

**Wilson County, North Carolina
Table of Contents
June 30, 2009**

Exhibit

Page

Financial Section:

Independent Auditor's Report

1

Management's Discussion and Analysis

3

Basic Financial Statements:

Government-wide Financial Statements:

1 Statement of Net Assets

12

2 Statement of Activities

14

Fund Financial Statements:

3 Balance Sheet - Governmental Funds

16

3 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

17

4 Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

18

4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Net Activities

20

5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund

21

6 Statement of Net Assets - Proprietary Funds

23

7 Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds

25

8 Statement of Cash Flows - Proprietary Funds

26

9 Statement of Fiduciary Net Assets - Fiduciary Funds

28

Notes to the Financial Statements

29

Wilson County, North Carolina
Table of Contents
June 30, 2009

<u>Exhibit</u>		<u>Page</u>
Required Supplemental Financial Data:		
A-1	Law Enforcement Officers' Special Separation Allowance: Schedule of Funding Progress	69
A-2	Schedule of Employer Contributions	70
A-3	Other Postemployment Benefits: Schedule of Funding Progress	71
A-4	Schedule of Employer Contributions	72
Individual Fund Statements and Schedules:		
Major Governmental Funds:		
B-1	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	73
Non-Major Governmental Funds:		
C-1	Combining Balance Sheet - Nonmajor Governmental Funds	88
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	90
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
C-3	Revaluation Fund	92
C-4	Fire District Fund	93
C-5	Enhanced 911 Service	94
C-6	Transportation Fund	95
C-7	Economic Development Reserve Fund	96
C-8	Public Buildings Fund	97
C-9	Grant Projects Fund	98
C-10	New Elementary School Construction Fund	99

**Wilson County, North Carolina
Table of Contents
June 30, 2009**

Exhibit

Page

Enterprise Funds:

**Schedules of Revenues and Expenditures
- Budget and Actual (Non-GAAP):**

D-1	Solid Waste Fund	100
D-2	Southeast Water District	101
D-3	Southwest Water District	103
D-4	Water District Capital Project Fund - Southwest H-LRX-F-03-1041	105
D-5	Water District Capital Project Fund - Southeast H-LRX-F-03-1040	106

Other Schedules/Statements:

E-1	Schedule of Ad Valorem Taxes Receivable	107
E-2	Analysis of Current Tax Levy - County-Wide Levy	108
E-3	Statement of Changes in Assets and Liabilities - Agency Funds	109

Compliance Section:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	110
Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act	112
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	114
Schedule of Findings and Questioned Costs	116
Corrective Action Plan	126
Schedule of Expenditures of Federal and State Awards	128

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Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilson County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the reports of the other auditors.

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

In our opinion, based on our audit, 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 units, each major fund and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009, on our consideration of Wilson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 20, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

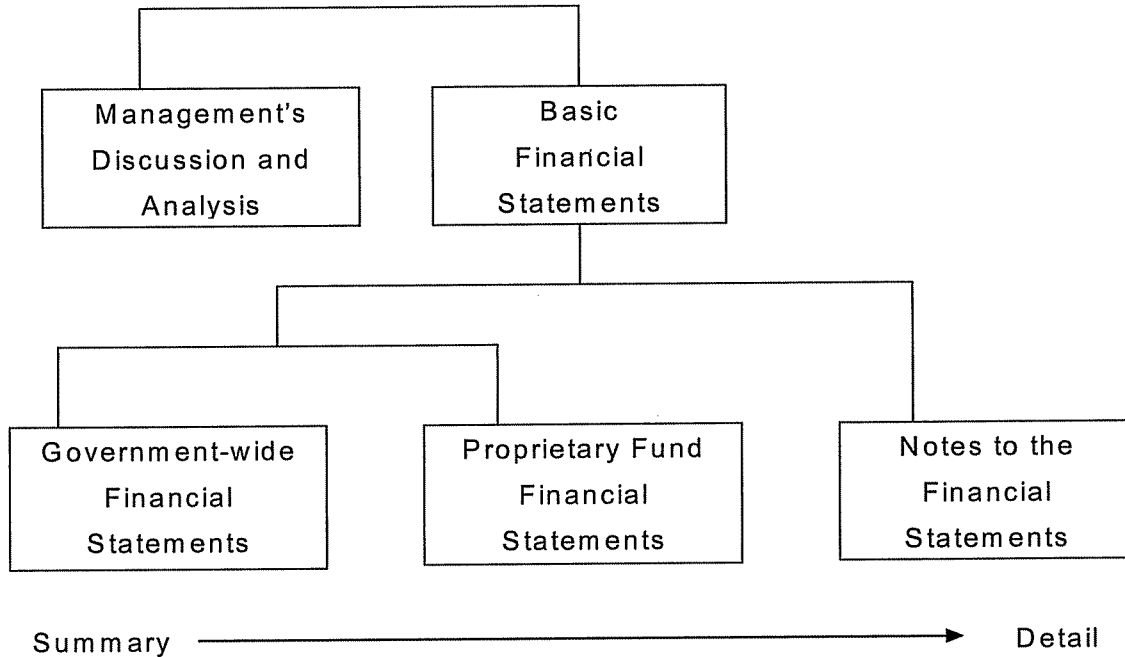
Financial Highlights

- The assets of Wilson County's governmental activities and business type activities exceeded its liabilities at the close of the most recent fiscal year by \$30,314,421.
- Wilson County's total net assets decreased by \$4,919,033.
- Wilson County's governmental funds decreased by \$5,318,623.
- Governmental funds reported combined ending fund balances of \$26,362,013. Approximately 73.91% of this total, or 19,463,333, is unreserved or available for spending at Wilson County's discretion.
- At the close of the current fiscal year, Wilson County's general fund reported an ending fund balance of \$23,293,067. Approximately \$16,563,965 or 71.1% of this total amount is available for spending at the government's discretion.
- The County holds the following bond ratings:
 - Moody's - Aa
 - Standard & Poor's - AAA

Overview of the Financial Statements

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

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



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Management Discussion and Analysis
Wilson County, North Carolina

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

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

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

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

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

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

Management Discussion and Analysis
Wilson County, North Carolina

Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Wilson County, assets exceeded liabilities by \$30,283,329 at the close of the most recent fiscal year.

Wilson County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Assets						
Current and						
other assets	\$ 31,520,541	\$ 41,576,107	\$ 19,169,933	\$ 18,458,769	\$ 50,690,474	\$ 60,034,876
Restricted assets	958,147	13,965	-	-	958,147	13,965
Capital assets	24,256,539	24,956,888	27,702,172	26,815,546	51,958,711	51,772,434
Total Assets	\$ 56,735,227	\$ 66,546,960	\$ 46,872,105	\$ 45,274,315	\$ 103,607,332	\$ 111,821,275
Liabilities						
Long-term liabilities						
outstanding	\$ 55,212,640	\$ 57,625,123	\$ 13,544,226	\$ 12,323,759	\$ 68,756,866	\$ 69,948,882
Other liabilities	4,212,806	6,293,433	323,239	345,506	4,536,045	6,638,939
Total Liabilities	\$ 59,425,446	\$ 63,918,556	\$ 13,867,465	\$ 12,669,265	\$ 73,292,911	\$ 76,587,821
Net Assets						
Invested in capital assets, net of related debt	\$ 17,965,170	\$ 17,651,796	\$ 17,026,441	\$ 17,117,626	\$ 34,991,611	\$ 34,769,422
Restricted	138,754	105,716	-	-	138,754	105,716
Unrestricted	(20,794,143)	(15,129,108)	15,978,199	15,487,424	(4,815,944)	358,316
Total Net Assets	\$ (2,690,219)	\$ 2,628,404	\$ 33,004,640	\$ 32,605,050	\$ 30,314,421	\$ 35,233,454

The largest portion of Wilson County's net assets is reflected in its investment in capital assets and construction in progress (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. 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 related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

Management Discussion and Analysis
Wilson County, North Carolina

Wilson County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 13,039,502	\$ 11,012,596	\$ 3,837,588	\$ 3,864,227	\$ 16,877,090	\$ 14,876,823
Grants & Contributions:						
Operating	18,101,406	17,415,740	-	803,500	18,101,406	18,219,240
Capital	1,653,878	63,154	321,336	-	1,975,214	63,154
General Revenues:						
Property taxes	47,418,462	42,242,034	-	-	47,418,462	42,242,034
Local Option						
Sales tax	13,482,802	16,320,229	-	-	13,482,802	16,320,229
Other taxes & licenses	1,279,712	1,284,311	-	-	1,279,712	1,284,311
Investment earnings	526,767	1,472,840	331,290	710,498	858,057	2,183,338
Grants & contributions not restricted to specific programs	150,000	289,659	-	-	150,000	289,659
Miscellaneous	(353,399)	-	-	-	(353,399)	-
Sale of equipment	-	10,604	-	-	-	10,604
Total Revenues	\$ 95,299,130	\$ 90,111,167	\$ 4,490,214	\$ 5,378,225	\$ 99,789,344	\$ 95,489,392
Expenses:						
General Government	\$ 9,168,058	\$ 9,716,338	\$ -	\$ -	\$ 9,168,058	\$ 9,716,338
Public Safety	19,485,200	17,310,695	-	-	19,485,200	17,310,695
Transportation	59,660	44,199	-	-	59,660	44,199
Environmental Protection	294,273	263,185	-	-	294,273	263,185
Economic & Physical Development	3,332,631	3,802,793	-	-	3,332,631	3,802,793
Human Services	35,791,530	34,831,798	-	-	35,791,530	34,831,798
Cultural & Recreational	2,122,205	2,012,515	-	-	2,122,205	2,012,515
Education	28,193,496	30,153,307	-	-	28,193,496	30,153,307
Interest & other charges	2,170,700	2,168,694	-	-	2,170,700	2,168,694
Landfill	-	-	2,379,231	2,552,162	2,379,231	2,552,162
Water	-	-	1,711,393	1,655,504	1,711,393	1,655,504
Total Expenses	\$ 100,617,753	\$ 100,303,524	\$ 4,090,624	\$ 4,207,666	\$ 104,708,377	\$ 104,511,190
Increase (Decrease) in Net Assets	\$ (5,318,623)	\$ (10,192,357)	\$ 399,590	\$ 1,170,559	\$ (4,919,033)	\$ (9,021,798)
Net Assets, July 1	2,628,404	12,820,761	32,605,050	31,434,491	35,233,454	44,255,252
Net Assets, June 30	\$ (2,690,219)	\$ 2,628,404	\$ 33,004,640	\$ 32,605,050	\$ 30,314,421	\$ 35,233,454

Management Discussion and Analysis
Wilson County, North Carolina

Governmental Activities. Of the total net assets, governmental activities reported a (\$2,690,219) balance and represents a decrease of \$5,318,623 in comparison to the fiscal year 2008. While the debt for the school projects is carried in the county's general fund, the assets are included as assets of the Board of Education. Expenditures for education were \$28,193,496, a decrease by \$1,959,811, or 6.5% from the previous year. Operating grants in the amount of \$18,101,406, sales and services in the amount of \$13,039,502 and local option sales taxes of \$13,482,802, along with the ad valorem tax collections totaling \$47,418,462 were the main sources of funding of Wilson County's governmental activities.

Business-type Activities. Business-type activities' net assets increased by \$399,590.

- Utility rates were adjusted effective mid-year and resulted in increased revenue in the water districts.

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. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$26,362,013 a decrease of \$7,787,895. This decrease is due to the complete of an elementary school using debt proceeds.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$16,563,965, while total fund balance for the general fund is \$23,293,067. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.25% percent of total general fund expenditures, while total fund balance represents 25.67% of that same amount.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,431,896. Practically all of this increase was attributable to Sales & Services.

Management Discussion and Analysis
Wilson County, North Carolina

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

Unrestricted net assets of Solid Waste and Water Districts for the fiscal year 2009 amounted to \$15,978,199.

Capital Asset and Debt Administration

Capital Assets. Wilson County's investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$51,958,711. (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

- Purchased new vehicles for Law Enforcement.
- Increased the infrastructure in the Southeast and Southwest Water Districts.
- Signed contracts to build a new scale house and office at the Landfill.
- Completed an addition to the Department of Social Services Building.

**Wilson County's Capital Assets
Figure 4**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 760,308	\$ 760,308	\$ 3,208,714	\$ 3,141,079	\$ 3,969,022	\$ 3,901,387
Buildings & Improvements	29,216,107	29,188,461	-	-	29,216,107	29,188,461
Equipment/Plant Distribution	8,882,734	8,635,926	28,110,960	26,698,683	36,993,694	35,334,609
Vehicles	3,987,596	3,697,326	370,466	215,331	4,358,062	3,912,657
Construction in Progress	-	-	15,560	26,428	15,560	26,428
	<u>\$ 42,846,745</u>	<u>\$ 42,282,021</u>	<u>\$ 31,705,700</u>	<u>\$ 30,081,521</u>	<u>\$ 74,552,445</u>	<u>\$ 72,363,542</u>
Less Accumulated Depreciation	18,590,206	17,325,133	4,003,528	3,265,975	22,593,734	20,591,108
Total	<u><u>\$ 24,256,539</u></u>	<u><u>\$ 24,956,888</u></u>	<u><u>\$ 27,702,172</u></u>	<u><u>\$ 26,815,546</u></u>	<u><u>\$ 51,958,711</u></u>	<u><u>\$ 51,772,434</u></u>

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

Long-term Debt. At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$17,570,000, which is backed by the full faith and credit of the County.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
All Bonds	\$ 17,570,000	\$ 19,235,000	\$10,675,731	\$ 9,745,000	\$ 28,245,731	\$ 28,980,000

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$497,547,543. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 7.99% a slight increase from fiscal year 2008 ratio of 7.47%.

The County's general obligation debt per capita, at June 30, 2009 was \$223.01, while the County's \$60,016,233 gross debt per capita is \$761.76.

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

Economic Factors and Next Year's Budget and Rates

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

Budget Highlights for Fiscal Year 2009-2010

Governmental activities. The 2010 General Fund's adopted budget was \$8,436,206 lower than adopted 2009 adopted budget. This represents an 8.69% reduction. This was possible due to the delay in several projects.

Requests for information

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2009

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
Assets				
Current Assets:				
Cash and cash equivalents	\$ 22,080,186	\$ 18,764,457	\$ 40,844,643	\$ 1,314,456
Receivable (net)	4,043,943	374,352	4,418,295	-
Due from other governments	5,261,607	31,124	5,292,731	-
Due from component unit	75,000	-	75,000	-
Deferred charges - refunding	59,805	-	59,805	-
Inventories	-	-	-	534,115
Prepaid expenses	-	-	-	14,475
Total Current Assets	\$ 31,520,541	\$ 19,169,933	\$ 50,690,474	\$ 1,863,046
Restricted Assets:				
Cash and cash equivalents	\$ 958,147	\$ -	\$ 958,147	\$ -
Capital Assets:				
Land, improvements, and construction in progress	\$ 760,308	\$ 3,224,274	\$ 3,984,582	\$ 319,449
Other capital assets, net of depreciation	23,496,231	24,477,898	47,974,129	1,327,042
Total Capital Assets	\$ 24,256,539	\$ 27,702,172	\$ 51,958,711	\$ 1,646,491
Total Assets	\$ 56,735,227	\$ 46,872,105	\$ 103,607,332	\$ 3,509,537

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2009

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
(continued)				
Liabilities				
Current Liabilities:				
Accounts payable & accrued expenses	\$ 2,954,789	\$ 195,363	\$ 3,150,152	\$ 369,989
Unearned revenue	531,446	-	531,446	-
Accrued interest payable	509,543	34,462	544,005	-
Customer deposits	-	93,414	93,414	-
Compensated absences	-	-	-	23,936
Due to other governments	-	-	-	25,000
Due to primary government	-	-	-	75,000
Deferred credit - bond premium	217,028	-	217,028	-
Total Current Liabilities	\$ 4,212,806	\$ 323,239	\$ 4,536,045	\$ 493,925
Long-term Liabilities:				
Due within one year	\$ 5,027,258	\$ 185,411	\$ 5,212,669	\$ -
Due in more than one year	50,185,382	13,358,815	63,544,197	23,936
Total Long-term Liabilities	\$ 55,212,640	\$ 13,544,226	\$ 68,756,866	\$ 23,936
Total Liabilities	\$ 59,425,446	\$ 13,867,465	\$ 73,292,911	\$ 517,861
Net Assets				
Invested in capital assets, net of related debt	\$ 17,965,170	\$ 17,026,441	\$ 34,991,611	\$ 1,646,491
Restricted For:				
Register of Deeds	138,754	-	138,754	-
Other purposes	-	-	-	185,748
Unrestricted (deficit)	(20,794,143)	15,978,199	(4,815,944)	1,159,437
Total Net Assets	\$ (2,690,219)	\$ 33,004,640	\$ 30,314,421	\$ 2,991,676

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, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 9,168,058	\$ 882,443	\$ 84,405	\$ -
Public Safety	19,485,200	4,083,112	156,177	-
Transportation	59,660	49,892	300,190	196,780
Environmental Protection	294,273	-	-	-
Economic and Physical Development	3,332,631	-	384,342	-
Human Services	35,791,530	7,995,214	17,006,272	-
Cultural and Recreation	2,122,205	28,841	170,020	-
Education	28,193,496	-	-	1,457,098
Interest on long-term debt	2,170,700	-	-	-
Total Governmental Activities	<u>\$ 100,617,753</u>	<u>\$ 13,039,502</u>	<u>\$ 18,101,406</u>	<u>\$ 1,653,878</u>
Business-type Activities:				
Landfill	\$ 2,379,231	\$ 2,470,560	\$ -	\$ -
Water	1,711,393	1,367,028	321,336	-
Total Business-type Activities	<u>\$ 4,090,624</u>	<u>\$ 3,837,588</u>	<u>\$ 321,336</u>	<u>\$ -</u>
Total Primary Government	<u><u>\$ 104,708,377</u></u>	<u><u>\$ 16,877,090</u></u>	<u><u>\$ 18,422,742</u></u>	<u><u>\$ 1,653,878</u></u>
Component Units:				
ABC Board	<u>\$ 5,917,080</u>	<u>\$ 6,071,307</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, including loss on disposition of fixed assets

Total General Revenues and Transfers/Distribution

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
\$ (8,201,210)	\$ -	\$ (8,201,210)	
(15,245,911)	-	(15,245,911)	
487,202	-	487,202	
(294,273)	-	(294,273)	
(2,948,289)	-	(2,948,289)	
(10,790,044)	-	(10,790,044)	
(1,923,344)	-	(1,923,344)	
(26,736,398)	-	(26,736,398)	
(2,170,700)	-	(2,170,700)	
<u>\$ (67,822,967)</u>	<u>\$ -</u>	<u>\$ (67,822,967)</u>	
\$ -	\$ 91,329	\$ 91,329	
-	(23,029)	(23,029)	
<u>\$ -</u>	<u>\$ 68,300</u>	<u>\$ 68,300</u>	
\$ (67,822,967)	\$ 68,300	\$ (67,754,667)	
			<u>\$ 154,227</u>
\$ 47,418,462	\$ -	\$ 47,418,462	\$ -
13,482,802	-	13,482,802	-
1,279,712	-	1,279,712	-
150,000	-	150,000	-
526,767	331,290	858,057	7,645
(353,399)	-	(353,399)	6,508
<u>\$ 62,504,344</u>	<u>\$ 331,290</u>	<u>\$ 62,835,634</u>	<u>\$ 14,153</u>
\$ (5,318,623)	\$ 399,590	\$ (4,919,033)	\$ 168,380
2,628,404	32,605,050	35,233,454	2,823,296
<u>\$ (2,690,219)</u>	<u>\$ 33,004,640</u>	<u>\$ 30,314,421</u>	<u>\$ 2,991,676</u>

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

**Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2009**

Exhibit 3

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>New Elementary School Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
Assets				
Cash and cash equivalents	\$ 19,184,558	\$ -	\$ 2,895,628	\$ 22,080,186
Restricted cash	-	958,147	-	958,147
Taxes receivable, net	2,119,363	-	56,648	2,176,011
Accounts and other receivables, net	1,151,966	-	271,353	1,423,319
Due from other governments	5,261,607	-	-	5,261,607
Due from other funds	101,775	-	(101,775)	-
Due from component unit	75,000	-	-	75,000
Total Assets	<u>\$ 27,894,269</u>	<u>\$ 958,147</u>	<u>\$ 3,121,854</u>	<u>\$ 31,974,270</u>
Liabilities and Fund Balances				
Liabilities:				
Liabilities	\$ 1,959,903	\$ 283,430	\$ 661,467	\$ 2,904,800
Deferred revenue	2,119,363	-	56,648	2,176,011
Unearned revenue	521,936	-	9,510	531,446
Total Liabilities	<u>\$ 4,601,202</u>	<u>\$ 283,430</u>	<u>\$ 727,625</u>	<u>\$ 5,612,257</u>
Fund Balances:				
Reserved for:				
State statute	\$ 6,590,348	\$ -	\$ 169,578	\$ 6,759,926
Register of Deeds	138,754	-	-	138,754
Unreserved:				
Designated for subsequent year's expenditures	3,292,883	674,717	1,008,344	4,975,944
Undesignated	13,271,082	-	-	13,271,082
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	826,623	826,623
Capital projects funds	-	-	389,684	389,684
Total Fund Balances	<u>\$ 23,293,067</u>	<u>\$ 674,717</u>	<u>\$ 2,394,229</u>	<u>\$ 26,362,013</u>
Total Liabilities and Fund Balances	<u>\$ 27,894,269</u>	<u>\$ 958,147</u>	<u>\$ 3,121,854</u>	<u>\$ 31,974,270</u>

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

**Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2009**

Exhibit 3

Reconciliation of the governmental fund balance to net assets:

Total fund balances	\$ 26,362,013
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,256,539
Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds.	59,709
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	177,692
Liabilities for earned but deferred revenues in fund statements.	2,176,011
Some liabilities, including bonds payable and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(55,722,183)
Net Assets of Governmental Activities	\$ (2,690,219)

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
Governmental Funds
For the Year Ended June 30, 2009

Exhibit 4

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>New Elementary School Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
Revenues				
Ad valorem taxes	\$ 46,001,532	\$ -	\$ 1,154,261	\$ 47,155,793
Local option sales taxes	13,139,368	-	343,434	13,482,802
Other taxes and licenses	686,572	-	593,140	1,279,712
Unrestricted intergovernmental	150,000	-	-	150,000
Restricted intergovernmental	19,122,539	-	874,462	19,997,001
Permits and fees	428,857	-	-	428,857
Sales and service	12,319,037	-	49,892	12,368,929
Investment earnings	405,881	104,873	16,013	526,767
Miscellaneous	108,382	-	109,123	217,505
Total Revenues	<u>\$ 92,362,168</u>	<u>\$ 104,873</u>	<u>\$ 3,140,325</u>	<u>\$ 95,607,366</u>
Expenditures				
Current:				
General Government	\$ 8,726,644	\$ -	\$ 70,860	\$ 8,797,504
Public Safety	15,977,052	-	2,507,545	18,484,597
Transportation	56,403	-	-	56,403
Environmental Protection	264,780	-	-	264,780
Economic and Physical Development	1,183,611	-	1,981,485	3,165,096
Human Services	34,590,796	-	-	34,590,796
Cultural and Recreational	1,866,074	-	-	1,866,074
Intergovernmental:				
Education	20,866,815	-	-	20,866,815
Capital projects	-	7,326,681	781,891	8,108,572
Debt Service:				
Principal	4,572,612	-	9,951	4,582,563
Interest and other charges	2,664,467	-	703	2,665,170
Total Expenditures	<u>\$ 90,769,254</u>	<u>\$ 7,326,681</u>	<u>\$ 5,352,435</u>	<u>\$ 103,448,370</u>

(continued)

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
Governmental Funds
For the Year Ended June 30, 2009

Exhibit 4

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>New Elementary School Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
(continued)				
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,592,914	\$ (7,221,808)	\$ (2,212,110)	\$ (7,841,004)
Other Financing Sources (Uses):				
Transfers (to) from other funds	\$ (3,079,000)	\$ -	\$ 3,079,000	\$ -
Sale of capital assets	-	-	53,109	53,109
Total Other Financing Sources (Uses):	\$ (3,079,000)	\$ -	\$ 3,132,109	\$ 53,109
Net Change in Fund Balance	\$ (1,486,086)	\$ (7,221,808)	\$ 919,999	\$ (7,787,895)
Fund Balances:				
Beginning of year, July 1	24,779,153	7,896,525	1,474,230	34,149,908
End of year, June 30	<u>\$ 23,293,067</u>	<u>\$ 674,717</u>	<u>\$ 2,394,229</u>	<u>\$ 26,362,013</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
Governmental Funds
For the Year Ended June 30, 2009

Exhibit 4

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

Net changes in fund balances - total governmental funds	\$ (7,787,895)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(75,309)
Property tax revenues (including accrued interest) in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(200,485)
Undepreciated cost of capital assets sold or retired which exceeds proceeds.	(625,040)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,204,315
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	7,114
Net pension obligations	(54,664)
Other postemployment benefits	(2,281,033)
Accrued interest	494,374
Total Changes in Net Assets of Governmental Activities	<u>\$ (5,318,623)</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 - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2009

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 44,911,726	\$ 44,911,726	\$ 46,001,532	\$ 1,089,806
Local option sales tax	15,481,020	15,481,020	13,139,368	(2,341,652)
Other taxes and licenses	776,000	798,750	686,572	(112,178)
Unrestricted intergovernmental	180,000	180,000	150,000	(30,000)
Restricted intergovernmental	19,439,141	19,105,326	19,122,539	17,213
Permits and fees	588,000	588,000	428,857	(159,143)
Sales and services	8,850,969	11,593,930	12,319,037	725,107
Investment earnings	884,250	884,250	405,881	(478,369)
Miscellaneous	43,000	43,000	108,382	65,382
	<u>\$ 91,154,106</u>	<u>\$ 93,586,002</u>	<u>\$ 92,362,168</u>	<u>\$ (1,223,834)</u>
Total Revenues				
Expenditures:				
Current:				
General Government	\$ 9,467,224	\$ 10,303,018	\$ 8,726,644	\$ 1,576,374
Public Safety	17,037,331	17,134,595	15,977,052	1,157,543
Transportation	56,403	56,403	56,403	-
Environmental Protection	296,922	301,672	264,780	36,892
Economic and Physical Development	1,360,072	1,409,149	1,183,611	225,538
Human Services	39,262,101	40,716,814	34,590,796	6,126,018
Cultural and Recreational	1,934,739	1,963,989	1,866,074	97,915
Intergovernmental:				
Education	20,373,337	20,964,173	20,866,815	97,358
Debt Service:				
Principal retirement	4,693,787	4,693,787	4,572,612	121,175
Interest and other charges	2,670,827	2,670,827	2,664,467	6,360
	<u>\$ 97,152,743</u>	<u>\$ 100,214,427</u>	<u>\$ 90,769,254</u>	<u>\$ 9,445,173</u>
Total Expenditures				

(continued)

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 - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2009

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
(continued)				
Revenues Over (Under) Expenditures	\$ (5,998,637)	\$ (6,628,425)	\$ 1,592,914	\$ 8,221,339
Other Financing Sources (Uses):				
Transfers (to) from other funds	\$ (3,079,000)	\$ (3,079,000)	\$ (3,079,000)	\$ -
Fund balance appropriated	9,077,637	9,707,425	-	(9,707,425)
Total Other Financing Sources (Uses)	\$ 5,998,637	\$ 6,628,425	\$ (3,079,000)	\$ (9,707,425)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ -	\$ (1,486,086)	\$ (1,486,086)
Fund Balances:				
Beginning of year, July 1			24,779,153	
End of year, June 30			\$ 23,293,067	

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2009

Exhibit 6

	Major Enterprise Funds			Total
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 18,275,486	\$ 409,799	\$ 79,172	\$ 18,764,457
Receivables, net	134,410	116,545	123,397	374,352
Due from other governments	31,124	-	-	31,124
Total Current Assets	\$ 18,441,020	\$ 526,344	\$ 202,569	\$ 19,169,933
Non-Current Assets:				
Capital Assets:				
Land and construction in progress	\$ 3,097,216	\$ 48,389	\$ 78,669	\$ 3,224,274
Other capital assets, net of depreciation	777,967	9,739,553	13,960,378	24,477,898
Capital Assets, Net	\$ 3,875,183	\$ 9,787,942	\$ 14,039,047	\$ 27,702,172
Total Non-Current Assets	\$ 3,875,183	\$ 9,787,942	\$ 14,039,047	\$ 27,702,172
Total Assets	\$ 22,316,203	\$ 10,314,286	\$ 14,241,616	\$ 46,872,105
Liabilities				
Current Liabilities:				
Accounts payable	\$ 136,306	\$ 20,244	\$ 38,813	\$ 195,363
Customer deposits	-	43,757	49,657	93,414
Current portion of bonds	-	71,575	113,836	185,411
Accrued interest	-	12,458	22,004	34,462
Total Current Liabilities	\$ 136,306	\$ 148,034	\$ 224,310	\$ 508,650

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2009

Exhibit 6

	Major Enterprise Funds			Total
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	
Liabilities (continued)				
Non-current Liabilities:				
Accrued landfill closure and postclosure care costs	\$ 2,742,288	\$ -	\$ -	\$ 2,742,288
Compensated absences	27,857	13,790	11,664	53,311
Other postemployment benefits	57,709	7,594	7,593	72,896
Bonds	-	3,800,432	6,689,888	10,490,320
Total Non-current Liabilities	\$ 2,827,854	\$ 3,821,816	\$ 6,709,145	\$ 13,358,815
Total Liabilities	\$ 2,964,160	\$ 3,969,850	\$ 6,933,455	\$ 13,867,465
Net Assets				
Invested in capital assets, net of related debt	\$ 3,875,183	\$ 5,915,935	\$ 7,235,323	\$ 17,026,441
Unrestricted	15,476,860	428,501	72,838	15,978,199
Total Net Assets	\$ 19,352,043	\$ 6,344,436	\$ 7,308,161	\$ 33,004,640

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 Assets
Proprietary Funds
For the Year Ended June 30, 2009

Exhibit 7

	Major Enterprise Funds			Total
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	
Operating Revenues				
Charges for services	\$ 2,470,560	\$ 654,125	\$ 712,903	\$ 3,837,588
Operating Expenses				
Administration	\$ -	\$ -	\$ -	\$ -
Salaries and employee benefits	864,885	125,480	104,460	1,094,825
Operating expense	1,110,100	101,464	100,453	1,312,017
Landfill closure	219,491	-	-	219,491
Depreciation	182,008	288,423	269,820	740,251
Water purchase	-	115,630	152,887	268,517
Total Operating Expenses	\$ 2,376,484	\$ 630,997	\$ 627,620	\$ 3,635,101
Operating Income (Loss)	\$ 94,076	\$ 23,128	\$ 85,283	\$ 202,487
Non-Operating Revenues (Expenses)				
Interest/investment revenue	\$ 331,290	\$ -	\$ -	\$ 331,290
Bad debt	(2,747)	(8,234)	(5,496)	(16,477)
Interest expense	-	(158,748)	(280,298)	(439,046)
Total Non-Operating Revenue (Expenses)	\$ 328,543	\$ (166,982)	\$ (285,794)	\$ (124,233)
Income (Loss) before Contributions and Transfers Grants				
Contributions and Transfers	\$ 422,619	\$ (143,854)	\$ (200,511)	\$ 78,254
Grants	-	321,336	-	321,336
Change in Net Assets	\$ 422,619	\$ 177,482	\$ (200,511)	\$ 399,590
Total Net Assets - Beginning	18,929,424	6,166,954	7,508,672	32,605,050
Total Net Assets - Ending	\$ 19,352,043	\$ 6,344,436	\$ 7,308,161	\$ 33,004,640

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

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2009

Exhibit 8

	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 2,459,289	\$ 598,460	\$ 663,007	\$ 3,720,756
Cash paid for goods & services	(1,161,366)	(217,068)	(235,924)	(1,614,358)
Cash paid to employees for services	(807,838)	(116,897)	(95,874)	(1,020,609)
Customer deposits received	-	3,857	4,187	8,044
Net Cash Provided by Operating Activities	\$ 490,085	\$ 268,352	\$ 335,396	\$ 1,093,833
Cash Flows from Capital and Related Financing Activities:				
bonds issued	\$ -	\$ 481,507	\$ 576,724	\$ 1,058,231
Acquisition & construction of capital assets	(317,546)	(745,225)	(564,107)	(1,626,878)
Principal paid on debt	-	(45,500)	(82,000)	(127,500)
Interest paid on debt	-	(158,916)	(280,587)	(439,503)
Capital contributions	-	321,336	-	321,336
Net Cash Used by Capital and Related Financing Activities	\$ (317,546)	\$ (146,798)	\$ (349,970)	\$ (814,314)
Cash Flows from Investing Activities:				
Interest on investments	\$ 331,920	\$ -	\$ -	\$ 331,920
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 504,459	\$ 121,554	\$ (14,574)	\$ 611,439
Cash and Cash Equivalents:				
Beginning of year, July 1	17,771,657	288,245	93,746	18,153,648
End of year, June 30	<u>\$ 18,276,116</u>	<u>\$ 409,799</u>	<u>\$ 79,172</u>	<u>\$ 18,765,087</u>

(continued)

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

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2009

Exhibit 8

	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total
(continued)				
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 94,076	\$ 23,128	\$ 85,283	\$ 202,487
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation (net)	\$ 182,008	\$ 288,423	\$ 269,820	\$ 740,251
Provision for uncollectible accounts	(2,747)	(8,234)	(5,496)	(16,477)
Changes in Assets and Liabilities:				
(Increase) Decrease in accounts receivable/due from	(8,524)	(47,431)	(44,400)	(100,355)
Decrease in accrued landfill closure costs	215,521	-	-	215,521
Increase in postemployee benefits	57,709	7,594	7,593	72,896
Increase (decrease) in accounts payable	(47,296)	26	17,416	(29,854)
(Decrease) in customer deposits	-	3,857	4,187	8,044
Increase (Decrease) in accrued vacation payable	(662)	989	993	1,320
Total Adjustments	\$ 396,009	\$ 245,224	\$ 250,113	\$ 891,346
Net Cash Provided by Operating Activities	\$ 490,085	\$ 268,352	\$ 335,396	\$ 1,093,833

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

**Wilson County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2009**

Exhibit 9

**Agency
Fund**

Assets

Cash and cash equivalents

\$ 5,365

Liabilities and Net Assets

Liabilities:

Intergovernmental payable - State of North Carolina - DMV

\$ 5,365

Net Assets

\$ -

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

I. Summary of Significant Accounting Policies

The accounting policies of Wilson County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. Wilson County Water Districts (the "Districts") exist to provide and maintain a water system for the county residents within the districts. The Districts are reported as enterprise funds in the County's financial statements. Wilson County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

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

Wilson County ABC Board

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements

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

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

Fund Financial Statements

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

Southeast District Water Distribution and Southwest District Water Distribution Funds - These funds are used to account for the operations of the two Water and Sewer districts within the County. The Water Capital Projects funds are consolidated with these funds for financial reporting purposes.

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

The County reports the following fund types:

Agency Funds - Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The county maintains the following agency fund: the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Wilson County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

C. Budgetary Data

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

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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. 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, 2008.

4. 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.

5. Inventories and Prepaid Items

The inventories of the County and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the County's enterprise funds as well as those of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds and that of the ABC Board is recorded as an expense as it is consumed or sold.

6. Capital Assets

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

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

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

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

	<u>Years</u>
Buildings	40-50
Furniture and equipment	3-10
Vehicles	3-5
Leasehold improvements	5-10

7. Long-term Obligations

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

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

8. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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.

9. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the adopted 2009 - 2010 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment of \$(29,052,232) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 42,846,745
Less accumulated depreciation	(18,590,206)
Net Capital Assets	\$ 24,256,539
Deferred charges related to advance refunding bond issued	59,709
Premium collected on issue of COPS	177,692
Liabilities for revenue deferred but earned and therefore reserved in the fund statements but not in the government-wide.	2,176,011
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(50,525,821)
Compensated absences	(1,894,264)
Accrued interest payable	(509,543)
Unfunded Separation Allowance	(511,522)
Other postemployment benefits	(2,281,033)
Total Adjustment	\$ (29,052,232)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$(2,469,272) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities.	\$ 1,889,019
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the Statement of Activities but not in the fund statements.	(1,964,328)
New capital leases and capital lease payments have no effect on the Statement of Activities it affects only the government-wide Statement of Net Assets:	
Capital lease payments	229,706
Principal payments along with issuance costs and premiums on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Assets in the government-wide statements.	4,728,388
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	494,374
Compensated absences and certain pension costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(2,328,583)
Property tax and other revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements.	45,736
Undepreciated cost of capital assets sold or retired which exceeds proceeds.	(625,040)
Total Adjustment	\$ 2,469,272

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

II. Stewardship, Compliance, and Accountability

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

The County reported no instances of non-compliance.

III Detail Notes on All Funds

A. Assets

1. Deposits

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

At June 30, 2009, the County's deposits had a carrying amount of \$13,294,627 and a bank balance of \$13,537,141. Of the bank balance, \$530,731 was covered by federal depository insurance, \$129,436 in non-interest bearing deposits and \$12,876,974 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2009, Wilson County had \$9,620 cash on hand.

At June 30, 2009, the carrying amount of deposits for Wilson County ABC Board was \$1,308,656 and the bank balance was \$1,299,469. Of the bank balance, \$339,404 was covered by federal depository insurance and \$969,252 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2009, Wilson County ABC Board had \$5,800 cash on hand.

2. Investments

As of June 30, 2009, 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>
NCCMT - (COPS proceeds)	\$ 699,164	\$ N/A	\$ N/A	\$ N/A
N.C. Capital Management Trust - Cash Portfolio	27,799,379	N/A	N/A	N/A
Total	<u>\$ 28,498,543</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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, 2009. 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, 2009, the ABC Board had no investments.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,369,003	\$ 571,558	\$ 1,940,561
2006	1,332,325	436,336	1,768,661
2007	1,302,627	309,373	1,612,000
2008	1,635,387	241,219	1,876,606
Total	<u>\$ 5,639,342</u>	<u>\$ 1,558,486</u>	<u>\$ 7,197,828</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

4. **Receivables**

Receivables at the government-wide level at June 30, 2009, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from other Governments	Other	Total
Governmental Activities:					
General	\$ 1,226,966	\$ 3,337,709	\$ 5,261,607	\$ -	\$ 9,826,282
Other governmental	271,353	87,149	-	-	358,502
Total Receivables	\$ 1,498,319	\$ 3,424,858	\$ 5,261,607	\$ -	\$ 10,184,784
Allowance for Doubtful Accounts	-	(804,234)	-	-	(804,234)
Total Governmental Activities	\$ 1,498,319	\$ 2,620,624	\$ 5,261,607	\$ -	\$ 9,380,550
Business-type Activities:					
Landfill	\$ 151,077	\$ -	\$ 31,124	\$ -	\$ 182,201
Water & Sewer	295,630	-	-	-	295,630
Total Receivables	\$ 446,707	\$ -	\$ 31,124	\$ -	\$ 477,831
Allowance for Doubtful Accounts	(72,355)	-	-	-	(72,355)
Total Governmental Activities	\$ 374,352	\$ -	\$ 31,124	\$ -	\$ 405,476

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

	General Fund	Enterprise Fund
Local option sales tax	\$ 2,025,992	\$ -
White goods disposal tax	-	5,508
Scrap tire tax	-	21,212
NC Administrative Reimbursement and Other	3,235,615	4,404
Total	\$ 5,261,607	\$ 31,124

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

5. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Reclass- ifications	Ending Balances
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 760,308	\$ -	\$ -	\$ -	\$ 760,308
Capital Assets Being Depreciated:					
Buildings	\$ 23,729,630	\$ -	\$ 800,000	\$ -	\$ 22,929,630
Other improvements	5,458,831	827,646	-	-	6,286,477
Furniture & equipment	8,635,926	382,144	135,336	-	8,882,734
Vehicles	3,697,326	679,229	388,959	-	3,987,596
Total	\$ 41,521,713	\$ 1,889,019	\$ 1,324,295	\$ -	\$ 42,086,437
Less Accumulated Depreciation for:					
Buildings	\$ 8,338,404	\$ 446,121	\$ 208,000	\$ -	\$ 8,576,525
Other improvements	969,866	197,965	-	-	1,167,831
Furniture & equipment	5,543,853	809,741	134,309	-	6,219,285
Vehicles	2,473,010	510,501	356,946	-	2,626,565
Total	\$ 17,325,133	\$ 1,964,328	\$ 699,255	\$ -	\$ 18,590,206
Total Capital Assets Being Depreciated, Net	\$ 24,196,580				\$ 23,496,231
Governmental Activities:					
Capital Assets, Net	\$ 24,956,888				\$ 24,256,539

Primary Government

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

General Government	\$ 507,083
Public Safety	972,403
Economic and Physical Development	6,928
Human Services	277,115
Cultural and Recreational	186,273
Transportation	220
Environmental Protection	14,306
Total	\$ 1,964,328

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Capital Assets (continued):

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities:					
Solid Waste:					
Capital Assets not Being Depreciated:					
Land	\$ 3,014,021	\$ 67,635	\$ -	\$ -	\$ 3,081,656
Construction in progress	-	15,560	-	-	15,560
Total	<u>\$ 3,014,021</u>	<u>\$ 83,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,097,216</u>
Capital Assets Being Depreciated:					
Furniture & equipment	\$ 1,939,261	\$ 79,216	\$ -	\$ -	\$ 2,018,477
Vehicles	154,068	155,135	-	-	309,203
Total	<u>\$ 2,093,329</u>	<u>\$ 234,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,680</u>
Less Accumulated Depreciation for:					
Furniture & equipment	\$ 1,281,692	\$ 138,142	\$ -	\$ -	\$ 1,419,834
Vehicles	86,013	43,866	-	-	129,879
Total	<u>\$ 1,367,705</u>	<u>\$ 182,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,549,713</u>
Total Capital Assets Being Depreciated, Net					
	<u>\$ 725,624</u>				<u>\$ 777,967</u>
Solid Waste					
Capital Assets, Net	<u>\$ 3,739,645</u>				<u>\$ 3,875,183</u>

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Capital Assets (continued):

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities (continued):					
Southeast Water District:					
Capital Assets not Being Depreciated:					
Land	\$ 48,389	\$ -	\$ -	\$ -	\$ 48,389
Construction in progress	-	-	-	-	-
Total	<u>\$ 48,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,389</u>
Capital Assets Being Depreciated:					
Plant and distribution system	\$ 8,671,737	\$ 745,225	\$ -	\$ -	\$ 9,416,962
Office and maintenance equipment	1,464,414	-	1,349	-	1,463,065
Vehicles	39,778	-	-	-	39,778
Total	<u>\$ 10,175,929</u>	<u>\$ 745,225</u>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ 10,919,805</u>
Less Accumulated Depreciation for:					
Plant and distribution system	\$ 558,998	\$ 288,064	\$ -	\$ -	\$ 847,062
Office and maintenance equipment	294,402	359	1,349	-	293,412
Vehicles	39,778	-	-	-	39,778
Total	<u>\$ 893,178</u>	<u>\$ 288,423</u>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ 1,180,252</u>
Total Capital Assets					
Being Depreciated, Net	<u>\$ 9,282,751</u>				<u>\$ 9,739,553</u>
Southeast Water District					
Capital Assets, Net	<u>\$ 9,331,140</u>				<u>\$ 9,787,942</u>

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Capital Assets (continued) :

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities (continued):					
Southwest Water District:					
Capital Assets not					
Being Depreciated:					
Land	\$ 78,669	\$ -	\$ -	\$ -	\$ 78,669
Construction in progress	26,428	-	26,428	-	-
Total	<u>\$ 105,097</u>	<u>\$ -</u>	<u>\$ 26,428</u>	<u>\$ -</u>	<u>\$ 78,669</u>
Capital Assets					
Being Depreciated:					
Plant and distribution system	\$ 13,966,787	\$ 590,534	\$ -	\$ -	\$ 14,557,321
Office and maintenance equipment	656,484	-	1,349	-	655,135
Vehicles	21,485	-	-	-	21,485
Total	<u>\$ 14,644,756</u>	<u>\$ 590,534</u>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ 15,233,941</u>
Less Accumulated					
Depreciation for:					
Plant and distribution system	\$ 832,259	\$ 269,461	\$ -	\$ -	\$ 1,101,720
Office and maintenance equipment	151,348	359	1,349	-	150,358
Vehicles	21,485	-	-	-	21,485
Total	<u>\$ 1,005,092</u>	<u>\$ 269,820</u>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ 1,273,563</u>
Total Capital Assets					
Being Depreciated, Net	<u>\$ 13,639,664</u>				<u>\$ 13,960,378</u>
Southwest Water District					
Capital Assets, Net	<u>\$ 13,744,761</u>				<u>\$ 14,039,047</u>
Business-type Activities:					
Capital Assets, Net	<u>\$ 26,815,546</u>				<u>\$ 27,702,172</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Construction Commitments

The government has no active construction projects as of June 30, 2009.

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2009, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets not Being Depreciated:				
Land	\$ 319,449	\$ -	\$ -	\$ 319,449
Construction in progress	-	-	-	-
Total	<u>\$ 319,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,449</u>
Capital Assets Being Depreciated:				
Buildings	\$ 1,484,021	\$ -	\$ -	\$ 1,484,021
Furniture & equipment	366,501	23,047	5,537	384,011
Vehicles	23,876	-	-	23,876
Leasehold improvements	12,387	-	-	12,387
Total	<u>\$ 1,886,785</u>	<u>\$ 23,047</u>	<u>\$ 5,537</u>	<u>\$ 1,904,295</u>
Less Accumulated Depreciation for:				
Buildings	\$ 212,792	\$ 30,757	\$ -	\$ 243,549
Furniture & equipment	287,601	21,454	5,373	303,682
Vehicles	23,876	-	-	23,876
Leasehold improvements	5,043	1,103	-	6,146
Total	<u>\$ 529,312</u>	<u>\$ 53,314</u>	<u>\$ 5,373</u>	<u>\$ 577,253</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,357,473</u>			<u>\$ 1,327,042</u>
Capital Assets, Net	<u>\$ 1,676,922</u>			<u>\$ 1,646,491</u>

Depreciation expense was charged to functions as follows:

Warehouse and delivery	\$ 8,510
Administrative	8,545
Store expenses	36,259
Total Depreciation Expense	<u>\$ 53,314</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2009, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental				
Activities:				
General	\$ 1,973,362	\$ 36,530	\$ 509,543	\$ 2,519,435
Other governmental	944,897	-	-	944,897
Total	<u>\$ 2,918,259</u>	<u>\$ 36,530</u>	<u>\$ 509,543</u>	<u>\$ 3,464,332</u>
Business-type				
Activities:				
Solid Waste	\$ 136,306	\$ -	\$ -	\$ 136,306
Water				
Distribution Funds:				
Southeast District	20,244	-	12,458	32,702
Southwest District	38,813	-	22,004	60,817
Total	<u>\$ 195,363</u>	<u>\$ -</u>	<u>\$ 34,462</u>	<u>\$ 229,825</u>

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

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

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009**

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Wilson County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$1,328,028, \$1,196,699, and \$1,144,446, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$62,015, \$57,890, and \$53,912, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	92
Total	100
	=====

A separate report was not issued for the plan.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$95,241 or 2.4% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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	\$ 145,656
Interest on net pension obligation	33,122
Adjustment to annual required contribution	(28,873)
Annual pension cost	\$ 149,905
Contributions made	95,241
Increase (decrease) in net pension obligation	\$ 54,664
Net Pension Obligation, beginning of year	456,858
Net Pension Obligation, end of year	\$ 511,522

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 121,797	77.77%	\$ 431,904
2008	130,114	80.82%	456,858
2009	149,905	63.53%	511,522

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

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

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009 were \$265,453, which consisted of \$197,024 from the County and \$68,429 from the law enforcement officers.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Registers of Deeds' Supplemental Pension Fund

Plan Description

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

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009, the County's required and actual contributions were \$5,683.

Other Post-Employment Benefits

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

A separate report was not issued for the plan.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	71	10
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	-	-
Total	<u>71</u>	<u>10</u>
	=====	=====

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

The current ARC rate is 10.07% of annual covered payroll. For the current year, the County contributed \$353,237 or 1.3% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$4,800.

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Annual required contribution	\$ 2,707,166
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>\$ 2,707,166</u>
Contributions made	(353,237)
Increase (decrease) in net OPEB obligation	<u>\$ 2,353,929</u>
Net Pension Obligation, beginning of year	-
Net Pension Obligation, end of year	<u><u>\$ 2,353,929</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

For Year Ended <u>June 30</u>	Annual <u>OPEB Cost</u>	Percentage of Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
2009	\$ 2,707,166	13.00%	\$ 2,353,929

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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

Other Employment Benefits

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

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

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

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent postclosure costs based on remaining capacity at June 30, 2009, are \$2,742,288.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and postclosure care costs. At June 30, 2009, those funds are held in investments with a cost and market value of \$3,408,379. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred/Unearned Revenues

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

	Deferred Revenues	Unearned Revenues
Prepaid taxes not yet earned	\$ -	\$ 531,446
Taxes receivable (net) (General)	2,119,363	-
Taxes receivable (net) (Special Revenue)	56,648	-
Total	\$ 2,176,011	\$ 531,446

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in a self-funded risk-financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence. The pool is reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property coverage. The County is self-funded for Workers Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$400,000 up to a limit of \$1 million per occurrence.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The County carries flood insurance through the National Flood Insurance Plan (NFIP). 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 has purchased \$243,100 of insurance on one structure.

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

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

Wilson County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2009, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

7. Long-Term Obligations

Capital Leases

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

1. Lease executed on July 1, 2003 for imaging equipment requiring sixty monthly installments of \$550.
2. Lease executed on March 17, 2006 for a multitasking copier requiring sixty monthly installments of \$515.
3. Lease executed on March 20, 2007 for 60 laptops requiring thirty-six monthly installments of \$3,361.
4. Lease executed on May 2, 2007 for software and equipment requiring five annual installments of \$88,907.
5. Lease executed on July 1, 2007 for imaging equipment requiring sixty monthly installments of \$1,530.

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

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

<u>Classes of Property</u>	<u>2009</u>
Equipment	\$ 692,746
Buildings	1,091,055
Total	<u>\$ 1,783,801</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

Year Ending June 30	General Long-Term Debt
2010	\$ 234,004
2011	203,500
2012	201,221
2013	95,834
2014	97,751
2015 - 2019	518,874
2020 - 2024	586,899
2025 - 2029	-
Total minimum lease payments	\$ 1,938,083
Less: amount representing interest	752,763
Present value of the minimum lease payments	\$ 1,185,320

General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2009 is comprised of the following individual issues:

	Balance <u>6-30-09</u>
General Obligation Bonds:	
\$8,000,000 Detention Center Bond Issue - February 1, 1993: due in annual principal installments ranging from \$380,000 to \$450,000 through June 2014; interest at 2.0% to 3.25%; payable on June 1 and December 1	\$ 1,970,000
\$17,400,000 School Series 2004 - April 9, 2005; due in annual principal installments ranging from \$500,000 to \$2,000,000 through April 2017; interest at 4.0% to 5.0%; payable on October 1 and April 1	12,400,000

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

	Balance 6-30-09
General Obligation Bonds: (continued)	
\$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	3,200,000
Total	\$ 17,570,000

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

The County's financing debt at June 30, 2009 is comprised of the following notes payable:

	Balance 6-30-09
Notes Payable:	
\$8,500,000 Financing Agreement - School Improvements December 19, 1996; due in semi-annual principal interest payments of \$389,391 through January 1, 2012; interest at 4.01% payable on July 1 and January 1	\$ 2,180,778
\$5,600,000 Financing Agreement - School Improvements July 31, 2001; due in semi-annual fixed principal payments of \$192,323 plus interest at 4.09% through October 27, 2015, payable on October 27 and April 27	2,500,197
\$5,000,000 Financing Agreement - School Improvements April 2, 2002; due in semi-annual fixed principal payments of \$163,945 plus interest at 4.16% through October, 2016; payable on July 1 and January 1	2,459,170
\$8,500,000 Financing Agreement - School Improvements January 15, 1997; due in semi-annual principal and interest payments of \$391,392 through January 1, 2006; interest at 4.01%; payable on July 1 and January 1	2,191,984
\$1,340,875 Notes Payable - Economic Development November 20, 1997; due in quarterly principal and interest payments of \$30,338 through December 2012; interest at 4.25%; payable March 1, June 1, September 1, and December 1; collateralized by a deed of trust on a building	392,717

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

	Balance 6-30-09
Notes Payable: (continued)	
\$5,000,000 Financing Agreement - School Improvements August 30, 1999; due in semi-annual principal payments of \$170,167 through August 30, 2014; interest at 4.09%; payable on February 28 and August 30	1,870,183
\$457,000 Financing Agreement - Economic Development March 31, 2006; Due in annual principal and interest payments of \$40,388 through March 2021; interest at 3.75%; collateralized by a deed of trust on the property	383,085
\$400,000 Financing Agreement - Software February 28, 2007; due in quarterly principal and interest payments of \$35,692 through February 2010; interest at 3.9%; payable on July 28, October 28, January 28, and April 28	139,574
\$905,000 Financing Agreement - Energy Conservation September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.353%	708,786
\$100,000 Notes Payable - Economic Development March 26, 2007; due in annual principal and interest payments of \$7,440 through March 2021 and a final payment of \$39,967 due March 2022; interest at 4.125%	92,951
\$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%	273,009
\$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%	18,000,000
Installment Purchases:	
\$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing	578,068
Total	<u>\$ 31,770,502</u> =====

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

	Balance 6-30-09
Serviced by the Southwest Water District: 2005 USDA/Rural Development Water Bonds \$3,784,000 due in annual installments of \$41,000 to \$164,000 (beginning 2006) plus interest at 4.5% through June 1, 2043	\$ 3,608,000
Serviced by the Southeast Water District; 2003 USDA/Rural Development Water Bonds \$3,600,000 due in annual installments of \$38,500 to \$154,000 (beginning 2005) plus interest at 4.625% through June 1, 2042	3,390,500
Serviced by the Southwest Water District; 2007 USDA/Rural Development Water Bonds \$2,654,000 due in annual installments of \$35,000 to \$123,000 (beginning 2009) plus interest at 4.375% through June 1, 2046	2,619,000
Serviced by the Southwest Water District; 2009 USDA/Rural Development Water Bonds \$576,724 due in annual installments of \$28,837 (beginning 2009) plus interest at 2.100% through May 1, 2029	576,724
Serviced by the Southeast Water District; 2009 USDA/Rural Development Water Bonds \$481,507 due in annual installments of \$24,076 (beginning 2009) plus interest at 2.100% through May 1, 2029	481,507
Total	\$ 10,675,731

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2009, including interest payments, are as follows:

June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 1,660,000	\$ 752,963	\$ 185,412	\$ 463,722
2011	1,650,000	687,913	190,912	451,092
2012	1,645,000	623,163	195,911	443,844
2013	2,735,000	558,563	202,411	436,371
2014	2,730,000	443,800	467,911	428,604
2015 - 2019	7,150,000	673,200	1,214,558	2,016,325
2020 - 2024	-	-	1,437,058	1,774,106
2025 - 2029	-	-	1,715,058	1,481,499
2030 - 2034	-	-	1,791,500	1,137,441
2035 - 2039	-	-	2,035,000	734,474
2040 - 2044	-	-	998,000	278,385
2045 - 2049	-	-	242,000	15,969
Total	\$17,570,000	\$3,739,602	\$10,675,731	\$9,661,832

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

The annual requirements to amortize notes payable outstanding as of June 30, 2008, including interest payments, are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,154,931	\$ 1,323,756	\$ 4,478,688
2011	3,091,353	1,200,737	4,292,090
2012	3,160,096	1,076,715	4,236,810
2013	1,593,428	965,863	2,559,290
2014	1,939,084	904,252	2,843,335
2015 - 2019	8,277,430	3,390,396	11,667,826
2020 - 2024	5,954,179	1,887,223	7,841,402
2025 - 2029	4,600,000	510,313	5,110,313
Total	<u>\$ 31,770,501</u>	<u>\$ 11,259,253</u>	<u>\$ 43,029,754</u>

At June 30, 2009, the County had a legal debt margin of \$436,345,990.

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, 2009:

	<u>Balance July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2009</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
General obligation debt	\$19,235,000	\$ -	\$1,665,000	\$17,570,000	\$1,660,000
Capitalized leases	1,415,026	-	229,706	1,185,320	212,327
Notes payable	34,616,861	-	2,846,360	31,770,501	3,154,931
Compensated absences	1,901,378	-	7,114	1,894,264	-
Unfunded Special Separation Allowance	456,858	149,905	95,241	511,522	-
Other postemployment benefits	-	2,547,104	266,071	2,281,033	-
Total Governmental Activities	<u>\$57,625,123</u>	<u>\$ 2,697,009</u>	<u>\$5,109,492</u>	<u>\$55,212,640</u>	<u>\$5,027,258</u>

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

(continued)

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Current Portion of Balance
Business-type Activities:					
Notes payable	\$ 9,745,000	\$ 1,058,231	\$ 127,500	\$10,675,731	\$ 185,411
Accrued landfill closure & postclosure care costs	2,526,767	215,521	-	2,742,288	-
Compensated absences	51,992	1,320	-	53,312	-
Other postemployment benefits	-	160,062	87,167	72,895	-
Total Business-type Activities	<u>\$12,323,759</u>	<u>\$ 1,435,134</u>	<u>\$ 214,667</u>	<u>\$13,544,226</u>	<u>\$ 185,411</u>

Discretely Presented

Component Units

Long-term Liabilities:

Compensated absences	\$ 42,378	\$ 5,494	\$ -	\$ 47,872	\$ 23,936
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Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2009, consists of the following:

From the General fund to the Economic Development fund to promote economic development in the county	\$ 2,004,000
From the General fund to the Revaluation fund to accumulate funds for the next real property revaluation	75,000
From the General fund to the Public Building fund to cover the cost of renovations and expansions to the Social Services building	1,000,000
Total	<u>\$ 3,079,000</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

IV. Related Organization

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

V. Joint Ventures

Wilson Economic Development Council

The County is a participant with the City of Wilson (the "City") in a joint venture to promote industrial and commercial development of the County and City. The Council is managed by a nine-member board composed of four appointees from the County, four appointees from the City, and a chairman from either the County or City based on election by the Board. The by-laws of the Council state that the County and City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$245,000 to the Council for the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2009. Complete financial statements for the Council can be obtained from the Council's administrative offices at 126 West Nash Street, Wilson, North Carolina 27893.

Rocky Mount-Wilson Airport Authority

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Edgecombe, and County of Nash, participates in the Rocky Mount-Wilson Airport Authority (the "Airport"). Each participating city appoints two members and each participating County appoints one member to the seven-member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated, under the intergovernmental agreement that created the Airport, to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$56,403 to the Airport during the fiscal year ended June 30, 2009. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2009. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Wilson Technical Community College

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$327,247 and \$1,963,915 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2009. 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, 2009. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

The Beacon Center

The County, in conjunction with Edgecombe, Nash, and Greene Counties, participate in a joint venture to operate The Beacon Center, a local management entity of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Board of County Commissioners of each participating county appoints one county commissioner to the Beacon Center Board. The appointed commissioners then appoint the remaining sixteen members of the Beacon Center Board. Each participant in the joint venture makes an annual appropriation to the Beacon Center, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2009, the County contributed \$183,856 to the Beacon Center. None of the participating governments have an equity interest in the Beacon Center, so no equity interest has been reflected in the financial statements at June 30, 2009. Complete financial statements for the Beacon Center may be obtained from the Center's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

VI. Jointly Governed Organization

Upper Coastal Plain Council of Governments

The County, in conjunction with five other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$36,591 to the Council during the fiscal year ended June 30, 2009.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Wilson County Tourism Development Authority

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

VII Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medical Assistance Program		
Medicaid - Title XIX	\$ 77,685,598	\$ 30,982,722
IV - E Adoption/Foster Care	144,543	32,263
Temporary Assistance for Needy Families	640,130	(571)
Low Income Home Energy		
Assistance Block Grant	361,962	-
WIC	817,739	-
Special Assistance for Adults	-	1,063,545
Food Stamp Program	15,068,795	-
Links	8,973	2,243
CWS Adoption	424,347	292,776
State Foster Home	-	153,000
F/C At Risk Maximization	-	8,793
FAE Maximization	13,966	6,983
FFE Maximization	6,307	-
FLE Maximization	1,191	-
	<u>\$ 95,173,551</u>	<u>\$ 32,541,754</u>
Total		

XII Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

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

Exhibit A-1

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

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

Exhibit A-2

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

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 to 12.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

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

Exhibit A-3

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)
12/31/08	\$ -	\$ 31,148,581	\$ 31,148,581	0.00%	\$ 26,887,613	115.85%

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

Exhibit A-4

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,707,166	0.00%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	10.5 to 5%
*Includes inflation at	3.75%
Cost-of-living adjustments	N/A

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 44,461,726	\$ 45,667,094	\$ 1,205,368
Penalties and interest	450,000	334,438	(115,562)
Total	\$ 44,911,726	\$ 46,001,532	\$ 1,089,806
Local Option Sales Taxes	\$ 15,481,020	\$ 13,139,368	\$ (2,341,652)
Other Taxes and Licenses:			
Franchise tax	\$ 75,000	\$ 92,214	\$ 17,214
Rental vehicle sales tax	30,000	33,054	3,054
Privilege and civil licenses	35,750	151,744	115,994
Beer and wine tax	108,000	115,115	7,115
Excise tax	550,000	294,445	(255,555)
Total	\$ 798,750	\$ 686,572	\$ (112,178)
Unrestricted Intergovernmental:			
Housing Authority	\$ 30,000	\$ -	\$ (30,000)
Wilson County ABC Board:			
Profit distribution	150,000	150,000	-
Total	\$ 180,000	\$ 150,000	\$ (30,000)
Restricted Intergovernmental:			
General Fund	\$ 2,728,097	\$ 2,719,015	\$ (9,082)
Library	181,123	170,020	(11,103)
Health Services	1,339,779	1,428,764	88,985
Social Services	14,656,327	14,609,359	(46,968)
Court facility fees	200,000	195,381	(4,619)
Total	\$ 19,105,326	\$ 19,122,539	\$ 17,213

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues (continued):			
Permits and Fees:			
Building permits and inspection fees	\$ 150,000	\$ 86,420	\$ (63,580)
Register of deeds	438,000	342,437	(95,563)
Total	\$ 588,000	\$ 428,857	\$ (159,143)
Sales and Services:			
Jail fees and Sheriff fees	\$ 1,196,983	\$ 1,068,601	\$ (128,382)
Rents, concessions, and fees	8,196,947	8,572,238	375,291
Ambulance service fees	1,300,000	1,673,081	373,081
Communication Center	900,000	1,005,117	105,117
Total	\$ 11,593,930	\$ 12,319,037	\$ 725,107
Investment Earnings	\$ 884,250	\$ 405,881	\$ (478,369)
Miscellaneous:			
Sale of fixed assets	\$ -	\$ 62,580	\$ 62,580
Other	43,000	45,802	2,802
Total	\$ 43,000	\$ 108,382	\$ 65,382
Total Revenues	\$ 93,586,002	\$ 92,362,168	\$ (1,223,834)
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	\$ 61,361	\$ 61,360	\$ 1
Other operating expenditures	36,750	34,561	2,189
Total	\$ 98,111	\$ 95,921	\$ 2,190

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
			<u>(Negative)</u>
Expenditures: (continued)			
General Government: (continued)			
Administration:			
Salaries and employee benefits	\$ 315,551	\$ 311,825	\$ 3,726
Other operating expenditures	17,500	11,174	6,326
Total	<u>\$ 333,051</u>	<u>\$ 322,999</u>	<u>\$ 10,052</u>
Human Resources:			
Salaries and employee benefits	\$ 118,623	\$ 112,458	\$ 6,165
Other operating expenditures	75,060	44,653	30,407
Total	<u>\$ 193,683</u>	<u>\$ 157,111</u>	<u>\$ 36,572</u>
Board of Elections:			
Salaries and employee benefits	\$ 299,291	\$ 283,006	\$ 16,285
Other operating expenditures	113,500	64,528	48,972
Capital outlay	11,900	11,566	334
Total	<u>\$ 424,691</u>	<u>\$ 359,100</u>	<u>\$ 65,591</u>
Finance:			
Salaries and employee benefits	\$ 538,296	\$ 528,531	\$ 9,765
Other operating expenditures	31,175	30,921	254
Data processing charges	196,154	148,045	48,109
Capital outlay	8,363	7,889	474
Total	<u>\$ 773,988</u>	<u>\$ 715,386</u>	<u>\$ 58,602</u>

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Office of Tax Supervisor:			
Salaries and employee benefits	\$ 951,093	\$ 866,196	\$ 84,897
Other operating expenditures	226,500	178,583	47,917
Data processing charges	95,600	94,526	1,074
Capital outlay	17,000	2,758	14,242
Total	\$ 1,290,193	\$ 1,142,063	\$ 148,130
Technology Services:			
Salaries and employee benefits	\$ 374,523	\$ 362,138	\$ 12,385
Data processing charges	227,498	179,345	48,153
Other operating expenditures	71,550	55,900	15,650
Capital outlay	50,002	48,916	1,086
Total	\$ 723,573	\$ 646,299	\$ 77,274
Register of Deeds:			
Salaries and employee benefits	\$ 380,024	\$ 335,356	\$ 44,668
Other operating expenditures	71,870	55,482	16,388
Capital outlay	-	-	-
Total	\$ 451,894	\$ 390,838	\$ 61,056
Public Buildings:			
Salaries and employee benefits	\$ 18,088	\$ 9,029	\$ 9,059
Other operating expenditures	1,134,954	791,753	343,201
Capital outlay	386,800	314,253	72,547
Total	\$ 1,539,842	\$ 1,115,035	\$ 424,807

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Court Facilities:			
Salaries and employee benefits	\$ 350,553	\$ 331,025	\$ 19,528
Other operating expenditures	273,023	237,346	35,677
Capital outlay	32,000	30,072	1,928
Total	\$ 655,576	\$ 598,443	\$ 57,133
Central Service:			
Other operating expenditures	\$ 1,634,998	\$ 1,058,279	\$ 576,719
Other:			
Upper Coastal Plain COG	\$ 50,000	\$ 50,000	\$ -
Block Grant Aging	561,693	552,894	8,799
Other area projects	1,571,725	1,522,276	49,449
Total	\$ 2,183,418	\$ 2,125,170	\$ 58,248
Total General Government	\$ 10,303,018	\$ 8,726,644	\$ 1,576,374
Public Safety:			
Sheriff:			
Salaries and employee benefits	\$ 4,478,633	\$ 4,432,311	\$ 46,322
Other operating expenditures	1,115,980	1,003,518	112,462
Capital outlay	517,520	502,759	14,761
Total	\$ 6,112,133	\$ 5,938,588	\$ 173,545

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Jail:			
Salaries and employee benefits	\$ 3,296,894	\$ 2,968,812	\$ 328,082
Other operating expenditures	1,017,990	916,119	101,871
Capital outlay	21,075	20,999	76
Total	\$ 4,335,959	\$ 3,905,930	\$ 430,029
Animal Control:			
Salaries and employee benefits	\$ 458,026	\$ 432,866	\$ 25,160
Other operating expenditures	143,128	126,509	16,619
Capital outlay	25,622	20,263	5,359
Total	\$ 626,776	\$ 579,638	\$ 47,138
Emergency Communications:			
Salaries and employee benefits	\$ 1,741,414	\$ 1,625,401	\$ 116,013
Other operating expenditures	205,603	188,995	16,608
Total	\$ 1,947,017	\$ 1,814,396	\$ 132,621
Emergency Management:			
Salaries and employee benefits	\$ 143,272	\$ 136,001	\$ 7,271
Other operating expenditures	128,355	85,020	43,335
Capital outlay	-	-	-
Total	\$ 271,627	\$ 221,021	\$ 50,606

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Emergency Medical Servicing:			
Salaries and employee benefits	\$ 2,879,101	\$ 2,619,400	\$ 259,701
Other operating expenditures	691,681	627,779	63,902
Capital outlay	270,301	270,300	1
Total	\$ 3,841,083	\$ 3,517,479	\$ 323,604
Total Public Safety	\$ 17,134,595	\$ 15,977,052	\$ 1,157,543
Transportation:			
Rocky Mount/Wilson Airport	\$ 56,403	\$ 56,403	\$ -
Environmental Protection:			
Forestry Program:			
Other operating expenditures	\$ 80,791	\$ 63,097	\$ 17,694
Soil Conservation:			
Salaries and employee benefits	\$ 193,131	\$ 182,280	\$ 10,851
Other operating expenditures	27,750	19,403	8,347
Capital outlay	-	-	-
Total	\$ 220,881	\$ 201,683	\$ 19,198
Total Environmental Protection	\$ 301,672	\$ 264,780	\$ 36,892

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	\$ 439,378	\$ 417,802	\$ 21,576
Other operating expenditures	86,627	62,671	23,956
Capital outlay	-	-	-
Total	\$ 526,005	\$ 480,473	\$ 45,532
Planning and Zoning:			
Salaries and employee benefits	\$ 639,649	\$ 526,011	\$ 113,638
Other operating expenditures	213,295	152,703	60,592
Capital outlay	30,200	24,424	5,776
Total	\$ 883,144	\$ 703,138	\$ 180,006
Total Economic and Physical Development	\$ 1,409,149	\$ 1,183,611	\$ 225,538
Human Services:			
Mental Health	\$ 367,702	\$ 183,846	\$ 183,856
Diversified Opportunities	\$ 50,000	\$ 50,000	\$ -
Senior Center:			
Salaries and employee benefits	\$ 49,847	\$ 41,771	\$ 8,076
Other operating expenditures	84,618	77,648	6,970
Capital outlay	5,200	2,539	2,661
Total	\$ 139,665	\$ 121,958	\$ 17,707

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Human Services (continued):			
Temporary Care Giver:			
Salaries and employee benefits	\$ 27,393	\$ 17,050	\$ 10,343
Other operating expenditures	38,500	31,837	6,663
Total	<u>\$ 65,893</u>	<u>\$ 48,887</u>	<u>\$ 17,006</u>
Health:			
Administration:			
Salaries and employee benefits	\$ 131,854	\$ -	\$ 131,854
Other operating expenditures	911,647	362,648	548,999
Capital outlay	611,574	387,352	224,222
Total	<u>\$ 1,655,075</u>	<u>\$ 750,000</u>	<u>\$ 905,075</u>
Health Promotion:			
Salaries and employee benefits	\$ 33,672	\$ 30,782	\$ 2,890
Other operating expenditures	16,010	3,573	12,437
Total	<u>\$ 49,682</u>	<u>\$ 34,355</u>	<u>\$ 15,327</u>
Tuberculosis Control:			
Salaries and employee benefits	\$ 138,255	\$ 69,131	\$ 69,124
Other operating expenditures	55,491	28,198	27,293
Total	<u>\$ 193,746</u>	<u>\$ 97,329</u>	<u>\$ 96,417</u>
Home Health:			
Salaries and employee benefits	\$ 3,602,845	\$ 3,129,118	\$ 473,727
Other operating expenditures	2,059,654	1,979,935	79,719
Capital outlay	40,644	40,644	-
Total	<u>\$ 5,703,143</u>	<u>\$ 5,149,697</u>	<u>\$ 553,446</u>

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Family Planning:			
Salaries and employee benefits	\$ 594,096	\$ 583,374	\$ 10,722
Other operating expenditures	245,399	180,220	65,179
Capital outlay	-	-	-
Total	\$ 839,495	\$ 763,594	\$ 75,901
Maternal Health:			
Salaries and employee benefits	\$ 307,357	\$ 302,903	\$ 4,454
Other operating expenditures	83,452	47,604	35,848
Capital outlay	-	-	-
Total	\$ 390,809	\$ 350,507	\$ 40,302
Environmental Health:			
Salaries and employee benefits	\$ 558,421	\$ 513,228	\$ 45,193
Other operating expenditures	56,017	35,841	20,176
Capital outlay	30,000	-	30,000
Total	\$ 644,438	\$ 549,069	\$ 95,369
Immunization:			
Salaries and employee benefits	\$ 19,165	\$ 11,949	\$ 7,216
Other operating expenditures	5,413	4,342	1,071
Total	\$ 24,578	\$ 16,291	\$ 8,287
Communicable Diseases:			
Salaries and employee benefits	\$ 357,948	\$ 346,698	\$ 11,250
Other operating expenditures	32,825	22,103	10,722
Capital outlay	2,000	-	2,000
Total	\$ 392,773	\$ 368,801	\$ 23,972

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	\$ 52,887	\$ 52,295	\$ 592
Other operating expenditures	25,737	14,883	10,854
Total	\$ 78,624	\$ 67,178	\$ 11,446
Child Health:			
Salaries and employee benefits	\$ 749,199	\$ 723,272	\$ 25,927
Other operating expenditures	119,828	73,869	45,959
Total	\$ 869,027	\$ 797,141	\$ 71,886
Child Service Coordinator:			
Salaries and employee benefits	\$ 319,219	\$ 317,972	\$ 1,247
Other operating expenditures	73,110	39,044	34,066
Capital outlay	-	-	-
Total	\$ 392,329	\$ 357,016	\$ 35,313
WIC Clinic Administration:			
Salaries and employee benefits	\$ 86,159	\$ 78,702	\$ 7,457
Other operating expenditures	7,029	4,793	2,236
Capital outlay	-	-	-
Total	\$ 93,188	\$ 83,495	\$ 9,693
WIC Nutrition Education:			
Salaries and employee benefits	\$ 166,485	\$ 122,543	\$ 43,942
Other operating expenditures	11,445	2,797	8,648
Total	\$ 177,930	\$ 125,340	\$ 52,590

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
AIDS Control:			
Salaries and employee benefits	\$ 11,510	\$ 6,730	\$ 4,780
Other operating expenditures	6,745	5,256	1,489
Total	\$ 18,255	\$ 11,986	\$ 6,269
Bioterrorism:			
Other operating expenditures	\$ 24,841	\$ 22,013	\$ 2,828
Capital outlay	22,810	10,957	11,853
Total	\$ 47,651	\$ 32,970	\$ 14,681
WIC Client Services:			
Salaries and employee benefits	\$ 455,589	\$ 417,434	\$ 38,155
Other operating expenditures	39,647	13,193	26,454
Total	\$ 495,236	\$ 430,627	\$ 64,609
Maternal Child Care:			
Salaries and employee benefits	\$ 516,955	\$ 516,939	\$ 16
Other operating expenditures	128,203	97,562	30,641
Capital outlay	-	-	-
Total	\$ 645,158	\$ 614,501	\$ 30,657
Breast and Cervical Cancer:			
Salaries and employee benefits	\$ 3,815	\$ 3,761	\$ 54
Other operating expenditures	13,356	13,338	18
Total	\$ 17,171	\$ 17,099	\$ 72

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Adult Health:			
Salaries and employee benefits	\$ 327,410	\$ 270,630	\$ 56,780
Other operating expenditures	106,854	77,158	29,696
Total	\$ 434,264	\$ 347,788	\$ 86,476
Total Health	\$ 13,162,572	\$ 10,964,784	\$ 2,197,788
Social Services:			
Administration:			
Salaries and employee benefits	\$ 11,423,171	\$ 10,602,843	\$ 820,328
Other operating expenditures	1,692,189	1,404,948	287,241
Capital outlay	119,211	105,312	13,899
Total	\$ 13,234,571	\$ 12,113,103	\$ 1,121,468
4D Child Support:			
Salaries and employee benefits	\$ 108,641	\$ 105,405	\$ 3,236
Other operating expenditures	67,236	35,290	31,946
Total	\$ 175,877	\$ 140,695	\$ 35,182
Income Maintenance Programs:			
AFDC program - County participation	\$ 100,000	\$ 23,019	\$ 76,981
AFDC Foster Care	538,800	265,846	272,954
Special assistance - Adults	1,147,274	1,064,006	83,268
Medicaid - County participation	3,930,319	2,752,222	1,178,097
Total	\$ 5,716,393	\$ 4,105,093	\$ 1,611,300

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Social Services (continued):			
Other Services:			
Other operating expenditures	\$ 7,756,430	\$ 6,816,184	\$ 940,246
Total Social Services	\$ 26,883,271	\$ 23,175,075	\$ 3,708,196
Veterans Affairs:			
Salaries and employee benefits	\$ 47,511	\$ 46,175	\$ 1,336
Other operating expenditures	200	71	129
Total	\$ 47,711	\$ 46,246	\$ 1,465
Total Human Services	\$ 40,716,814	\$ 34,590,796	\$ 6,126,018
Cultural and Recreational:			
Recreation:			
Other operating expenditures	\$ 250,205	\$ 246,405	\$ 3,800
Libraries:			
Salaries and employee benefits	\$ 1,210,168	\$ 1,144,941	\$ 65,227
Other operating expenditures	490,799	463,132	27,667
Capital outlay	12,817	11,596	1,221
Total	\$ 1,713,784	\$ 1,619,669	\$ 94,115
Total Cultural and Recreational	\$ 1,963,989	\$ 1,866,074	\$ 97,915

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Education:			
Public schools - current	\$ 16,743,425	\$ 16,743,425	\$ -
Public schools - capital outlay	1,929,586	1,832,228	97,358
Community colleges - current	327,247	327,247	-
Community colleges - capital outlay	1,963,915	1,963,915	-
Total Education	\$ 20,964,173	\$ 20,866,815	\$ 97,358
Debt Service:			
Principal retirement	\$ 4,693,787	\$ 4,572,612	\$ 121,175
Interest and other charges	2,670,827	2,664,467	6,360
Total Debt Service	\$ 7,364,614	\$ 7,237,079	\$ 127,535
Total Expenditures	\$ 100,214,427	\$ 90,769,254	\$ 9,445,173
Revenues Over Expenditures	\$ (6,628,425)	\$ 1,592,914	\$ 8,221,339
Other Financing Sources (Uses):			
Transfers (to) from other funds	\$ (3,079,000)	\$ (3,079,000)	\$ -
Fund balance appropriated	9,707,425	-	(9,707,425)
Total Other Financing Sources (Uses)	\$ 6,628,425	\$ (3,079,000)	\$ (9,707,425)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (1,486,086)	\$ (1,486,086)
Fund Balances:			
Beginning of year, July 1		24,779,153	
End of year, June 30		\$ 23,293,067	

**Wilson County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

Special Revenue Funds

	Revaluation Fund	Fire Districts Fund	Enhanced 911 Service	Transportation Fund	Total Non-major Special Revenue Funds
Assets					
Cash and cash equivalents	\$ 277,622	\$ 349,028	\$ 594,568	\$ 50	\$ 1,221,268
Taxes receivable, net	-	56,648	-	-	56,648
Accounts receivable, net	-	-	45,193	223,160	268,353
Due from other funds	-	-	-	(101,775)	(101,775)
Total Assets	\$ 277,622	\$ 405,676	\$ 639,761	\$ 121,435	\$ 1,444,494
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 349,028	\$ 554	\$ 21,719	\$ 371,301
Deferred revenue	-	56,648	-	-	56,648
Unearned revenue	-	-	-	-	-
Total Liabilities	\$ -	\$ 405,676	\$ 554	\$ 21,719	\$ 427,949
Fund Balances:					
Reserved:					
By state statute	\$ -	\$ -	\$ 45,193	\$ 121,385	\$ 166,578
Designated for subsequent year's expenditures	-	-	-	23,344	23,344
Unreserved	277,622	-	594,014	(45,013)	826,623
Total Fund Balances	\$ 277,622	\$ -	\$ 639,207	\$ 99,716	\$ 1,016,545
Total Liabilities and Fund Balances	\$ 277,622	\$ 405,676	\$ 639,761	\$ 121,435	\$ 1,444,494

Exhibit C-1

Capital Projects Funds

Economic Development Reserve Fund	Public Buildings Fund	Grant Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 622,233	\$ 1,022,673	\$ 29,454	\$ 1,674,360	\$ 2,895,628
-	-	-	-	56,648
3,000	-	-	3,000	271,353
-	-	-	-	(101,775)
<u>\$ 625,233</u>	<u>\$ 1,022,673</u>	<u>\$ 29,454</u>	<u>\$ 1,677,360</u>	<u>\$ 3,121,854</u>
\$ 260,498	\$ 13,860	\$ 15,808	\$ 290,166	\$ 661,467
-	-	-	-	56,648
-	-	9,510	9,510	9,510
<u>\$ 260,498</u>	<u>\$ 13,860</u>	<u>\$ 25,318</u>	<u>\$ 299,676</u>	<u>\$ 727,625</u>
\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 169,578
-	985,000	-	985,000	1,008,344
361,735	23,813	4,136	389,684	1,216,307
<u>\$ 364,735</u>	<u>\$ 1,008,813</u>	<u>\$ 4,136</u>	<u>\$ 1,377,684</u>	<u>\$ 2,394,229</u>
<u>\$ 625,233</u>	<u>\$ 1,022,673</u>	<u>\$ 29,454</u>	<u>\$ 1,677,360</u>	<u>\$ 3,121,854</u>

Wilson County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

Special Revenue Funds

	Revaluation Fund	Fire District Fund	Enhanced 911 Service	Transportation Fund	Total Non-major Special Revenue Funds
Revenues					
Ad valorem taxes	\$ -	\$ 1,154,261	\$ -	\$ -	\$ 1,154,261
Local option sales tax	-	343,434	-	-	343,434
Other taxes	-	-	593,140	-	593,140
Restricted intergovernmental	-	-	-	496,970	496,970
Sales and Services	-	-	-	49,892	49,892
Investment earnings	5,073	-	10,865	-	15,938
Miscellaneous	-	-	-	109,123	109,123
Total Revenues	<u>\$ 5,073</u>	<u>\$ 1,497,695</u>	<u>\$ 604,005</u>	<u>\$ 655,985</u>	<u>\$ 2,762,758</u>
Expenditures					
Economic Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	1,497,695	370,409	639,441	2,507,545
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Projects	-	-	-	-	-
General Government	-	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 1,497,695</u>	<u>\$ 370,409</u>	<u>\$ 639,441</u>	<u>\$ 2,507,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,073</u>	<u>\$ -</u>	<u>\$ 233,596</u>	<u>\$ 16,544</u>	<u>\$ 255,213</u>
Other Financing Sources:					
Transfers (to) from other funds	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Sale of capital assets	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>
Net Change in Fund Balances	\$ 80,073	\$ -	\$ 233,596	\$ 16,544	\$ 330,213
Fund Balances:					
Beginning of year, July 1	197,549	-	405,611	83,172	686,332
End of year, June 30	<u>\$ 277,622</u>	<u>\$ -</u>	<u>\$ 639,207</u>	<u>\$ 99,716</u>	<u>\$ 1,016,545</u>

Exhibit C-2

Capital Projects Funds

Economic Development Reserve Fund	Public Buildings Fund	Grant Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,154,261
-	-	-	-	343,434
-	-	-	-	593,140
275,499	-	101,993	377,492	874,462
-	-	-	-	49,892
-	75	-	75	16,013
-	-	-	-	109,123
<u>\$ 275,499</u>	<u>\$ 75</u>	<u>\$ 101,993</u>	<u>\$ 377,567</u>	<u>\$ 3,140,325</u>
\$ 1,981,485	\$ -	\$ -	\$ 1,981,485	\$ 1,981,485
-	-	-	-	2,507,545
-	9,951	-	9,951	9,951
-	703	-	703	703
-	680,447	101,444	781,891	781,891
-	70,860	-	70,860	70,860
<u>\$ 1,981,485</u>	<u>\$ 761,961</u>	<u>\$ 101,444</u>	<u>\$ 2,844,890</u>	<u>\$ 5,352,435</u>
\$ (1,705,986)	\$ (761,886)	\$ 549	\$ (2,467,323)	\$ (2,212,110)
\$ 2,004,000	\$ 1,000,000	\$ -	\$ 3,004,000	\$ 3,079,000
53,109	-	-	53,109	53,109
-	-	-	-	-
<u>\$ 2,057,109</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 3,057,109</u>	<u>\$ 3,132,109</u>
\$ 351,123	\$ 238,114	\$ 549	\$ 589,786	\$ 919,999
13,612	770,699	3,587	787,898	1,474,230
<u>\$ 364,735</u>	<u>\$ 1,008,813</u>	<u>\$ 4,136</u>	<u>\$ 1,377,684</u>	<u>\$ 2,394,229</u>

Wilson County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit C-3

	2009		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 1,500	\$ 5,073	\$ 3,573
Expenditures:			
Revaluation expense	76,500	-	76,500
Revenues Over (Under) Expenditures	\$ (75,000)	\$ 5,073	\$ 80,073
Other Financing Sources:			
Transfer In:			
General Fund	75,000	75,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 80,073	\$ 80,073
Fund Balances:			
Beginning of year, July 1		197,549	
End of year, June 30		\$ 277,622	

**Wilson County, North Carolina
Fire District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009**

Exhibit C-4

	2009		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 1,167,891	\$ 1,119,359	\$ (48,532)
Prior year	51,873	34,902	(16,971)
Total Ad Valorem Taxes	\$ 1,219,764	\$ 1,154,261	\$ (65,503)
Other taxes	231,122	343,434	112,312
Total Revenues	\$ 1,450,886	\$ 1,497,695	\$ 46,809
Expenditures:			
Public Safety	1,450,886	1,497,695	(46,809)
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Wilson County, North Carolina
Enhanced 911 Service
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit C-5

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Other taxes	\$ 470,681	\$ 593,140	\$ 122,459
Investment earnings	1,000	10,865	9,865
	\$ 471,681	\$ 604,005	\$ 132,324
Expenditures:			
Salaries and employee benefits	\$ 140,844	\$ 105,449	\$ 35,395
Operating expenses	330,837	264,960	65,877
	\$ 471,681	\$ 370,409	\$ 101,272
Revenues Over (Under) Expenditures	\$ -	\$ 233,596	\$ 233,596
Fund Balances:			
Beginning of year, July 1		405,611	
End of year, June 30		\$ 639,207	

Wilson County, North Carolina
Transportation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit C-6

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted Intergovernmental:			
Rural Operating Grant	\$ 198,635	225,605	\$ 26,970
Capital Grant	226,750	196,780	(29,970)
Public Transportation Grant	82,958	74,585	(8,373)
Sales & Services	32,014	49,892	17,878
Miscellaneous	150,000	109,123	(40,877)
 Total Revenues	<u>\$ 690,357</u>	<u>\$ 655,985</u>	<u>\$ (34,372)</u>
Expenditures:			
Salaries and employee benefits	\$ 47,012	\$ 44,513	\$ 2,499
Operating expenses	437,992	375,972	62,020
Capital outlay	226,750	218,956	7,794
 Total Expenditures	<u>\$ 711,754</u>	<u>\$ 639,441</u>	<u>\$ 72,313</u>
 Revenues Over (Under) Expenditures	\$ (21,397)	\$ 16,544	\$ 37,941
Other Financing Sources (Uses):			
Fund balance appropriated	21,397	-	(21,397)
 Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	\$ 16,544	<u>\$ 16,544</u>
Fund Balances:			
Beginning of year, July 1		83,172	
End of year, June 30		<u>\$ 99,716</u>	

Wilson County, North Carolina
Economic Development Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit C-7

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
N.C. Dept. of Commerce - NC 1 Grant	\$ -	\$ 15,000	\$ 15,000
Investment earnings	260,499	260,499	-
	<u>\$ 260,499</u>	<u>\$ 275,499</u>	<u>\$ 15,000</u>
Total Revenues			
Expenditures:			
Economic incentives	\$ 2,004,000	\$ 1,720,986	\$ 283,014
Capital outlay	260,499	260,499	-
	<u>\$ 2,264,499</u>	<u>\$ 1,981,485</u>	<u>\$ 283,014</u>
Total Expenditures			
Revenues Over (Under) Expenditures	<u>\$ (2,004,000)</u>	<u>\$ (1,705,986)</u>	<u>\$ 298,014</u>
Other Financing Sources (Uses):			
Fund balance appropriated	\$ 2,004,000	\$ 2,004,000	\$ -
Proceeds from sale of capital assets	-	53,109	53,109
Debt proceeds	-	-	-
	<u>\$ 2,004,000</u>	<u>\$ 2,057,109</u>	<u>\$ 53,109</u>
Total Other Financing Sources (Uses)			
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 351,123</u>	<u>\$ 351,123</u>
Fund Balances:			
Beginning of year, July 1		13,612	
End of year, June 30		<u>\$ 364,735</u>	

Wilson County, North Carolina
Public Buildings Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

Exhibit C-8

	2009		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ 75	\$ 75
Expenditures:			
Capital outlay	\$ 1,681,787	\$ 680,447	\$ 1,001,340
Other energy conservation	-	70,860	(70,860)
Debt Service:			
Principal	-	9,951	(9,951)
Interest	-	703	(703)
Total Expenditures	\$ 1,681,787	\$ 761,961	\$ 919,826
Revenues Over (Under) Expenditures	\$ (1,681,787)	\$ (761,886)	\$ 919,901
Other Financing Sources (Uses):			
Fund balance appropriated	1,681,787	1,000,000	(681,787)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 238,114	\$ 238,114
Fund Balances:			
Beginning of year, July 1		770,699	
End of year, June 30		\$ 1,008,813	

Wilson County, North Carolina
Grant Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2009

Exhibit C-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Community Development Block Grants:					
Scattered Sites (#06-C-1542)	\$ 400,000	\$ 285,227	\$ 41,888	\$ 327,115	\$ (72,885)
Sugar Hill (#05-C-139)	-	-	53,805	53,805	53,805
Sugar Hill (#05-C-1426)	700,000	685,226	6,300	691,526	(8,474)
Local Match	30,000	30,000	-	30,000	-
DSS-IDA (#06-C-1567)	50,000	9,520	-	9,520	(40,480)
Total Revenues	<u>\$ 1,180,000</u>	<u>\$ 1,009,973</u>	<u>\$ 101,993</u>	<u>\$ 1,111,966</u>	<u>\$ (68,034)</u>
Expenditures:					
DSS - Individual					
Development Account (IDA)					
Administration	\$ 40,000	\$ 7,520	\$ -	\$ 7,520	\$ 32,480
Acquisition	10,000	2,000	-	2,000	8,000
Total DSS-IDA	<u>\$ 50,000</u>	<u>\$ 9,520</u>	<u>\$ -</u>	<u>\$ 9,520</u>	<u>\$ 40,480</u>
Scattered Sites:					
Administration	\$ 40,000	\$ 34,428	\$ 3,344	\$ 37,772	\$ 2,228
Rehabilitation	360,000	250,799	91,050	341,849	18,151
Total Scattered Sites	<u>\$ 400,000</u>	<u>\$ 285,227</u>	<u>\$ 94,394</u>	<u>\$ 379,621</u>	<u>\$ 20,379</u>
Sugar Hill:					
Administration	\$ 67,000	\$ 54,831	\$ -	\$ 54,831	\$ 12,169
Rehabilitation	663,000	656,808	7,050	663,858	(858)
Total Sugar Hill	<u>\$ 730,000</u>	<u>\$ 711,639</u>	<u>\$ 7,050</u>	<u>\$ 718,689</u>	<u>\$ 11,311</u>
Total Expenditures	<u>\$ 1,180,000</u>	<u>\$ 1,006,386</u>	<u>\$ 101,444</u>	<u>\$ 1,107,830</u>	<u>\$ 72,170</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 3,587</u>	\$ 549	<u>\$ 4,136</u>	<u>\$ 4,136</u>
Fund Balances:					
Beginning of year, July 1			3,587		
End of year, June 30			<u>\$ 4,136</u>		

Wilson County, North Carolina
New Elementary School Construction Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2009

Exhibit C-10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Bond proceeds	\$ 18,263,082	\$ 18,241,142	\$ -	\$ 18,241,142	\$ (21,940)
Investment earnings	-	409,483	104,873	514,356	514,356
Total Revenues	<u>\$ 18,263,082</u>	<u>\$ 18,650,625</u>	<u>\$ 104,873</u>	<u>\$ 18,755,498</u>	<u>\$ 492,416</u>
Expenditures					
Land	\$ 1,024,800	\$ 1,008,564	\$ -	\$ 1,008,564	\$ 16,236
Capital outlay	17,238,282	9,745,536	7,326,681	17,072,217	166,065
Total Expenditures	<u>\$ 18,263,082</u>	<u>\$ 10,754,100</u>	<u>\$ 7,326,681</u>	<u>\$ 18,080,781</u>	<u>\$ 182,301</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 7,896,525</u>	<u>\$ (7,221,808)</u>	<u>\$ 674,717</u>	<u>\$ 674,717</u>
Fund Balances:					
Beginning of year, July 1			7,896,525		
End of year, June 30			<u>\$ 674,717</u>		

Wilson County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2009

Exhibit D-1

	2009		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Charges for services	\$ 2,480,055	\$ 2,470,560	\$ (9,495)
Expenditures:			
Operating expenses	\$ 6,119,154	\$ 1,975,647	\$ 4,143,507
Capital outlay	1,217,350	301,987	915,363
Total Expenditures	\$ 7,336,504	\$ 2,277,634	\$ 5,058,870
Revenues Over (Under) Expenditures	\$ (4,856,449)	\$ 192,926	\$ 5,049,375
Other Financing Sources (Uses):			
Investment earnings	\$ 50,000	\$ 331,290	\$ 281,290
Fund balance appropriated	4,731,449	-	(4,731,449)
Transfer from other funds	75,000	-	(75,000)
Total Other Financing Sources (Uses)	\$ 4,856,449	\$ 331,290	\$ (4,525,159)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 524,216	\$ 524,216

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Reconciling Items:	
Capital outlays	\$ 301,987
Depreciation	(182,008)
Allowance for bad debts	(2,747)
(Increase) Decrease in accrued landfill closure and costs	(219,491)
(Increase) in accrued compensated absences	662
Total Reconciling Items	\$ (101,597)
Change in Net Assets	\$ 422,619

Wilson County, North Carolina
Southeast Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2009

Exhibit D-2

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 716,271	\$ 654,125	\$ (62,146)
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 283,406	\$ 218,362	\$ 65,044
Water purchases	138,000	115,630	22,370
Total Operating Expenditures	<u>\$ 421,406</u>	<u>\$ 333,992</u>	<u>\$ 87,414</u>
Debt Service:			
Interest	\$ 158,915	\$ 158,915	\$ -
Principal	45,500	45,500	-
Total Debt Service	<u>\$ 204,415</u>	<u>\$ 204,415</u>	<u>\$ -</u>
Capital outlay	\$ 90,450	\$ -	\$ 90,450
Total Expenditures	<u>\$ 716,271</u>	<u>\$ 538,407</u>	<u>\$ 177,864</u>
Revenues Over Expenditures	\$ -	\$ 115,718	\$ 115,718
Other Financing Sources (Uses):			
Transfers in	-	321,336	321,336
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 437,054</u>	<u>\$ 437,054</u>

(continued)

Wilson County, North Carolina
Southeast Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2009

Exhibit D-2

	2009		
	Budget	Actual	Variance Positive (Negative)
(continued)			
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures and other financing (uses) (above)		\$ 437,054	
Reconciling Items:			
Capital outlay		\$ -	
Principal paid on long-term debt		45,500	
Allowance for bad debt		(8,234)	
Depreciation		(288,423)	
Decrease in accrued interest		167	
(Increase) in postemployment benefit		(7,593)	
(Increase) in accrued compensated absences		(989)	
Total Reconciling Items		\$ (259,572)	
Change in Net Assets		\$ 177,482	

Wilson County, North Carolina
Southwest Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2009

Exhibit D-3

	2009		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 874,844	\$ 712,903	\$ (161,941)
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 269,438	\$ 196,327	\$ 73,111
Water purchases	152,368	152,887	(519)
Capital outlay	90,450	-	90,450
Total Operating Expenditures	<u>\$ 512,256</u>	<u>\$ 349,214</u>	<u>\$ 163,042</u>
Debt Service:			
Interest	\$ 280,588	\$ 280,588	\$ -
Principal	82,000	82,000	-
Total Debt Service	<u>\$ 362,588</u>	<u>\$ 362,588</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 874,844</u>	<u>\$ 711,802</u>	<u>\$ 163,042</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,101</u>	<u>\$ 1,101</u>

(continued)

Wilson County, North Carolina
Southwest Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2009

Exhibit D-3

	2009		
Budget	Actual	Variance	Positive (Negative)
(continued)			
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures and other financing (uses) (above)	\$	1,101	
Reconciling Items:			
Capital Outlay	\$	-	
Principal paid on long-term debt		82,000	
Depreciation		(269,820)	
Allowance for bad debts		(5,496)	
Decrease in accrued interest		290	
(Increase) in other postemployment benefits		(7,593)	
(Increase) in accrued compensated absences		(993)	
Total Reconciling Items	\$	(201,612)	
Change in Net Assets	\$	(200,511)	

Wilson County, North Carolina
Water District Capital Project Fund - Southwest H-LRX-F-03-1041
Schedule of Revenues and Expenditures
- Budget and Actual - (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2009

Exhibit D-4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Administration	\$ 7,297	\$ -	\$ 12,849	\$ 12,849	\$ (5,552)
Engineering	60,220	-	72,229	72,229	(12,009)
Construction	549,320	-	505,456	505,456	43,864
Total Expenditures	<u>\$ 616,837</u>	<u>\$ -</u>	<u>\$ 590,534</u>	<u>\$ 590,534</u>	<u>\$ 26,303</u>
Revenues Over (Under) Expenditures	<u>\$ (616,837)</u>	<u>\$ -</u>	<u>\$ (590,534)</u>	<u>\$ (590,534)</u>	<u>\$ 26,303</u>
Other Financing Sources:					
Proceeds from debt	\$ 616,837	\$ -	\$ 576,724	\$ 576,724	\$ (40,113)
Local capital contributions	-	-	13,810	13,810	13,810
Total Other Financing Sources	<u>\$ 616,837</u>	<u>\$ -</u>	<u>\$ 590,534</u>	<u>\$ 590,534</u>	<u>\$ (26,303)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Wilson County, North Carolina
Water District Capital Project Fund - Southeast H-LRX-F-03-1040
Schedule of Revenues and Expenditures
- Budget and Actual - (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2009

Exhibit D-5

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
NC Rural Center Grant	\$ 321,336	\$ -	\$ 321,336	\$ 321,336	\$ -
Expenditures:					
Administration	\$ 15,022	\$ -	\$ 14,022	\$ 14,022	\$ 1,000
Engineering	89,500	-	88,968	88,968	532
Construction	578,672	-	642,235	642,235	(63,563)
Total Expenditures	<u>\$ 683,194</u>	<u>\$ -</u>	<u>\$ 745,225</u>	<u>\$ 745,225</u>	<u>\$ (62,031)</u>
Revenues Over (Under) Expenditures	<u>\$ (361,858)</u>	<u>\$ -</u>	<u>\$ (423,889)</u>	<u>\$ (423,889)</u>	<u>\$ (62,031)</u>
Other Financing Sources:					
Proceeds from debt	\$ 361,858	\$ -	\$ 481,507	\$ 481,507	\$ 119,649
Local capital contributions	-	-	2,382	2,382	2,382
Transfer to Water District	-	-	(60,000)	(60,000)	(60,000)
Total Other Financing Sources	<u>\$ 361,858</u>	<u>\$ -</u>	<u>\$ 423,889</u>	<u>\$ 423,889</u>	<u>\$ 62,031</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wilson County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2009

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2008	Additions	Collections And Credits	Uncollected Balance June 30, 2009
2008-2009	\$ -	\$ 46,091,324	\$ 44,480,655	\$ 1,610,669
2007-2008	1,347,415	-	1,039,082	308,333
2006-2007	312,745	-	95,413	217,332
2005-2006	170,823	-	29,602	141,221
2004-2005	175,371	-	15,716	159,655
2003-2004	130,535	-	13,851	116,684
2002-2003	121,984	-	9,762	112,222
2001-2002	97,029	-	6,861	90,168
2000-2001	85,763	-	5,432	80,331
1999-2000	73,399	-	3,702	69,697
1998-1999	59,695	-	59,695	-
	<u>\$ 2,574,759</u>	<u>\$ 46,091,324</u>	<u>\$ 45,759,771</u>	<u>\$ 2,906,312</u>
Less: Allowance for Uncollectible Accounts:				
General Fund				<u>(786,949)</u>
Ad Valorem Taxes Receivable - Net:				
General Fund				<u>\$ 2,119,363</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				<u>\$ 46,001,532</u>
Reconciling Items:				
Interest collected				\$ (334,438)
Taxes written off				<u>92,677</u>
Total Reconciling Items				<u>\$ (241,761)</u>
Total Collections and Credits				<u>\$ 45,759,771</u>

Wilson County, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2009

Exhibit E-2

	County - Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 5,942,760,023	0.73	\$ 43,877,720	\$ 40,799,331	\$ 3,078,389
Motor vehicles taxed at prior year's rate	184,048,899	0.76	1,398,772	-	1,398,772
Discoveries	127,602,335	0.73	1,522,485	1,503,624	18,861
Abatements:					
at current year's rate	(31,772,510)	0.73	(682,615)	(613,587)	(69,028)
at prior year's rate	<u>(3,294,454)</u>	0.76	<u>(25,038)</u>	<u>-</u>	<u>(25,038)</u>
Total Property Valuation	<u>\$ 6,219,344,293</u>				
Net Levy			\$ 46,091,324	\$ 41,689,368	\$ 4,401,956
Uncollected taxes at June 30, 2009			(1,610,669)	(968,802)	(641,867)
Current Year's Taxes Collected			<u>\$ 44,480,655</u>	<u>\$ 40,720,566</u>	<u>\$ 3,760,089</u>
Current Levy Collection Percentage			<u>96.51%</u>	<u>97.68%</u>	<u>85.42%</u>

**Wilson County, North Carolina
Agency Funds
Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2009**

Exhibit E-3

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 4,797	\$ 75,726	\$ 75,158	\$ 5,365
Liabilities:				
Miscellaneous liabilities	\$ 4,797	\$ 75,726	\$ 75,158	\$ 5,365

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

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the [accompanying] financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprises Wilson County's basic financial statements, and have issued our report thereon dated November 20, 2009. 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.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 20, 2009

Flowers & Stanley, L.L.P.

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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2009. Wilson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-3, 09-4, and 09-5.

Internal Control over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-3, 09-4, and 09-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 20, 2009

Flowers & Stanley, L.L.P.

Certified Public Accountants

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Report On Compliance with Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2009. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as items 09-5 and 09-6.

Internal Control over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of a compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-5 and 09-6 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 20, 2009

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

- Significant deficiency (ies) identified that are not considered to be material weaknesses yes none reported

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no

- Significant deficiency (ies) identified that are not considered to be material weaknesses yes none reported

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

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

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.551 and 10.561	Food Stamp Cluster
93.778	Medical Assistance Program
93.767	NC Health Choice
93.558	Temporary Assistance for Needy Families Subsidized Child Care Cluster:
93.575	Child Care and Development Block Grant
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.596	Child Care Development Fund

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

Dollar threshold used to distinguish
between Type A and Type B Programs \$3,000,000

Auditee qualified as low-risk auditee yes no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes no
- Significant deficiency (ies)
identified that are not considered
to be material weaknesses yes none reported

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

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

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009**

Identification of major State programs:

<u>Program Name</u>	<u>CFDA #</u>
SC/SA Domiciliary Care	N/A
Subsidized Child Care Cluster:	
TANF - MOE	N/A
State Appropriations	N/A
Smart Start	N/A
Clean Water Partners Supplemental Grant	N/A

Section II - Financial Statement Findings

NONE

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Medical Assistance Program
CFDA# 93.778

Finding 09-1.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for Medicaid. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The State of North Carolina Department of Health and Human Services provides the auditor with an Eligibility Review Document that details the requirements for Medicaid case records. The auditor is required to review the local case records to assure that the process is being completed properly by verifying the application was completed and the file contains the necessary documents.

Condition: Of the sixty cases requested for examination, one record contained incomplete application information.

Questioned Costs: None

Effect: One application was processed without the appropriate liquid asset verification.

Cause: The County DSS does not have proper procedures in place to ensure that all required information is in the case record and the information is complete.

Recommendation: All records (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the files and the information is complete and accurate. The County DSS should implement and maintain a monitoring process for the Medicaid application process.

Management Response: The County DSS agrees with this finding; however, this does not affect eligibility as worker reviewed food stamp record for the same period of time and it indicated that no assets were listed. Additional staff training will occur to insure all staff are aware of documentation requirements.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section III - Federal Award Findings and Questioned Costs

(continued):

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: State Children's Insurance Program (NC Health Choice)
CFDA# 93.767

Finding 09-2.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for NC Health Choice. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The State of North Carolina Department of Health and Human Services provides the auditor with an Eligibility Review Document that details the requirements for NC Health Choice case records. The auditor is required to review the local case records to assure that the process is being completed properly by verifying the application was completed and the file contains the necessary documents.

Condition: Of the fifteen cases requested for examination, one record contained incomplete application information.

Questioned Costs: None

Effect: One application was processed without the proper client authorization. The application, when returned to the DSS by the client, did not have a signature page attached.

Cause: The County DSS does not have proper procedures in place to ensure that all required information is in the case record and the information is complete.

Recommendation: All records (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the records and the information is complete and accurate. The County DSS should implement and maintain a monitoring process for the NC Health Choice application process.

Management Response: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section III - Federal Award Findings and Questioned Costs

(continued):

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Temporary Assistance for Needy Families (TANF)
CFDA# 93.558

Finding 09-3.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for TANF. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The auditor is required to review the local case records to assure that the process is being completed properly by verifying the application was completed and the file contains the necessary documents.

Condition: Of the sixty cases requested for examination, one record contained an incomplete Mutual Responsibility Agreement.

Questioned Costs: None

Effect: The County caseworker failed to properly date the Mutual Responsibility Agreement.

Cause: The County DSS does not have proper procedures in place to ensure that all required information is in the case records and the information is complete.

Recommendation: All records (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the files and the information is complete and accurate. The County DSS should implement and maintain a monitoring process for the TANF application process.

Management Response: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section III - Federal Award Findings and Questioned Costs

(continued):

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Food Stamp Cluster
CFDA# 10.551 and 10.561

Finding 09-4.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for Food Stamps. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The auditor is required to review the local case records to assure that the record contains a completed, signed, and dated Food and Nutrition Services Application (Form DSS-8207). This form must be signed by both an adult household member and the DSS Caseworker.

Condition: Of the sixty cases requested for examination, two records were missing required information and one record contained an incomplete application. In addition, two records contained caseworker dictation that did not correspond to the contents of the record.

Questioned Costs:None

Effect: Two applicants could have been provided benefits for which they were not eligible. Three additional records were improperly documented.

Cause: The County DSS does not have proper procedures in place to ensure that all required information is in the case records and the information is complete and accurate.

Recommendation: All records (paper or electronic) should be filed properly, and proper procedures should be in place to make sure all required information is in the files and the information is complete and accurate. The County DSS should implement and maintain a monitoring process for the Food Stamp application process.

Management Response: The County DSS does not agree two of the findings regarding documentation not being in file. The documents are not required and therefore were not made part of the file. The County DSS agrees that one file was missing a document. Additional staff training will occur to insure all staff are aware of documentation requirements. The County DSS does not agree with findings that information was not available. Information was in record. The County DSS does not agree with findings regarding no ID for child. Per Manual Policy, ID required only for head of household.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section III - Federal Award Findings and Questioned Costs

(continued):

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Child Care Cluster
CFDA# 93.575 and 93.596

Finding 09-5.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for the Child Care Program. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The auditor is required to review the local case records to assure that the record contains a completed, signed, and dated Application for Child Care Service, a Child Care Voucher, and documentation supporting need other eligibility requirements.

Condition: Of the forty-five cases requested for examination, two records contained incorrect calculations.

Questioned Costs: \$42.20

Effect: The County has a net overpayment to providers in the amount of \$42.20. This consisted of an overpayment of \$12.60 for the months of January and April 2009, an overpayment of \$13.00 for the months of February and March 2009, and an underpayment of \$3 for the months of December 2008, January 2009, and February 2009.

Cause: The County DSS does not have proper procedures in place to ensure that all calculations are performed correctly.

Recommendation: The County DSS should implement and maintain procedures to ensure that all calculations are being performed correctly.

Management Response: The County DSS agrees with this finding and has made corrections to the reimbursement system. Additional staff training will occur to insure all staff are aware of calculating fees correctly. There was no adverse effect to the customer.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section IV - State Award Findings and Questioned Costs

N.C. Department of Health and Human Services
Program Name: State/County Special Assistance

Finding 09-6.

Significant Deficiency, Nonmaterial Noncompliance Eligibility

Criteria: The County Department of Social Services (DSS) establishes a local case record when a person initially applies for the Special Assistance. The case record (paper or electronic), is maintained and updated as needed throughout the period of eligibility. The auditor is required to review the local case records to assure that the process is being completed properly by verifying the application was completed and the file contains the necessary documents.

Condition: Of the twenty-five cases requested for examination, one record was missing required application documentation (i.e. FL-2 data).

Questioned Costs: None

Effect: One applicant may have received benefits for which they were not eligible.

Cause: the physician who completed the FL-2 had not specified the level of care for the client. The County DSS does not have proper procedures in place to ensure that all required information is in the case records and that the documents provided are complete.

Recommendation: Care should be taken to ensure that documents provided by third parties, in this case the FL-2, has been completed properly. Implement and maintain a monitoring process for the Special Assistance application procedures.

Management Response: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section IV - State Award Findings and Questioned Costs

(continued):

U.S. Department of Health and Human Services
Passed through N.C. Department of Health and Human Services
Program Name: Child Care Cluster
CFDA# 93.575 and 93.596

Finding 09-5.

Significant Deficiency

See Section III - Federal Award Findings and Questioned Costs

**Wilson County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2009**

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

Finding 09-1

Name of Contract Person: Sandra Burrell

Corrective Action: The County DSS agrees with this finding; however, this does not affect eligibility as worker reviewed food stamp record for the same period of time and it indicated that no assets were listed. Additional staff training will occur to insure all staff are aware of documentation requirements.

Proposed Completion Date: Training will be done at next monthly staff meeting.

Finding 09-2

Name of Contract Person: Sandra Burrell

Corrective Action: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Proposed Completion Date: Training will be done at next monthly staff meeting.

Finding 09-3

Name of Contract Person: Terri Mitchell

Corrective Action: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Proposed Completion Date: Training will be done at next monthly staff meeting.

**Wilson County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2009**

Section III - Federal Award Findings and Questioned Costs

(continued):

Finding 09-4

Name of Contract Person: Evelyn Scott

Corrective Action: The County DSS does not agree with two of the findings regarding documentation not being in file. The documents are not required and therefore were not made part of the file. The County DSS agrees that one file was missing a document. Additional staff training will occur to insure all staff are aware of documentation requirements. The County DSS does not agree with findings that information was not available. Information was in record. The County DSS does not agree with findings regarding no ID for child. Per Manual Policy, ID required only for head of household.

Proposed Completion Date: Training will be done at next monthly staff meeting.

Finding 09-5

Name of Contract Person: Tracey Mooring

Corrective Action: The County DSS agrees with this finding and has made corrections to the reimbursement system. Additional staff training will occur to insure all staff are aware of calculating fees correctly. There was no adverse effect to the customer.

Proposed Completion Date: Training will be done at next monthly staff meeting.

Section IV - State Award Findings and Questioned Costs

Finding 09-6

Name of Contract Person: Barbara Joyner

Corrective Action: The County DSS agrees with this finding. Additional staff training will occur to insure all staff are aware of documentation requirements. There was no adverse effect to the customer.

Proposed Completion Date: Training will be done at next monthly staff meeting.

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
CASH PROGRAMS:	
FEDERAL GRANTS:	
U.S. Department of Agriculture:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Administration:	
Food Stamp Cluster:	
Food Stamp Program - Noncash	10.551
Food Stamp Program	10.561
Total Food Stamp Cluster	
Division of Public Health:	
Administration:	
Special Supplemental Nutrition Program for WIC	10.557
Direct Benefit Payments:	
Special Supplemental Nutrition Program for WIC	10.557
Agri-SFP Food Program	10.559
Total Direct Benefit Payments	
Total U.S. Department of Agriculture	
U.S. Department of Health and Human Services:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Foster Care and Adoption Cluster:	
Assistance Foster Care Title IV-E	93.658
Title IV-E Adoption Subsidy	93.659
IV-E Adoption/Foster Care - Direct Benefits Payments	93.658 / 93.659
Total Foster Care and Adoption Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 15,021,518	\$ -	\$ -
890,156	-	882,178
<u>\$ 15,911,674</u>	<u>\$ -</u>	<u>\$ 882,178</u>
<u>\$ 497,683</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,485,154	\$ -	\$ -
-	-	-
<u>\$ 2,485,154</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 18,894,511</u>	<u>\$ -</u>	<u>\$ 882,178</u>
\$ 615,803	\$ 69,538	\$ 442,001
458,531	85,381	117,794
177,463	29,426	60,038
<u>\$ 1,251,797</u>	<u>\$ 184,345</u>	<u>\$ 619,833</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

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

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
1,548,682	119,309	1,409,927
556,655	-	-
71,918	4,182	19,665
395,246	40,801	139,994
1,035,572	-	533,477
21,939	5,639	1,674
1,863,186	282,006	1,224,437
1,348	-	-
8,973	2,243	-
17,111	-	-
<u>\$ 6,772,427</u>	<u>\$ 638,525</u>	<u>\$ 3,949,007</u>
\$ 14,001	\$ -	\$ -
15,364	-	-
248,999	-	-
4,982	-	-
14,700	-	-
23,612	-	-
21,496	-	-
119,586	-	-
<u>\$ 462,740</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

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

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 179,068	\$ -	\$ -
1,643,117	-	-
611,455	-	-
1,186,992	653,415	-
<u>\$ 3,620,632</u>	<u>\$ 653,415</u>	<u>\$ -</u>
29,806	-	-
617,118	-	-
-	196,375	-
-	244,618	-
-	77,126	-
<u>\$ 4,267,556</u>	<u>\$ 1,171,534</u>	<u>\$ -</u>
\$ 82,546	\$ 4,856	\$ -
128,352	7,550	-
24,056	1,415	-
40,430	2,378	-
56,284	-	-
<u>\$ 331,668</u>	<u>\$ 16,199</u>	<u>\$ -</u>
<u>\$ 21,413</u>	<u>\$ 612</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Family Caregiver Title III-E	93.052
Direct Benefit Payments:	
Medical Assistance Program	93.778
Temporary Assistance for Needy Families	93.558
Energy Assistance	93.568
Total Direct Benefit Payments	
Total U.S. Department of Health and Human Services	
U.S. Department of Commerce:	
Passed-through N.C. Department of Commerce:	
Small Cities Community Development Block Grant	14.228
U.S. Department of Transportation:	
Passed-through N.C. Department of Transportation:	
Formula Grant for Other than Urbanized Areas	20.509
U.S. Department of Homeland Security:	
Passed-through N.C. Department of Crime and Public Safety:	
Emergency Medical Homeland Security	97.073
U.S. Election Assistance Commission:	
Passed-through N.C. State Board of Elections:	
Help America Vote Act	90.401

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 16,416	\$ 1,094	\$ -
\$ 77,685,598	\$ 30,982,722	\$ 2,295,996
634,732	(2,051)	(1,019)
362,231	-	-
<u>\$ 78,682,561</u>	<u>\$ 30,980,671</u>	<u>\$ 2,294,977</u>
\$ 90,554,781	\$ 32,808,635	\$ 6,243,984
\$ 101,993	\$ -	\$ -
\$ 69,467	\$ 4,471	\$ -
\$ 29,017	\$ -	\$ -
\$ 15,346	\$ -	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS:	
N.C. Department of Transportation:	
RGP	N/A
Rural Operating Assistance	N/A
ROA - Workfirst	N/A
Total N.C. Department of Transportation	
N.C. Department of Health and Human Services:	
Division of Social Services:	
Energy Assistance	N/A
County Funded Programs	N/A
CWS Adoption Subsidy - Direct Benefit	N/A
SC/SA Domiciliary Care - Direct Benefit	N/A
State Foster Home - Direct Benefit	N/A
SFHF Maximization - Direct Benefit	N/A
Foster Care Special Provision - Direct Benefit	N/A
TANF/AFDC Program Integrity	N/A
State Aid to Counties	N/A
State Adult Protective Service	N/A
Smart Start	N/A
F/C At Risk Maximization	N/A
SC/SA Administration	N/A
Total Divison of Social Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 101,757	\$ -
-	97,714	-
-	12,494	-
<u>\$ -</u>	<u>\$ 211,965</u>	<u>\$ -</u>
\$ -	\$ 1,852	\$ -
-	-	721,438
-	274,145	39,789
-	1,063,545	1,063,545
-	75,021	75,021
-	77,980	77,979
-	22,373	-
-	7,221	-
-	92,810	143,359
-	58,756	-
-	100,000	-
-	8,793	4,871
-	-	93,041
<u>\$ -</u>	<u>\$ 1,782,496</u>	<u>\$ 2,219,043</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Health and Human Services: (continued)	
Division of Health:	
General Health	N/A
Tuberculosis Control	N/A
Minority Health	N/A
Public Health Nurse Training	N/A
Preparedness and Response	N/A
AIDS Control Project	N/A
Risk Reduction/Health Promotion	N/A
Communicable Disease	N/A
Women's Preventative Health	N/A
TB Medical Service	N/A
Breast and Cervical Cancer Control	N/A
Total Division of Health	
Division of Aging and Adult Services:	
Access - 90% State Funds	N/A
In-Home Services - 90% State Funds	N/A
Caregiver Match - 90% State Funds	N/A
Congregate. Nurtition - 90% State Funds	N/A
Home Delivered Meals - 90% State Funds	N/A
Senior Center Outreach	N/A
Senior Center Development	N/A
Total Division of Aging and Adult Services	
Total N.C. Department of Health and Human Services	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 138,666	\$ -
-	57,119	-
-	20,278	-
-	2,800	-
-	34,651	-
-	10,576	-
-	8,488	-
-	8,294	-
-	12,097	-
-	3,643	-
-	5,100	-
<u>\$ -</u>	<u>\$ 301,712</u>	<u>\$ -</u>
\$ -	\$ 6,529	\$ -
-	160,895	-
-	6,291	-
-	16,895	-
-	95,969	-
-	653	-
-	13,089	-
<u>\$ -</u>	<u>\$ 300,321</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 2,384,529</u>	<u>\$ 2,219,043</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Public Instruction:	
Public School Building Fund	N/A
N.C. Department of Environment and Natural Resources:	
Scrap Tire Program	N/A
N.C. Department of Cultural Resources:	
Aid to Public Libraries Fund	N/A
N.C. Department of Commerce:	
One NC Fund Grant	N/A
Rural Economic Development	N/A
Total N.C. Department of Commerce:	
N.C. Department of Corrections:	
Criminal Justice Partnership Program	N/A
N.C. Department of Juvenile Justice and Delinquency Prevention:	
Juvenile Crime Prevention Programs	N/A
N.C. Department of Insurance:	
SHIP	N/A
N.C. State Board of Elections:	
HHS Grant	N/A
N.C. Rural Economic Development Center:	
Clean Water Partners Supplemental Grant	N/A
Total Financial Assistance	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 243,702	\$ -
\$ -	\$ 117,580	\$ -
\$ -	\$ 140,640	\$ -
\$ -	\$ 15,000	\$ -
\$ -	260,499	\$ -
\$ -	\$ 275,499	\$ -
\$ -	\$ 74,336	\$ -
\$ -	\$ 241,992	\$ -
\$ -	\$ 4,200	\$ -
\$ -	\$ 7,300	\$ -
\$ -	\$ 321,336	\$ -
<u>\$ 109,665,115</u>	<u>\$ 36,836,185</u>	<u>\$ 9,345,205</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2009

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
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Note 1:

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

Note 2:

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