\$ 882,443	\$ 952,104	\$ 775,757	\$ 779,845	\$ 807,579	\$ 502,902	\$ 519,520
Public safety	3,283,339	3,915,444	3,928,008	4,083,112	3,569,290	4,585,775	4,779,443	5,125,848	5,263,315	3,842,377
Transportation	136,165	-	21,872	49,892	70,637	51,861	213,920	205,362	226,852	170,271
Environmental protection	-	-	-	-	200	-	-	-	-	-
Economic and physical development	847,902	40,388	-	-	-	-	-	23,953	-	-
Human services	5,928,961	7,067,283	6,251,536	7,995,214	7,472,782	7,252,008	7,564,365	7,207,332	8,674,555	7,890,687
Cultural and recreational	-	-	25,744	28,841	32,653	34,332	59,828	57,037	-	-
Operating grants and contributions	15,170,468	15,399,555	17,415,740	18,101,406	20,207,494	19,282,450	18,398,248	17,364,048	18,277,404	19,660,556
Capital grants and contributions	663,049	1,229,134	63,154	1,653,878	1,701,926	3,172,685	1,960,955	1,457,437	2,711,121	2,052,455
Total government activities program revenues	<u>26,726,050</u>	<u>28,627,366</u>	<u>28,491,490</u>	<u>32,794,786</u>	<u>34,007,086</u>	<u>35,154,868</u>	<u>33,756,604</u>	<u>32,248,596</u>	<u>35,656,149</u>	<u>34,135,866</u>
Business-Type Activities:										
Charges for services:										
Landfill	2,838,813	2,689,342	2,663,594	2,470,560	2,347,945	2,327,996	2,610,208	2,649,072	2,612,503	2,787,838
Water	924,420	1,118,400	1,200,633	1,367,028	1,514,292	1,514,426	1,572,563	1,801,028	1,873,413	1,825,054
Operating grants and contributions	-	-	803,500	-	-	-	-	-	-	54,400
Capital grants and contributions	659,357	682,515	-	321,336	-	-	-	-	-	-
Total business-type program revenues	<u>4,422,590</u>	<u>4,490,257</u>	<u>4,667,727</u>	<u>4,158,924</u>	<u>3,862,237</u>	<u>3,842,422</u>	<u>4,182,771</u>	<u>4,450,100</u>	<u>4,485,916</u>	<u>4,667,292</u>
Total primary government program revenues	<u>\$ 31,148,640</u>	<u>\$ 33,117,623</u>	<u>\$ 33,159,217</u>	<u>\$ 36,953,710</u>	<u>\$ 37,869,323</u>	<u>\$ 38,997,290</u>	<u>\$ 37,939,375</u>	<u>\$ 36,698,696</u>	<u>\$ 40,142,065</u>	<u>\$ 38,803,158</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (54,237,600)	\$ (55,819,554)	\$ (71,812,034)	\$ (67,822,967)	\$ (55,885,730)	\$ (52,810,923)	\$ (53,000,528)	\$ (56,767,526)	\$ (58,440,287)	\$ (57,911,794)
Business-type activities	1,208,941	503,719	460,061	68,300	(536,014)	(379,087)	(223,402)	(461,275)	(552,412)	(242,804)
Total primary government net expense	<u>\$ (53,028,659)</u>	<u>\$ (55,315,835)</u>	<u>\$ (71,351,973)</u>	<u>\$ (67,754,667)</u>	<u>\$ (56,421,744)</u>	<u>\$ (53,190,010)</u>	<u>\$ (53,223,930)</u>	<u>\$ (57,228,801)</u>	<u>\$ (58,992,699)</u>	<u>\$ 58,154,598</u>

Source: Annual audited financial statements of this entity.  
Data from Exhibit B



**TABLE 2 (cont.)**  
**Wilson County, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property taxes	\$ 41,687,531	\$ 40,579,339	\$ 42,242,034	\$ 47,418,462	\$ 47,985,145	\$ 48,432,721	\$ 48,652,157	\$ 49,589,056	\$ 52,414,386	\$ 51,596,469
Local option sales tax	14,060,662	16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117
Other taxes and licenses	1,311,338	1,352,912	1,284,311	1,279,712	644,480	687,322	499,644	530,176	699,995	625,189
Grants and contributions not restricted to specific programs	150,110	163,537	230,929	150,000	225,000	225,000	250,345	243,750	243,750	365,625
Investment earnings, unrestricted	1,059,383	1,337,881	1,472,840	526,767	84,638	73,441	68,897	89,810	47,280	39,376
Miscellaneous, unrestricted	57,855	(216,677)	69,334	(353,399)	284,644	259,932	156,371	108,558	239,841	128,209
Special item - economic development										
Incentive	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	20,600	-	-	-	-
Total governmental activities	<u>58,326,879</u>	<u>59,324,570</u>	<u>61,619,677</u>	<u>62,504,344</u>	<u>60,188,817</u>	<u>59,935,314</u>	<u>60,830,215</u>	<u>62,286,960</u>	<u>65,222,305</u>	<u>65,098,985</u>
Business-Type Activities:										
Grants and contributions not restricted to specific programs	603,901	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	-	813,384	710,498	331,290	58,118	38,538	30,207	27,352	345,483	14,758
Miscellaneous, unrestricted	-	-	-	-	-	-	-	-	33,216	208,588
Transfers	-	-	-	-	-	(20,600)	-	-	-	-
Total business-type activities	<u>603,901</u>	<u>813,384</u>	<u>710,498</u>	<u>331,290</u>	<u>58,118</u>	<u>17,938</u>	<u>30,207</u>	<u>27,352</u>	<u>378,699</u>	<u>223,346</u>
Total primary government	<u>\$ 58,930,780</u>	<u>\$ 60,137,954</u>	<u>\$ 62,330,175</u>	<u>\$ 62,835,634</u>	<u>\$ 60,246,935</u>	<u>\$ 59,953,252</u>	<u>\$ 60,860,422</u>	<u>\$ 62,314,312</u>	<u>\$ 65,601,004</u>	<u>\$ 65,322,331</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 4,212,228	\$ 3,505,016	\$ (10,192,357)	\$ (5,318,623)	\$ 4,323,087	\$ 7,124,391	\$ 7,829,687	\$ 5,492,082	\$ 6,782,018	\$ 7,187,191
Business-type activities	1,812,842	1,317,103	1,170,559	399,590	(477,896)	(361,149)	(193,195)	(433,923)	(173,713)	466,150
Total primary government	<u>\$ 6,025,070</u>	<u>\$ 4,822,119</u>	<u>\$ (9,021,798)</u>	<u>\$ (4,919,033)</u>	<u>\$ 3,845,191</u>	<u>\$ 6,763,242</u>	<u>\$ 7,636,492</u>	<u>\$ 5,058,159</u>	<u>\$ 6,608,305</u>	<u>\$ 7,653,341</u>

Source: Annual audited financial statements of this entity.  
 Data from Exhibit B

**TABLE 3**  
**Wilson County, North Carolina**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 6,647,780	\$ 7,316,558	\$ 7,421,733	\$ 6,729,102	\$ 7,194,610	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	20,781,811	20,015,927	17,357,420	16,563,965	19,247,970	-	-	-	-	-
Restricted	-	-	-	-	-	6,022,889	7,183,183	9,395,506	8,961,836	12,013,772
Committed	-	-	-	-	-	2,729,890	3,262,228	1,025,855	644,054	254,787
Assigned	-	-	-	-	-	5,638,789	7,540,784	11,627,353	9,306,913	9,001,980
Unassigned	-	-	-	-	-	17,897,429	19,012,749	18,117,920	22,840,764	22,879,746
Total general fund	<u>\$ 27,429,591</u>	<u>\$ 27,332,485</u>	<u>\$ 24,779,153</u>	<u>\$ 23,293,067</u>	<u>\$ 26,442,580</u>	<u>\$ 32,288,997</u>	<u>\$ 36,998,944</u>	<u>\$ 40,166,634</u>	<u>\$ 41,753,567</u>	<u>\$ 44,150,285</u>
All Other Governmental Funds										
Reserved	\$ 111,785	\$ 155,536	\$ 105,739	\$ 169,578	\$ 231,955	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	391,411	632,456	8,677,836	2,049,401	1,571,911	-	-	-	-	-
Special revenue funds	678,835	476,942	587,180	849,967	1,180,163	-	-	-	-	-
Restricted	-	-	-	-	-	1,594,001	945,895	842,441	1,597,501	1,610,027
Assigned	-	-	-	-	-	426,262	435,618	340,196	975,023	328,323
Unassigned	-	-	-	-	-	75,359	-	-	(6,506)	(6,955)
Total all other governmental funds	<u>\$ 1,182,031</u>	<u>\$ 1,264,934</u>	<u>\$ 9,370,755</u>	<u>\$ 3,068,946</u>	<u>\$ 2,984,029</u>	<u>\$ 2,095,622</u>	<u>\$ 1,381,513</u>	<u>\$ 1,182,637</u>	<u>\$ 2,566,018</u>	<u>\$ 1,931,395</u>

Source: Annual audited financial statements of this entity.  
Beginning Fiscal Year 2011 data presented implementing GASB Statement 54  
Data from Exhibit C

**TABLE 4**  
**Wilson County, North Carolina**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues:</b>										
Ad valorem taxes	\$ 44,221,746	\$ 40,968,449	\$ 42,217,538	\$ 47,155,793	\$ 47,998,574	\$ 48,337,108	\$ 48,486,720	\$ 49,482,035	\$ 52,992,608	\$ 51,937,667
Local option sales tax	14,060,662	16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117
Other taxes and licenses	1,311,338	1,352,912	1,284,311	1,279,712	1,206,796	687,322	499,644	530,176	699,995	625,189
Unrestricted intergovernmental revenues	150,110	163,537	208,151	150,000	268,665	225,000	250,345	243,750	254,149	386,087
Restricted intergovernmental revenues	16,554,579	19,742,308	19,660,135	19,997,001	21,575,164	22,886,533	20,475,539	19,489,754	22,191,573	21,480,140
Permits and fees	632,501	660,740	544,339	428,857	421,293	384,117	400,205	447,437	1,293,039	1,247,286
Sales and services	9,661,919	8,224,319	8,306,220	12,368,929	11,424,648	11,884,218	12,608,346	12,311,405	12,171,537	11,903,335
Investment earnings	1,059,383	1,337,881	1,472,840	526,767	84,638	73,441	68,897	62,458	47,280	39,376
Miscellaneous	93,816	93,362	72,906	217,505	294,269	213,499	344,420	427,439	282,065	83,741
Total revenues	<u>87,746,054</u>	<u>88,651,086</u>	<u>90,086,669</u>	<u>95,607,366</u>	<u>94,238,957</u>	<u>94,927,536</u>	<u>94,336,917</u>	<u>94,720,064</u>	<u>101,509,299</u>	<u>100,046,938</u>
<b>Expenditures:</b>										
General government	6,562,852	9,300,101	8,291,245	8,797,504	8,472,516	8,290,694	7,399,100	7,221,725	8,539,044	8,892,958
Public safety	14,128,077	15,208,085	16,598,002	18,484,597	18,052,745	15,929,725	19,216,818	19,974,519	22,206,531	20,773,507
Transportation	42,714	40,214	43,921	56,403	47,857	47,857	47,857	47,857	47,857	47,857
Environmental protection	252,393	260,307	244,530	264,780	278,506	281,693	269,781	279,338	281,859	274,118
Economic and physical development	943,982	2,327,428	3,445,811	3,165,096	2,764,400	5,066,317	5,613,412	3,448,155	3,354,289	3,203,158
Human services	33,246,126	34,681,279	34,468,410	34,590,796	33,432,009	33,127,310	32,955,787	33,651,603	34,365,815	33,942,679
Cultural and recreational	1,883,042	1,681,971	1,809,886	1,866,074	1,769,221	1,745,106	1,649,070	1,759,841	1,673,799	1,746,637
Intergovernmental :										
Education	17,715,244	18,739,332	19,399,207	20,866,815	18,689,717	18,596,063	18,417,173	18,795,853	20,610,068	21,736,297
Capital projects	3,984,999	1,572,530	11,575,737	8,108,572	853,109	421,594	991,388	472,641	1,168,920	1,313,220
Debt service:										
Principal retirement	4,348,150	4,509,787	4,802,271	4,582,563	4,900,826	4,918,749	5,004,797	4,996,939	5,702,386	5,349,232
Interest and fees	1,870,754	1,749,254	1,615,172	2,665,170	2,165,489	1,568,512	1,439,934	1,484,592	1,250,373	1,061,244
Bond Issuance cost	-	-	-	-	-	144,909	-	-	-	-
Total expenditures	<u>84,978,333</u>	<u>90,070,288</u>	<u>102,294,192</u>	<u>103,448,370</u>	<u>91,426,395</u>	<u>90,138,529</u>	<u>93,005,117</u>	<u>92,133,063</u>	<u>99,200,941</u>	<u>98,340,907</u>
Excess of revenues over (under) expenditures	<u>2,767,721</u>	<u>(1,419,202)</u>	<u>(12,207,523)</u>	<u>(7,841,004)</u>	<u>2,812,562</u>	<u>4,789,007</u>	<u>1,331,800</u>	<u>2,587,001</u>	<u>2,308,358</u>	<u>1,706,031</u>
<b>Other financing sources (uses):</b>										
Debt proceeds	457,000	1,405,000	18,563,512	-	-	-	-	-	-	-
Refunding bonds Issued	-	-	-	-	-	10,200,000	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	386,487	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	(10,438,084)	-	-	-	-
Transfers in	-	-	-	-	-	1,927,903	133,888	240,207	1,527,000	977,293
Transfer out	-	-	(803,500)	-	-	(1,907,303)	(133,888)	(240,207)	(1,527,000)	(977,293)
Installment purchase obligations issued	-	-	-	-	-	-	5,235,125	300,000	603,134	-
Capital lease obligation issued	-	-	-	-	252,034	-	46,475	36,813	58,822	-
Payment for note on land	-	-	-	-	-	-	(2,617,562)	-	-	-
Operating transfer from component unit	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	53,109	-	-	-	-	-	56,064
Total other financing sources (uses)	<u>457,000</u>	<u>1,405,000</u>	<u>17,760,012</u>	<u>53,109</u>	<u>252,034</u>	<u>169,003</u>	<u>2,664,038</u>	<u>336,813</u>	<u>661,956</u>	<u>56,064</u>
Net change in fund balances	<u>\$ 3,224,721</u>	<u>\$ (14,202)</u>	<u>\$ 5,552,489</u>	<u>\$ (7,787,895)</u>	<u>\$ 3,064,596</u>	<u>\$ 4,958,010</u>	<u>\$ 3,995,838</u>	<u>\$ 2,923,814</u>	<u>\$ 2,970,314</u>	<u>\$ 1,762,095</u>
Debt service as a percentage of noncapital expenditures	8.32%	7.61%	7.61%	8.23%	8.46%	7.98%	7.28%	7.20%	7.63%	7.07%

Source: Annual audited financial statements of this entity.  
Data from Exhibit D

**Table 5**  
**Wilson County, North Carolina**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended 30-Jun	Real Property					Total Direct Tax Rate
	Residential Property	Public Service	Personal Property	Motor Vehicles	Total	
2006	\$ 3,508,422,823	\$ 72,840,118	\$ 899,706,893	\$ 635,763,805	\$ 5,116,733,639	0.7600
2007	3,608,777,787	75,885,032	942,052,612	574,974,740	5,201,690,171	0.7600
2008	3,735,135,051	65,415,105	1,007,905,553	609,610,462	5,418,066,171	0.7300
2009	4,502,749,848	81,287,907	1,043,167,315	592,139,523	6,219,344,593	0.7300
2010	4,633,928,475	79,703,635	1,076,134,029	583,287,626	6,373,053,765	0.7300
2011	4,694,480,580	78,226,687	1,132,425,735	480,408,940	6,385,541,942	0.7300
2012	4,715,489,339	83,300,049	1,141,746,126	546,149,593	6,486,685,107	0.7300
2013	4,745,155,195	85,302,868	1,521,437,440	212,760,541	6,564,656,044	0.7300
2014	4,942,838,796	83,889,129	1,207,165,362	665,844,441	6,899,737,728	0.7300
2015	4,910,234,502	82,135,749	1,223,753,613	624,457,251	6,840,581,115	0.7300

Source: Wilson County Tax Administrator/Collector

Notes: Property in Wilson County is reassessed once every eight years on average. The last County-wide revaluation was in 2008. The County assesses property at approximately 100 percent of actual value for commercial and industrial property and 100 percent for residential property. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$100 of assessed value.

**Table 6**  
**Wilson County, North Carolina**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Wilson County</b>	0.7300	0.7300	0.7300	0.7300	0.7300	0.73000	0.73000	0.76000	0.76000	0.76000
<b>Municipality Rates:</b>										
Black Creek	0.6000	0.6000	0.6000	0.6000	0.6000	0.59360	0.59750	0.59750	0.59700	0.59500
Elm City	0.6300	0.6300	0.6300	0.6300	0.6300	0.56000	0.51500	0.63000	0.63000	0.63000
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.61000	0.61000	0.61000	0.61000	0.61000
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.45000	0.45000	0.45000	0.45000	0.45000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.58000	0.58000	0.58000	0.58000	0.58000
Sharpsburg	0.6500	0.6500	0.6500	0.5000	0.5000	0.50000	0.50000	0.45000	0.45000	0.45000
Sims	0.5000	0.5000	0.5000	0.5000	0.5000	0.50000	0.50000	0.50000	0.50000	0.50000
Stantonsburg	0.4600	0.4600	0.4600	0.4300	0.4300	0.43000	0.43000	0.43000	0.43000	0.43000
Wilson	0.5150	0.5150	0.5150	0.5150	0.5150	0.51500	0.51500	0.51500	0.51500	0.51500
Wilson-Municipal	0.6850	0.6850	0.6850	0.6850	0.6850	0.68500	0.68500	0.68500	0.68500	0.64000
<b>Fire Districts:</b>										
Bakertown	0.0850	0.0850	0.0850	0.0850	0.0850	0.08500	0.08500	0.08500	0.08500	0.08500
Beulah	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250	0.11250	0.11250
Black Creek	0.0500	0.0500	0.0500	0.0500	0.0500	0.04360	0.04750	0.04750	0.04700	0.04500
Contentnea	0.0950	0.0950	0.0950	0.0600	0.0600	0.06000	0.06000	0.06000	0.06000	0.06000
Cross Roads	0.0975	0.0975	0.0975	0.0975	0.0975	0.09750	0.09000	0.09750	0.09750	0.09750
East Nash	0.1350	0.1350	0.1350	0.1350	0.1350	0.13500	0.13500	0.13500	0.13500	0.10000
Green Hornet	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250	0.08250	0.08250
Lee Woodard	0.0825	0.0825	0.0825	0.0825	0.0725	0.07250	0.07250	0.07250	0.07250	0.07250
Moyton	0.1300	0.1300	0.1300	0.1300	0.1300	0.13000	0.13000	0.13000	0.13000	0.13000
Polly Watson	0.1075	0.1075	0.1075	0.1075	0.0875	0.08750	0.08750	0.08750	0.08750	0.08750
Rock Ridge	0.1000	0.1000	0.1000	0.1000	0.1000	0.10000	0.10000	0.10000	0.10000	0.10000
Sanoca	0.1250	0.1250	0.1250	0.1250	0.1250	0.12500	0.12500	0.12500	0.12500	0.12500
Silver Lake	0.1225	0.1225	0.1225	0.1225	0.1225	0.12250	0.12250	0.12250	0.12250	0.12250
Sims	0.0725	0.0725	0.0725	0.0725	0.0725	0.07250	0.07250	0.07250	0.07250	0.07250
Toisnot	0.0475	0.0475	0.0475	0.0475	0.0475	0.04750	0.04750	0.04750	0.04750	0.04750
Tri County	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250	0.11250	0.11250
West Edgecombe	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250		

Source: Wilson County Tax Administrator/Collector

Notes: Tax rates are based on \$100 per assessed valuation for Wilson County and all overlapping governments.

**Table 7**  
**Wilson County, North Carolina**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	Type of Business	2015			2006		
		2014 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2005 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone	Tire manufacturing	\$ 353,189,451	1	5.16 %	\$ 270,334,504	1	5.28 %
BB&T Centralized Solutions Inc.	Financial	159,611,014	2	2.33	77,995,606	3	1.52
BD RX Inc./Becton Dickinson	Pharmaceutical	101,773,670	3	1.49	n/a	n/a	n/a
Merck Sharp & Dohme	Pharmaceutical	114,677,596	4	1.68	141,212,119	2	2.76
Sandoz Inc.	Pharmaceutical	91,180,442	5	1.33	40,088,068	7	0.78
DLP Wilson Medical Center	Medical	88,850,228	6	1.30	68,550,885	4	1.42
Alliance One	Tobacco	58,895,021	7	0.86	66,084,828	5	1.29
Perdue Pharmaceuticals	Pharmaceutical	56,971,476	8	0.83	37,949,159	8	0.74
Siant Gobain Containers	Bottling	45,987,447	9	0.67	33,671,678	6	0.66
Inland American Wilson	Real Estate Mgmt	29,427,897	10	0.43	22,041,440	n/a	0.00
<b>Total</b>		<b>\$ 1,100,564,242</b>		<b>15.95%</b>	<b>\$ 757,928,287</b>		<b>14.80%</b>

Source: Wilson County Tax Administrator/Collector

**Table 8**  
**Wilson County, North Carolina**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 38,816,676	\$ 37,389,386	96.32%	n/a	n/a	n/a
2007	39,537,727	38,188,244	96.59%	n/a	n/a	n/a
2008	41,117,227	39,769,810	96.72%	\$ 635,632	\$ 40,405,443	98.27%
2009	46,091,324	44,480,655	96.51%	623,049	45,103,703	97.86%
2010	46,645,101	45,190,484	96.88%	721,049	45,911,533	98.43%
2011	47,031,339	45,454,664	96.65%	432,628	45,887,292	97.57%
2012	47,428,433	45,754,592	96.47%	1,104,879	46,859,471	98.80%
2013	47,968,099	46,285,917	96.49%	1,402,784	47,688,701	99.42%
2014	50,448,327	49,310,094	97.74%	1,534,993	50,845,087	100.79%
2015	50,003,458	49,136,708	98.27%	1,064,098	50,200,806	100.39%

Source: Wilson County Tax Administrator/Collector

**TABLE 9**  
**Wilson County, North Carolina**  
**General Government Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Rental Vehicle Tax</b>	<b>Franchise Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Privilege and Civil Licenses</b>	<b>Total</b>
2006	\$ 44,221,746	\$ 14,060,662	\$ 109,756		\$ 63,542	\$ 593,328	\$ 23,463	\$ 59,072,497
2007	40,968,449	16,107,578	111,946		61,051	607,737	12,315	57,869,076
2008	42,217,538	16,320,229	112,059	\$ 36,867	102,488	528,349	8,014	59,325,544
2009	47,155,793	13,482,802	115,115	33,054	92,214	294,445	9,952	61,183,375
2010	47,998,574	10,964,910	37,330	35,866	87,829	357,046	8,394	59,489,949
2011	48,337,108	10,236,298	107,507	40,040	82,552	287,295	8,945	59,099,745
2012	46,853,188	10,925,633	120,501	37,447	99,253	234,873	7,570	58,278,465
2013	47,688,700	11,431,555	113,971	31,803	93,218	282,332	8,852	59,650,431
2014	50,841,094	11,280,037	123,483	49,331	89,737	429,290	8,154	62,821,126
2015	54,757,668	12,527,937	133,060	50,384	81,349	359,813	583	67,910,794



**Table 10**  
**Wilson County, North Carolina**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	<sup>1</sup> Percentage of Personal Income <sup>a</sup>	<sup>1</sup> Per Capita
	General Obligation Bonds	Installment Obligations	Capitalized Leases	Installment Obligations	Water Bonds		Percentage of Personal Income <sup>a</sup>	Per Capita
2006	\$ 22,385,000	\$ 20,963,363	\$ 276,270		\$ 9,918,500	\$ 53,543,133	2.30%	\$ 706.88
2007	20,805,000	19,438,556	1,656,726		9,834,000	51,734,282	2.13%	675.19
2008	19,235,000	34,616,861	1,415,026		9,745,000	65,011,887	2.56%	836.79
2009	17,570,000	31,770,501	1,185,320	\$ 1,058,231	9,617,500	61,201,552	2.39%	781.10
2010	15,910,000	28,611,276	1,239,344	1,005,320	9,485,000	56,250,940	2.09%	712.79
2011	14,760,000	25,497,516	1,030,353	952,409	9,347,000	51,587,278	1.94%	644.80
2012	12,975,000	27,599,246	864,438	899,494	9,204,000	51,542,178	1.78%	631.31
2013	10,095,000	25,782,306	767,856	846,582	8,850,000	46,341,744	1.72%	569.45
2014	7,270,000	23,508,054	751,905	793,674	8,660,000	40,983,633	1.42%	499.68
2015	4,855,000	20,573,822	593,323	743,761	8,470,000	35,235,906	1.20%	432.89

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

Per capita amounts are based on population numbers as of June 30 of the fiscal year

<sup>1</sup> See Table 12 for personal income and population data.

**Table 11**  
**Wilson County, North Carolina**  
**Ratio of General Bonded Debt Outstanding and Legal Debt Margin**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General bonded debt outstanding										
General obligation bonds	\$ 22,385,000	\$ 20,805,000	\$ 19,235,000	\$ 17,570,000	\$ 15,910,000	\$ 14,760,000	\$ 12,975,000	\$ 10,095,000	\$ 7,270,000	\$ 4,855,000
Total	<u>22,385,000</u>	<u>20,805,000</u>	<u>19,235,000</u>	<u>17,570,000</u>	<u>15,910,000</u>	<u>14,760,000</u>	<u>12,975,000</u>	<u>10,095,000</u>	<u>7,270,000</u>	<u>4,855,000</u>
Assessed Value	5,120,258,093	5,201,690,173	5,418,066,171	6,219,344,293	6,373,053,765	6,385,541,942	6,486,685,107	6,564,656,044	6,899,737,728	6,840,581,115
Percentage of estimated actual property value	0.44%	0.40%	0.36%	0.28%	0.25%	0.23%	0.20%	0.15%	0.11%	0.07%
Per capita	295.53	271.53	247.58	224.24	201.60	184.49	158.92	124.05	88.64	59.65
Legal debt limit - eight percent (8%) of assessed valuation	<u>409,620,647</u>	<u>416,135,214</u>	<u>433,445,294</u>	<u>497,547,543</u>	<u>509,844,301</u>	<u>510,843,355</u>	<u>518,934,809</u>	<u>525,172,484</u>	<u>551,979,018</u>	<u>547,246,489</u>
Total Net Debt Applicable to Debt Limit	<u>53,543,133</u>	<u>51,734,282</u>	<u>65,011,887</u>	<u>61,201,552</u>	<u>56,250,940</u>	<u>51,587,278</u>	<u>51,542,181</u>	<u>45,495,162</u>	<u>40,983,633</u>	<u>35,754,383</u>
Legal debt margin	<u>\$ 356,077,514</u>	<u>\$ 364,400,932</u>	<u>\$ 368,433,407</u>	<u>\$ 436,345,991</u>	<u>\$ 453,593,361</u>	<u>\$ 459,256,077</u>	<u>\$ 467,392,628</u>	<u>\$ 479,677,322</u>	<u>\$ 510,995,385</u>	<u>\$ 511,492,106</u>
Total Net Debt Applicable to the Limit as a percentage of the debt limit	13.07%	12.43%	15.00%	12.30%	11.03%	10.10%	9.93%	8.66%	7.42%	6.53%

Note: Under state finance law, Wilson County's net debt should not exceed 8 percent of total assessed property value Exhibit G-2

**Table 12**  
**Wilson County, North Carolina**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(1) Personal Income (in thousands)</u>	<u>(1) Per Capita Personal Income</u>	<u>(3) Median Age</u>	<u>(2) School Enrollment</u>	<u>(2) Graduation Rate Percentage</u>	<u>(5) Unemployment Rate Percentage</u>
2005	75,414	\$ 2,225,881	\$ 29,515	25.19	12,344	na	8.0%
2006	75,746	2,324,296	30,685	22.40	12,414	55.8%	7.1%
2007	76,622	2,434,371	31,771	24.70	12,376	56.5%	6.3%
2008	77,692	2,539,242	32,683	23.96	12,424	54.8%	7.9%
2009	78,353	2,556,486	32,628	35.10	12,395	58.2%	12.9%
2010	78,917	2,688,926	33,044	39.00 (6)	12,469	64.9%	12.7%
2011	80,005 (7)	2,653,765	33,170	39.00 (6)	12,194	69.1%	13.5%
2012	81,643 (7)	2,903,306	35,561	39.00 (6)	12,043	77.3%	13.6%
2013	81,380 (7)	2,699,375	33,170	38.30 (1)	12,307	79.70%	13.5%
2014	82,020 (7)	2,881,509	35,197	39.00 (6)	13,099 (6)	77.80%	9.9%
2015	81,397 (7)	2,937,718	35,972	39.00 (6)	13,469	81.50%	10.5%

**Sources:**

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Wilson County Board of Education
- (3) State Library of North Carolina - Woods and Poole Annual County Profile
- (4) ERS/USDA Data - NC Unemployment and Median Household Income
- (5) Employment Security Commission of North Carolina, seasonally adjusted rates as of June 30
- (6) <http://accessnc.commerce.state.nc.us/docs/countyProfile/NC/>
- (7) NC Dept. of Revenue Sales Tax Distribution

**Table 13**  
**Wilson County, North Carolina**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2015			Employer	2006		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
BB&T	2,297	1	6.36 %	Bridgestone Americas Tire Operations, LLC	2,200	1	5.76 %
Bridgestone Americas Tire Operations, LLC	1,800	2	4.98	BB&T	2,000	2	5.24
Wilson County Schools	1,522	3	4.21	Wilson County Schools	1,500	3	3.93
Wilson Medical Center	1,230	4	3.40	Wilson Medical Center	1,250	4	3.27
Alliance One International	970	5	2.68	Alliance One Tobacco USA	890	5	2.33
UTC Aerospace Systems	735	6	2.03	ST Wooten	670	6	1.75
Smithfield Packing Company	700	7	2.08	County of Wilson	655	7	1.71
County of Wilson	750	8	1.94	City of Wilson	650	8	1.70
City of Wilson	725	9	2.01	Merck Mfg.	525	9	1.37
Merck Mfg.	325	10	0.90	Smithfield Packing	500	10	1.31
Total	11,054		30.58 %		10,840		28.38 %
Balance of employment	25,089		69.42 %		27,355		71.62 %
Total employment	36,143		100.00 %		38,195		100.00 %

**Source:** NC Employment Security Commission  
<http://accessnc.commerce.state.nc.us/docs/countyProfile/NC/37195>.  
Wilson EDC

**Table 14**  
**Wilson County, North Carolina**  
**Full-Time County Government Employees by Function/Program**  
**Full-Time-Equivalent County Government Employees by Function/Program FY2014**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government										
County Manager	3	3	3	3	4	4	4	4	3	4
Tax administration	16	15	16	16	15	17	17	16	17	17
Board of Elections	3	3	3	3	2	3	3	3	3	3
Register of Deeds	7	6	6	6	5	6	6	6	6	6
Human resources	1	2	2	2	2	2	2	2	3	3
IT Department	5	5	5	5	5	5	5	5	4	5
Finance	7	7	7	7	7	6	6	6	6	6
Public buildings	5	5	5	6	7	6	6	10	14	14
Cultural and recreational										
Library	21	20	20	20	19	19	19	27	27	26
Public safety										
Sheriff	66	69	71	81	76	83	83	92	93	99
Detention center	53	53	59	33	35	43	43	45	45	47
Animal control	7	7	7	8	8	8	8	9	9	9
Emergency communications	29	32	30	31	32	31	31	31	34	38
Emergency management	1	1	2	2	2	2	2	2	2	2
Emergency medical services	30	37	40	45	48	49	49	69	72	69
Transportation										
Transportation	1	1	1	1	1	1	1	1	1	1
Economic and physical development										
Cooperative extension	10	10	10	10	9	9	9	11	11	11
Environmental protection										
Planning	9	8	8	9	9	9	9	9	9	9
Soil and water conservation	4	4	4	4	4	4	4	3	3	3
Human services										
Health	129	128	133	135	129	136	136	136	131	140
Senior Center	1	1	1	1	1	1	1	2	2	2
Social services	198	200	202	204	215	214	214	218	213	237
Veterans affairs	1	1	1	1	1	1	1	1	1	
Utilities										
Water	5	4	4	4	4	4	4	5	5	5
Solid waste	7	6	8	6	8	10	10	38	38	38
<b>Total</b>	<b>619</b>	<b>628</b>	<b>648</b>	<b>643</b>	<b>648</b>	<b>673</b>	<b>673</b>	<b>751</b>	<b>752</b>	

**Table 15**  
**Wilson County, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Building permits issued	147	85	190	123	141	98	87	182	175	155
Building inspections conducted	4523	4018	3629	2134	2342	2850	177	2969	2758	1746
Sheriff										
Arrests	2245	2387	2832	3012	3194	2806	2723	2274	2226	2377
Citations			1046	1453	1916	1088	1455	958	650	1483
Fire										
Inspections	42	68	90	54	83	82	76	81	53	181
EMS										
Calls	10,385	11,589	11,709	11,900	12,300	13,014	12,924	13,730	13,719	13,523
Solid Waste										
MSW (tons)	6,849	6,891	6,936	6,855	6,026	6,311	6,447	6,334	6,287	6,282
C&D (tons)	30,596	27,055	26,888	12,419	14,917	14,009	15,154	13,477	11,674	14,231
Recycle (tons)	1,350	886	943	748	772	1,085	1,112	1,111	1,387	2,215
Tires (tons)	2,478	3,069	3,422	3,155	2,250	1,912	2,285	1,347	1,285	1,466
Oil (gallons)	2,308	2,907	3,066	2,584	2,756	3,095	2,376	2,246	1,627	4,123
Batteries (count)*	716	537	354	262	146	83	84	123	*4,320	n/a
Jail										
Inmates admitted (average)	6971	6605	6488	6590	5129	5200	5353	6039	6695	5783
Inmates (daily average)	255	245	245	193	191	173	176	198	220	190
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5112	5171	5232	5357	5538	5606	5757	5841	5730	8466
Family and children's Medicaid (active cases)	5906	6322	6703	7232	7625	7655	8042	8220	8403	**20,010
Food stamps (active cases)	4421	4451	4896	5832	7041	8125	8255	8338	8959	9,090
Children in foster care	73	90	80	76	69	63	60	58	60	73
Children in DSS custody	73	90	80	76	69	63	60	58	60	73
Day care (children served)	1234	1210	1129	1125	1075	800	852	703	771	732
Child support (collections)	\$8,752,831	\$8,832,010	\$9,298,672	\$9,313,957	\$9,232,088	\$8,898,924	\$8,946,811	\$8,690,277	\$8,403,110	\$8,458,736
Work First (active cases)	4974	3878	2930	2881	2920	2925	235	249	233	249
Reception services (clients seen)	57,033	54,162	55,633	55,411	57,570	59,917	60,292	58,310	50612	48,915
Health Department										
TB (clients seen)	2,086	1,862	1,791	1,805	1,508	2,210	2,325	2,589	2,735	2,805
Communicable disease/STD (client visits)	8,875	7,864	8,570	8,527	9,589	2,669	3,425	3,456	3,567	3,787
Pharmacy (prescriptions filled)	4,390	4,148	4,889	5,068	6,911	6,095	5,722	5,923	6,025	6,155
BCCCP (clients visits)	77	56	60	77	76	54	49	76	77	80
HIV/AIDS (tests)	1,896	2,071	3,602	3,893	3,797	4,418	3,725	3,872	3,942	4,102
Immunizations (administered)	2,786	5,581	5,799	7,745	10,257	10,133	10,125	11,280	11,569	12,589
Lab (tests)	49,673	40,032	29,303	33,929	32,672	27,304	28,294	29,854	40,953	41,872
Environmental health (onsite inspections)	196	190	192				472	515	1,268	1,299
Environmental health (restaurant inspections)	899	590	338	270	409		547	902	1,720	1,864
WIC (caseloads)	34,450	31,992	36,286	38,278	34,576		3,255	37,251	2,853	2,963
Cultural and Recreational										
Libraries - circulation of youth services	96,566	91,997	90,241	94,925	115,032	122,218	128,538	118,558	129,149	127,899
Libraries - circulation of adult services	128,394	128,037	129,984	143,936	162,240	154,082	150,340	133,204	170,703	158,998
Education										
ADM	12640	12600	12424	12642	12461	12177	12043	12307	13099	13469

Source: Various County government departments. School enrollment statistics are from the Wilson County School Finance Office.

\* Batteries were calculated in weight rather than count for FY2014

\*\*Transition to NC Fast from EIS is per person rather than household

**Table 16**  
**Wilson County, North Carolina**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units			86	89	91	99	98	98	97	99
Canine units	0	0	0	0	0	0	4	4	4	4
EMS										
Stations	1	1	1	1	1	1	1	1	1	2
Ambulances/QRVs	12	12	13	13	13	17	17	17	18	18
Defibrillators	12	12	12	12	12	12	12	12	12	12
Cultural and Recreation										
Libraries	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)			218	218	218	218	218	218	218	218
Pump stations	3	3	3	3	3	3	3	3	3	3

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## **COMPLIANCE SECTION**

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

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

### **Independent Auditor's Report**

To the Board of County Commissioners  
Wilson County  
Wilson, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 8, 2015. 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 of the financial statements, we considered Wilson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilson County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as described in the accompanying Schedule of Finding, Responses, and Questioned Costs, we identified certain deficiencies in internal control, that we considered to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings, Responses, and Questioned Costs as 2015-002 and 2015-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings, Responses, and Questioned Costs as 2015-001 to be a significant deficiency.

### ***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, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Wilson County's Responses to Findings***

Wilson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. Wilson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements; and accordingly, we express no opinion on them.

### ***Purpose of This Report***

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2015

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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## **Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Wilson County  
Wilson, North Carolina

#### **Report On Compliance for Each Major Federal Program**

We have audited the compliance of Wilson County, North Carolina 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, 2015. Wilson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Wilson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Wilson County's compliance.

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Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

### ***Opinion on Each Major Federal Program***

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

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2015-004. Our opinion on each major federal program is not modified with respect to this matter.

Wilson County's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses and Questioned Costs. Wilson County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report On Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance as described in the accompanying Schedule of Findings, Responses, and Questioned Costs, as item 2015-004, that we consider to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2015

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# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Circular A-133 And The State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Board of County Commissioners  
Wilson County  
Wilson, North Carolina

#### **Report On Compliance for Each Major State Program**

We have audited the compliance of Wilson County 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 Wilson County's major State programs for the year ended June 30, 2015. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Wilson County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations* as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 on compliance for each major State program. However, our audit does not provide a legal determination of Wilson County's compliance.

### ***Opinion on Each Major State Program***

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

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of OMB Circular A-133, as described in the *Audit Manual for Government Auditors in North Carolina* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2015-004. Our opinion on each major State program is not modified with respect to this matter.

Wilson County's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings, Responses and Questioned Costs. Wilson County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain

deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2015-004 and 2015-005, that we consider to be material weaknesses.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 8, 2015

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified?   X   Yes        No
- Significant deficiencies identified not considered to be material weakness (es)?   X   Yes        None reported

Non-compliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major federal programs:

- Material weaknesses identified?   X   Yes        No
- Significant deficiencies identified not considered to be material weaknesses?        Yes   X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget, Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, section .510(a)?   X   Yes        No

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. Summary of Auditor's Results (continued)**

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.775, 93.777, 93.778
TANF Cluster	93.558, 93.714
State Children's Health Insurance Program- NC Health Choice	93.767

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

\$3,000,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No

**State Awards**

Internal control over major State programs:

- Material weakness (es) identified?                      X   Yes    \_\_\_\_\_ No
- Significant deficiencies identified not  
  considered to be material weakness (es)?            \_\_\_\_\_ Yes      X   None reported

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

Unmodified

Any findings disclosed that are required to  
be reported in accordance with the State  
Single Audit Implementation Act?

  X   Yes    \_\_\_\_\_ No

Identification of major State programs:

Medicaid Cluster  
State/County Special Assistance for Adults (SC/SA)  
State Children's Health Insurance Program- NC Health Choice

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. Findings Related to the Audit of the Basic Financial Statements**

**Finding 2015-001**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** Due to the limited number of personnel in the County's office, there are inherent limitations to segregation of duties among County personnel.

**Context:** While documenting internal controls relating to the general ledger and journal entries, we noted that various accounting personnel have the ability to initiate and post journal entries in the financial accounting system without a secondary review.

**Cause:** There is a lack of internal controls over the journal entry process.

**Effect:** Adjustments could be made without oversight.

**Recommendation:** Access to the books and records of the County should be separated from access to the assets of the County as much as possible. Internal controls over journal entries should be added to ensure proper segregation of duties.

**Name of Contact Person:** Tiffany Reese, Finance Director

**Management's Response/Corrective Action:** We are aware of the weakness, and we will add internal controls sufficient to ensure proper segregation of duties over journal entries. On May 1, 2015, the following actions have been taken to improve internal control and segregation of duties over journal entry processing and approval. We have implemented workflow within the accounting software. Journal entries are entered by department designated personnel, reviewed and approved at the Department level by the Department Supervisor, and reviewed with final approval and posting in the Finance Department Accounting Supervisor and Accounting Specialist.

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

### 2. Findings Related to the Audit of the Basic Financial Statements (continued)

#### 2015-002

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** The Economic Development Grant Fund and General Fund have been restated by \$315,469 for Eastern Region Funds that should not have been received in the General Fund. In prior periods, errors related to beginning balances in the Water Distribution Fund Southeast District, Water Distribution Fund Southwest District, and Water Fund were discovered. Beginning balances were restated by \$(72,927), \$(129,816), and \$220,692, respectively.

**Context:** For the statements affected, the prior year financial statements were misstated.

**Cause:** Inadequate monitoring of restricted intergovernmental revenues.

**Effect:** For the statements affected, the prior year financial statements were misstated.

**Recommendation:** Additional review of the audited financial statements should be implemented to prevent prior period adjustments in the future.

**Name of Contact Person:** Tiffany Reese, Finance Director

**Management's Response/Corrective Action:** Management concurs with the finding and will continue to review financial statements to prevent prior period adjustments. Management will review budgets and expenditures quarterly to ensure the appropriate recording for revenues.

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**2. Findings Related to the Audit of the Basic Financial Statements (continued)**

**2015-003**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting.

**Condition:** Due to the limited number of personnel in the County's office, there are inherent limitations to segregation of duties among County personnel.

**Context:** While documenting internal controls relating to the County's tax collection procedures, we noted that two tax department personnel have the ability to collect cash and balance their own drawers without a secondary review of the drawer count.

**Cause:** There is a lack of internal controls over the tax collection process.

**Effect:** Adjustments could be made without oversight.

**Recommendation:** Access to the books and records of the County should be separated from access to the assets of the County as much as possible. Internal controls over tax drawer counts should be added to ensure proper segregation of duties.

**Name of Contact Person:** Randy Faircloth, Tax Administrator

**Management's Response/Corrective Action:** We are aware of the weakness, and we have added internal controls sufficient to ensure proper segregation of duties over the tax collection process.



**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**3. Federal Award Findings and Questioned Costs**

**2015-004**

**Criteria:** The County should have an adequate monitoring controls to ensure that all information from the State’s eligibility system, known as North Carolina Families Accessing Services through Technology (NC FAST) reconciles to participant case file records.

**Condition:** Out of the 60 cases sampled, one instance of NCFAST incorrectly calculating income was noted. One instance of incorrect eligibility determination was noted and documentation was missing in the file.

<u>Federal Grantor</u>	<u>Pass-Through Agency</u>	<u>Program Name</u>	<u>CFDA #</u>
U.S. Department of Health and Human Services	N.C. Department of Health and Human Services	State Children's Health Insurance Program- NC Health Choice	93.767

**Questioned Costs:** \$410

**Context:** While performing testing of eligibility, we noted the above condition.

**Cause:** Lack of sufficient quality review procedures by management.

**Effect:** Participant files could contain incorrect documentation where funding could be provided to individuals who are truly not eligible or not provided to truly eligible individuals.

**Recommendation:** Management should monitor the systems of internal controls over participant budget calculations and NC FAST data to ensure that controls are operating as intended. Management oversight of the eligibility process would reduce the risk of further noncompliance.

**Name of Contact Person:** Glenn Osborne, Director of Social Services

**Management’s Response/Corrective Action:** We appreciate the review and we will work diligently to serve our customers by providing accurate benefits in a timely manner. We strive to provide our customers with quality and timely services in an effort to ensure they are provided with the programs and services that best meets their needs based on their eligibility status. We are proud of our past success at helping our customers receive timely assistance. As we strive for continuous quality improvement, we will look at our internal control systems and make improvements where necessary to ensure that they operate as intended. Management will also continue to conduct second party reviews to reduce the risk of incorrect eligibility determinations. We will also continue to advocate for improvements to the NCFAST system for it to improve upon its reliability and the integrity of the system data.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

#### 4. State Award Findings and Questioned Costs

2015-004 as described previously.

2015-005

**NC Department of Health and Human Services  
State/County Special Assistance for Adults (SC/SA)**

**Criteria:** The County should have an adequate system of internal control procedures in place that management properly reviews and assess the eligibility of individuals to ensure the accuracy of the benefits being provided.

**Condition:** The Division of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being met.

**Context:** While performing testing of internal control over compliance related to the Division of Social Services, we noted the above condition.

**Cause:** Lack of sufficient quality review procedures by management.

**Effect:** Participant files could contain incorrect documentation where funding could be provided to individuals who are truly not eligible or not provided to truly eligible individuals.

**Recommendation:** Management should implement proper review procedures over the Division of Social Services eligibility determination to ensure that records contain current, reliable and appropriate documentation in each participant file.

**Name of Contact Person:** Glenn Osborne, Director of Social Services

**Management's Response/Corrective Action:** We appreciate the feedback and in our continuous quality improvement efforts we have already implemented a second party review process to ensure that appropriate documentation is contained in case records.

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

2014-001: Corrected.

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct &amp; Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<b>FEDERAL AWARDS:</b>			
<u>U. S. Department of Agriculture</u>			
<u>Food and Nutrition Service</u>			
Passed-Through the N.C. Department of Health and Human Services:			
Division of Social Services:			
Administration:			
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:			
Food Stamp Admin	10.561	\$ 1,035,915	\$ -
Food Stamp Fraud Admin	10.561	161,538	-
Total SNAP Cluster		1,197,453	-
Passed-Through the N.C. Department of Health and Human Services:			
<u>Division of Public Health:</u>			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC):			
Administration	10.557	539,131	-
Direct Benefit Payments	10.557	2,092,838	-
<u>Child Nutrition Cluster:</u>			
Summer Food Service Program for Children	10.559	2,110	-
Total U.S. Department of Agriculture		3,831,532	-
<u>U.S. Department of Homeland Security:</u>			
Passed-through N.C. Department of Public Safety			
Division of Crime Control and Public Safety:			
Emergency Management Performance Grant	97.042	53,699	-
Total Department of Homeland Security		53,699	-
<u>U. S. Department of Health and Human Services</u>			
<u>Administration for Community Living</u>			
Passed-Through Centralina Council of Governments:			
<u>Aging Cluster:</u>			
Special Programs for the Aging - TITLE III B Grants for Supportive Services and Senior Centers	93.044	42,320	2,489
Special Programs for the Aging - TITLE III C Nutrition Services	93.045	222,703	13,101
Total Aging Cluster		265,023	15,590
Social Security Block Grant	93.667	21,963	627
Nutrition Services Incentive Program	10.570	42,111	-
<u>Administration for Children and Families</u>			
Passed-Through the N.C. Department of Health and Human Services:			
<u>TANF Cluster:</u>			
Division of Social Services:			
Work First Admin	93.558	330,271	-
Work First Service	93.558	1,767,115	-
Direct Benefit Payments- TANF Payments & Penalties	93.558	565,358	-
Division of Public Health:			
Temporary Assistance for Needy Families (TANF)	93.558	12,098	-
Total TANF Cluster		2,674,842	-

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
<u>Child Care and Development Fund Cluster:</u>			
Division of Social Services:			
Child Care and Development Fund	93.596	204,157	-
Division of Child Development:			
Child Care and Development Block Grant - Discretionary	93.575	1,755,050	-
Child Care and Development Fund - Mandatory	93.596	659,951	-
Child Care and Development Fund - Matching	93.596	198,696	-
Total Child Care and Development Fund Cluster		<u>2,817,854</u>	<u>-</u>
Temporary Assistance for Needy Families (TANF)	93.558	513,921	-
Title IV-E Foster Care	93.658	40,930	21,198
State Appropriations		-	289,079
TANF-MOE		-	24,119
Total		<u>554,851</u>	<u>334,396</u>
Total Subsidized Child Care Cluster		<u>3,372,705</u>	<u>334,396</u>
<u>Centers for Medicare and Medicaid Services</u>			
Passed-Through the N.C. Department of Health and Human Services:			
<u>Medicaid Cluster:</u>			
Division of Medical Assistance:			
State County Special Assistance	93.778	34,290	-
Medical Assistance Program - Direct Benefit Payments	93.778	82,814,670	44,899,078
DMA Equipment County	93.778	23,071	-
Division of Social Services:			
Adult Care Home Case Management	93.778	23,338	5,440
MA Expansion	93.778	158,333	-
Medical Assistance Program - Administration	93.778	3,011,800	-
Medical Transportation Admin	93.778	147,325	-
Medical Transportation Service	93.778	15,268	7,925
Total Medicaid Cluster		<u>86,228,095</u>	<u>44,912,443</u>
State Children's Health Insurance Program - NC Health Choice:			
Admin	93.767	54,715	5,710
Direct Benefit Payments	93.767	1,129,992	354,967
Total State Children's Health Insurance Program		<u>1,184,707</u>	<u>360,677</u>
Division of Social Services:			
<u>Foster Care and Adoption Cluster:</u>			
Administration:			
IV-E CPS	93.658	70,764	89,436
IV-E Foster Care Trn	93.658	5,463	-
IV-E Foster Care/Off Trn	93.658	407,678	-
IV-E Admin Foster Care	93.658	1,935	-
Foster Care	93.658	64,745	-
Direct Benefit Payments:			
Title IV-E Admin County Paid	93.658	33,808	16,904
IV-E Family Foster Max	93.658	8,977	-
IV-E Foster Care	93.658	95,692	24,797
IV-E Foster Care Level in Excess	93.658	64,725	16,722
IV-E Adoption Subsidy and Vend	93.659	376,766	97,640
IV-E Adoption Training	93.659	53,273	-
Total Foster Care and Adoption Cluster		<u>1,183,826</u>	<u>245,499</u>

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
Administration:			
Chafee Foster Care Independence	93.674	11,998	2,999
Adult Protective Service	93.667	39,715	-
In-Home Services	93.667	72	-
In-Home Services Over 60	93.667	20,787	-
SSBG Other SVCS & TRNG	93.667	333,017	41,798
Stephanie Tubbs Jones Child Welfare Services	93.645	21,665	-
Crisis Intervention Payments	93.568	388,799	-
Low Income Home Energy Assistance Admin	93.568	80,071	-
Low Income Home Energy Assistance	93.568	589,700	-
N.C.Child Support Enforcement Section			
Title IV-D Administration	93.563	1,152,678	-
IV-D Offset Fees - ESC	93.563	472	-
IV-D Offset Fees - Federal	93.563	4,005	-
Promoting Safe and Stable Families	93.556	16,136	-
Direct Benefit Payments:			
Chafee Foster Care Independence	93.674	7,943	-
Family Support Payments to State Assistance Payments	93.560	(247)	(68)
		<u>2,666,811</u>	<u>44,729</u>
<u>Centers for Disease Control and Prevention</u>			
Passed-Through the N.C. Department of Health and Human Services:			
Division of Public Health:			
Immunization Grants	93.268	23,765	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	7,848	-
Hospital Preparedness Program and Public Health Emergency Preparedness	93.074	34,651	-
Tuberculosis Control Programs	93.116	25,347	-
Preventive Health and Health Services Block Grant	93.758	19,309	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	192	-
Total Centers for Disease Control and Prevention		<u>111,112</u>	<u>-</u>
<u>Health Resources and Service Administration</u>			
Passed-Through the N.C. Department of Health and Human Services:			
Division of Public Health:			
Maternal and Child Health Services Block Grant	93.994	119,781	89,847
<u>Office of Population Affairs</u>			
Passed-Through the N.C. Department of Health and Human Services:			
Office of Population Affairs:			
Family Planning Services	93.217	86,103	-
Total U.S. Department of Health and Human Services		<u>101,842,310</u>	<u>46,003,808</u>
<u>U.S. Department of Housing and Urban Development</u>			
<u>Community Planning and Development</u>			
Office of Community Development and Planning:			
Passed-Through the N.C. Department of Health and Human Services:			
Office of Economic Opportunity:			
Emergency Solutions Grants Program	14.231	15,846	-
Passed through N.C. Department of Commerce			
<u>Division of Community Assistance</u>			
Community Development Block Grants:			
CDBG - State Program and Non-Entitlement Grants in Hawaii	14.228	191,683	-
Total U.S. Department of Housing and Urban Development		<u>207,529</u>	<u>-</u>

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct &amp; Pass-Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Justice</u>			
<u>Office of Justice Programs</u>			
Direct Program:			
State Criminal Alien Assistance Program	16.606	2,394	-
Total U.S. Department of Justice		<u>2,394</u>	<u>-</u>
<u>U. S. Department of Transportation</u>			
<u>Federal Transit Administration</u>			
Passed-Through the N.C. Department of Transportation			
Public Transportation Division:			
Formula Grants for Rural Areas- Admin 15-CT-035	20.509	56,797	3,550
Formula Grants for Rural Areas- Capital 15-CT-035	20.509	145,522	18,191
Formula Grants for Rural Areas- Capital 14-CT-035	20.509	74,788	9,348
Total U.S. Department of Transportation		<u>277,107</u>	<u>31,089</u>
Total Federal Awards		<u>\$ 102,329,340</u>	<u>\$ 46,034,897</u>
<b>STATE AWARDS:</b>			
<u>N.C. Department of Insurance</u>			
Senior Health Insurance Information Program			\$ <u>3,465</u>
<u>N.C. Department of Cultural Resources</u>			
Division of State Library:			
State Aid to Public Libraries			<u>127,135</u>
Total N.C. Department of Cultural Resources			<u>127,135</u>
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Soil and Water Conservation:			
Convenience Center Commingled Recycling Collection Grant Program			30,000
N.C. Agriculture Cost Share - Technical Assistance			<u>18,206</u>
Total Division of Soil and Water Conservation			<u>48,206</u>
Total N.C. Department of Environment and Natural Resources			<u>48,206</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Aging and Adult Services:			
In Home Service			169,348
Home Delivered Meals			107,921
Senior Center Outreach			<u>3,893</u>
Total Division of Aging and Adult Services			<u>281,162</u>
Division of Public Health:			
Food and Lodging Fees			16,381
General Aid to Counties			138,666
General Communicable Disease Control			8,294
Risk Reduction / Health Promotion			6,286
Breast and Cervical Cancer Program			5,100
Child Health			2,430
Tuberculosis			59,010
Tuberculosis Medical Service			3,648
HMHC-Family Planning			4,038

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-Through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
Maternal Health (HMHC)			8,745
School Nurse Funding Initiative			150,000
Women's Health Service Fund			13,990
Sexually Transmitted Diseases			3,476
HIV/STD State			2,381
HIV/STD SSBG Aid			2,500
Total Division of Public Health			<u>424,945</u>
Division of Social Services:			
ST Child Welfare/CPS/CS LD			76,478
FS County Incentive			(1,432)
Direct Benefit Payments- Child Welfare Services Adoption Subsidy -			281,284
Energy Assist Private Grant			2,941
AFDC Incent/Prog Integrity			128
FS DOR			207
Direct Benefit Payments- State/County Special Assistance for Adults (SC/SA) -			935,001
Direct Benefit Payments- SFHF Maximization			129,356
Direct Benefit Payments- State Foster Home			57,829
Total Division of Social Services			<u>1,481,792</u>
Total N.C. Department of Health and Human Services			<u>2,187,899</u>
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund			1,887,438
Total N.C. Department of Public Instruction			<u>1,887,438</u>
<u>N.C. Department of Public Safety:</u>			
Division of Juvenile Justice and Delinquency Prevention:			
Junior Master Gardner Grant			3,300
Juvenile Crime and Delinquency Prevention Council			286,910
Total N.C. Department of Public Safety			<u>290,210</u>
<u>N.C. Department of Transportation:</u>			
Rural Operating Assistance Program (ROAP)			
ROAP Elderly and Disabled Transportation Assistance Program			70,447
ROAP Work First Transitional- Employment			23,678
ROAP Rural General Public Program			53,699
Total ROAP			<u>147,824</u>
Total N.C. Department of Transportation			<u>147,824</u>
<u>N.C. Department of Commerce</u>			
Industrial Development Fund Utility Grant			10,000
Total N.C. Department of Commerce			<u>10,000</u>
Total State Awards			<u>4,702,177</u>
Total Federal and State Awards		<u>\$ 102,329,340</u>	<u>\$ 50,737,074</u>



## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct &amp; Pass-Through) Expenditures</u>	<u>State Expenditures</u>
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**Notes to the Schedule of Expenditures of Federal and State Financial Awards:****1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Wilson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Wilson County, it is not intended to and does not present the financial position, changes in net position or cash flows of Wilson County.

**2. Summary of Significant Accounting Policies**

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

**3. Subrecipients**

Of the federal and State expenditures presented in the schedule, Wilson County provided federal and State awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through Grantor's Number</u>
Juvenile Crime Prevention Programs		\$ -	\$ 286,910	\$ -
Public School Building Capital Fund		\$ -	\$ 1,887,438	\$ -

**4. Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes:

Subsidized Child Care and Foster Care and Adoption Cluster

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