

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016***

***WILSON COUNTY  
NORTH CAROLINA***



FINANCE DEPARTMENT  
TIFFANY REESE  
FINANCE DIRECTOR



**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

		<u>Page</u>
<b>Introductory Section:</b>		
	Letter of Transmittal	i-v
	GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
	Organizational Chart	vii
	List of Principal Officials	viii
<b>Financial Section:</b>		
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-13
 <b><u>Exhibit</u></b>		
<b>Basic Financial Statements:</b>		
<b>Government-Wide Financial Statements:</b>		
A	Statement of Net Position	14-15
B	Statement of Activities	16-17
<b>Fund Financial Statements:</b>		
C	Balance Sheet - Governmental Funds	18-19
D	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
F	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	22-23
G	Statement of Net Position - Proprietary Funds	24-25

**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
	<b>Basic Financial Statements: (Continued)</b>	
H	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	26
I	Statement of Cash Flows - Proprietary Funds	27
J	Statement of Fiduciary Net Position - Fiduciary Funds	28
	<b>Notes to the Financial Statements</b>	29-80
<u>Schedule</u>	<b>Required Supplemental Financial Data:</b>	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	81
A-2	Other Post-Employment Benefits - Required Supplementary Information	82
A-3	Local Government Employees' Retirement System - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Three Fiscal Years	83
A-4	Local Government Employees' Retirement System - Contributions Required Supplementary Information - Last Three Fiscal Years	84
A-5	Register of Deeds' Supplemental Pension Fund - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Three Fiscal Years	85
A-6	Register of Deeds' Supplemental Pension Fund - Contributions Required Supplementary Information - Last Three Fiscal Years	86

**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Supplementary Information:</b>	
	<b>Major Funds:</b>	
B-1	General Fund - Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	87
B-2	General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88-98
B-3	Legally Budgeted Tax Revaluation and Economic Development Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	99
B-4	Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	100
B-5	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101
	<b>Nonmajor Governmental Funds:</b>	
C-1	Combining Balance Sheet	102-103
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-105
C-3	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
C-4	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107

**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
	<b>Nonmajor Governmental Funds: (Continued)</b>	
C-5	Transportation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
C-6	Economic Development Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
C-7	Community Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
C-8	Public Buildings Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111
C-9	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
	<b>Major Enterprise Funds:</b>	
D-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	113
D-2	Solid Waste Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	114
D-3	Southeast Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	115
D-4	Southwest Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	116

**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Schedule</u>		<u>Page</u>
D-5	Southwest Water District Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	117
D-6	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118
<b>Internal Service Fund:</b>		
E-1	Hospital - Self Insurance - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119
<b>Agency Funds:</b>		
F-1	Statement of Changes in Assets and Liabilities	120-121
<b>Other Schedules:</b>		
G-1	General Fund - Schedule of Ad Valorem Taxes Receivable	122
G-2	Analysis of Current Tax Levy - County-Wide Levy	123
G-3	Analysis of Current Tax Levy - Fire Districts	124
G-4	Secondary Market Disclosure - County-Wide Levy	125
G-5	Ten Largest Taxpayers	126
<b><u>Table</u></b>		
<b>Statistical Section:</b>		
1	Net Position by Component, Last Ten Fiscal Years	127
2	Changes in Net Position, Last Ten Fiscal Years	128-129
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	130
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	131

**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<u>Table</u>		<u>Page</u>
	<b>Statistical Section (continued):</b>	
5	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	132
6	Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years	133
7	Principal Property Tax Payers, Current Year and Nine Years Ago	134
8	Property Tax Levies and Collections, Last Ten Fiscal Years	135
9	General Government Tax Revenues by Source Last Ten Fiscal Years	136
10	Ratios of Outstanding Debt by Type Last Ten Fiscal Years	137
11	Ratio of General Bonded Debt Outstanding and Legal Debt Margin, Last Ten Fiscal Years	138
12	Demographic and Economic Statistics Last Ten Calendar Years	139
13	Principal Employers, Current Year and Nine Years Ago	140
14	Full-Time County Government Employees by Function/Program by Function, Last Ten Fiscal Years	141
15	Operating Indicators by Function/Program Last Ten Fiscal Years	142
16	Capital Assets Statistics by Function/Program Last Ten Fiscal Years	143



**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

<b>Compliance Section:</b>	<b><u>Page</u></b>
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>	144-145
Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance And The State Single Audit Implementation Act	146-148
Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance And The State Single Audit Implementation Act	149-151
Schedule of Findings, Responses, and Questioned Costs	152-169
Corrective Action Plan	170-175
Schedule of Prior Year Findings	176
Schedule of Expenditures of Federal and State Awards	177-180

*This page left blank intentionally.*

# **INTRODUCTORY SECTION**

*This page left blank intentionally.*

# Letter of Transmittal



December 5, 2016

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

State laws along with policies and procedures of the North Carolina Local Government Commission require, that all general purpose local governments in the State publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of Wilson County for the fiscal year ended June 30, 2016.

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

Wilson County Government's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## PROFILE OF WILSON COUNTY

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

Wilson County is located in the east-central part of the State, amid the broad coastal plain which covers nearly half the State, from the Atlantic to the fall lines of the Roanoke, Tar, Neuse, and Cape Fear Rivers. The County, which measures approximately 30 miles from east to west and 20 miles from north to south, encompasses approximately 373 square miles. The principal waterways are the Contentnea Creek, Toisnot Swamp, Black Creek, and Town Creek. The June 2016 tax distribution reported Wilson County's population at 81,714. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,643 according to the 2016 June Tax distribution, covers 28.5 square miles. Other municipalities located in the County include the towns of Elm City, Saratoga, Stantonsburg, Black Creek, Lucama, and Sims.

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

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

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

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

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

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

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

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

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

#### FACTORS AFFECTING FINANCIAL CONDITION

##### Local economy

Wilson County’s economy has evolved over the last 30 years from a largely agriculture-based economy to a diverse mix of agriculture, manufacturing, commercial, and service sectors. However, the County is still a leading farm market in the state with \$173,879,504 in farm sales in 2015. Major industries located within the County include tire manufacturing, pharmaceuticals, glass containers, building components, aerospace fire protection equipment, and

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

The County has experienced the recession as has the rest of the United States. Unemployment in Wilson has decreased to 8.6% still higher when compared to 5.1% for the State. The average weekly wage for 2016 for Wilson County was \$786, the twelfth highest average weekly wage in the State.

In 2016, Wilson County saw the location of Puryear Trucking and Vaughn Industries. Bridgestone Americas, Old Saratoga, Peninsula Packaging, Ardagh Glass, and NC Tobacco Manufacturing, will be expanding in the coming months. A total investments from new and existing companies in the local economy was \$222,700,000, resulting in the creation of 58 new jobs and retention of 2,411 jobs.

Branch Banking & Trust Company, the nation's 12th largest financial holding company, continues to grow and currently employs approximately 2,297 people. Bridgestone Americas operates a plant in Wilson that employs approximately 1,800 people making radial tires for cars and light trucks. It continues its commitment to make new investment in its facility. In 2016, Bridgestone Americas announce a \$164 million in expansion of its facilities, equipment upgrades and modernizations increase productivity. The investment is part of its five year plan. Other large employers include Wilson County Schools with approximately 1,500 employees; Wilson Medical Center with approximately 1,200 employees, Alliance One International with approximately 1,000 employees, UTC Aerospace Systems and Smithfield Packing Company with approximately 700 employees.

Retail sales in Wilson County were \$909,110,061 in 2015-2016. There were 4 new restaurants buildings, 14 new restaurants, and 47 new retail stores that opened in 2016 along with other businesses. Retail vacancies saw a decrease from the prior year.

#### Long-term financial planning

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

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Wilson, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 4th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



ACKNOWLEDGEMENTS

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

Respectfully submitted,

WILSON COUNTY, NORTH CAROLINA



Denise Stinagle  
County Manager



Tiffany Reese  
Finance Director



Government Finance Officers Association

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

Presented to

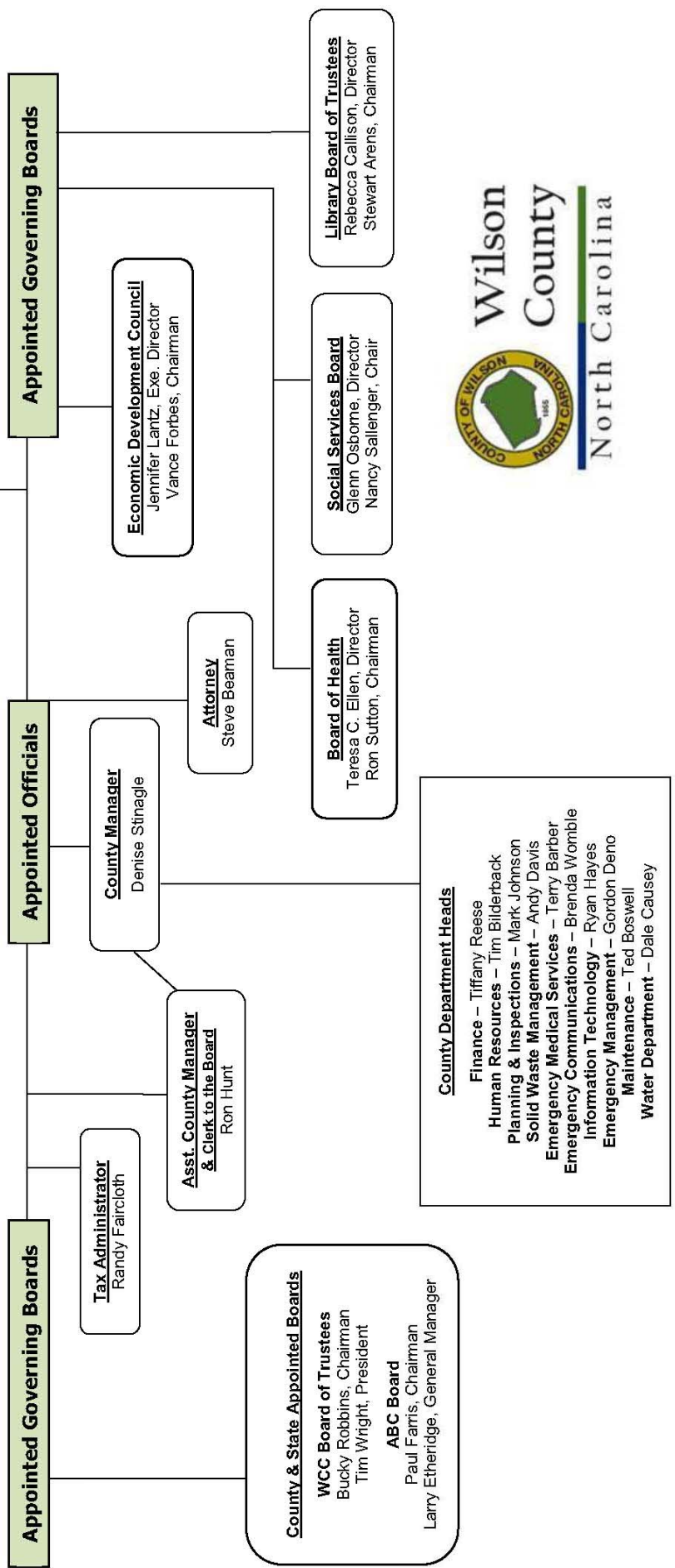
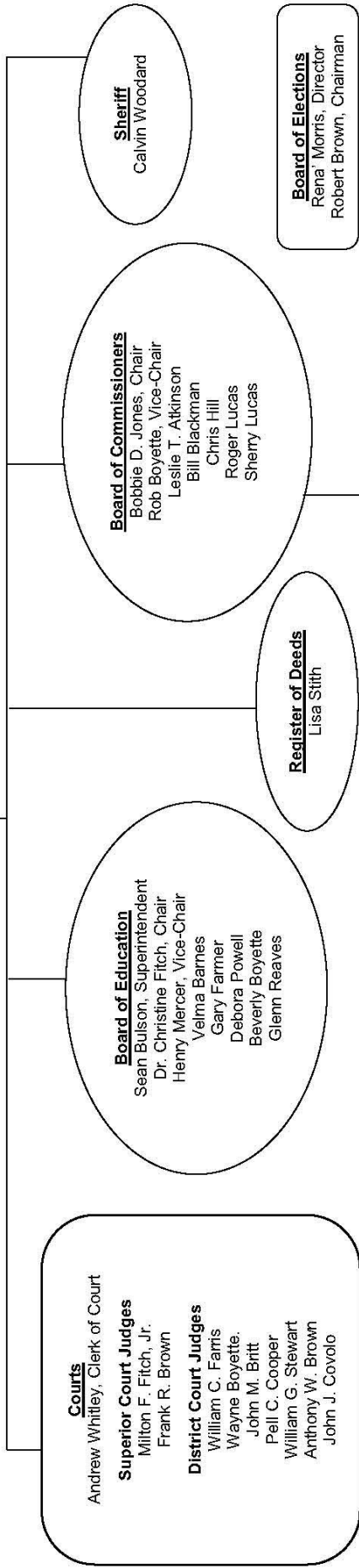
**County of Wilson  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# Elected Officials



**Wilson County**  
**List of Principal Officials**  
**June 30, 2016**

**Elected Officials**

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

**Administrative Officials**

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

## **FINANCIAL SECTION**

*This page left blank intentionally.*

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Wilson County  
Wilson, North Carolina

### Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those statements were audited by other auditors whose report has been furnished to us; and our opinion, insofar as it related to the amounts included for the Wilson County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County's basic financial statements. The introductory information, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016 on our consideration of Wilson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 5, 2016

*This page left blank intentionally.*

## **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, 2016. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements which follow this narrative.

### **Financial Highlights**

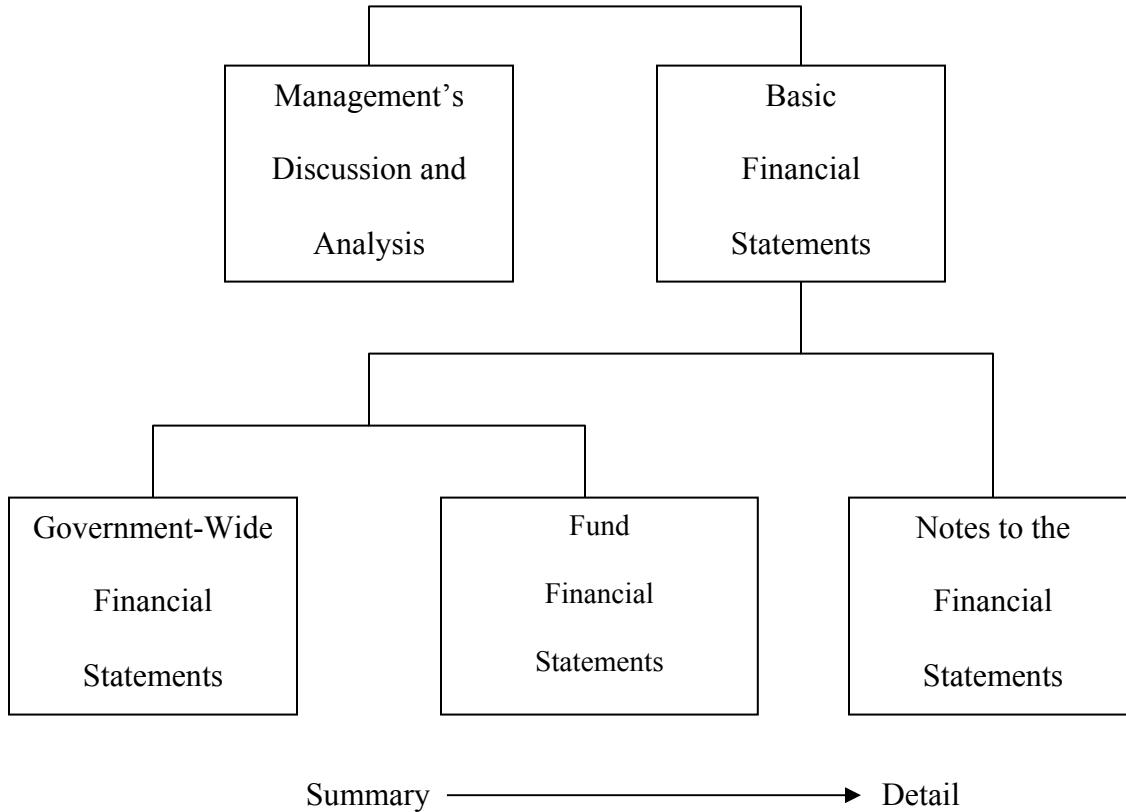
- The assets and deferred outflows of resources of Wilson County activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$70,821,683.
- The government's total net position increased by \$6,493,532, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$47,562,532, after a net increase in fund balance of \$980,852. Approximately 27.73 percent of this total amount, or \$13,193,216, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,514,135, or 22.79 percent, of total General Fund expenditures and transfers out for the fiscal year.
- The County holds the following bond ratings:
  - Moody's Aa2
  - Fitch AA

### **Overview of the Financial Statements**

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

Management's Discussion and Analysis  
Wilson County

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



**Basic Financial Statements**

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

The next statements, Exhibits C through J, are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary funds statements, and 4) the fiduciary fund statements.

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

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

## Management's Discussion and Analysis Wilson County

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

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

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

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

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

### **Fund Financial Statements**

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

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

## Management's Discussion and Analysis Wilson County

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.

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information concerning Wilson County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 81 of this report.

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

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial condition. The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources by \$70,821,683 as of June 30, 2016.

Management's Discussion and Analysis  
Wilson County

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current and other assets	\$ 59,223,715	\$ 55,370,794	\$ 19,338,672	\$ 18,710,459	\$ 78,562,387	\$ 74,081,253
Restricted assets	221,204	3,299,015	186,931	272,567	408,135	3,571,582
Capital assets	27,187,903	26,278,075	26,580,121	27,032,356	53,768,024	53,310,431
Other assets	<u>1,308,782</u>	<u>1,570,538</u>	-	-	<u>1,308,782</u>	<u>1,570,538</u>
Total assets	<u>87,941,604</u>	<u>86,518,422</u>	<u>46,105,724</u>	<u>46,015,382</u>	<u>134,047,328</u>	<u>132,533,804</u>
<b>Deferred Outflows of Resources</b>						
	<u>2,539,650</u>	<u>2,168,056</u>	<u>62,952</u>	<u>63,796</u>	<u>2,602,602</u>	<u>2,231,852</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	44,599,489	43,578,975	13,657,436	13,711,307	58,256,925	57,290,282
Other liabilities	<u>5,310,477</u>	<u>5,441,378</u>	<u>461,852</u>	<u>420,028</u>	<u>5,772,329</u>	<u>5,861,406</u>
Total liabilities	<u>49,909,966</u>	<u>49,020,353</u>	<u>14,119,288</u>	<u>14,131,335</u>	<u>64,029,254</u>	<u>63,151,688</u>
<b>Deferred Inflows of Resources</b>						
	<u>1,761,990</u>	<u>7,564,720</u>	<u>37,003</u>	<u>221,097</u>	<u>1,798,993</u>	<u>7,785,817</u>
<b>Net Position:</b>						
Net investment in capital assets	23,278,257	22,025,930	17,254,112	26,291,591	40,532,369	48,317,521
Restricted	13,193,216	13,623,799	-	-	13,193,216	13,623,799
Unrestricted	<u>2,337,825</u>	<u>(3,548,324)</u>	<u>14,758,273</u>	<u>5,435,155</u>	<u>17,096,098</u>	<u>1,886,831</u>
Total net position	<u>\$ 38,809,298</u>	<u>\$ 32,101,405</u>	<u>\$ 32,012,385</u>	<u>\$ 31,726,746</u>	<u>\$ 70,821,683</u>	<u>\$ 63,828,151</u>

The County's net position increased by \$6,493,532 for the fiscal year ended June 30, 2016. One of the largest portions, \$40,532,369 (57.2%), reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net position, \$13,193,216 (18.63%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,096,098 (24.14%) is unrestricted.

Management's Discussion and Analysis  
Wilson County

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Programs revenues:						
Charges for services	\$ 12,878,644	\$ 12,422,855	\$ 5,054,739	\$ 4,612,892	\$ 17,933,383	\$ 17,035,747
Grants and contributions:						
Operating	19,711,748	19,660,556	30,000	54,400	19,741,748	19,714,956
Capital	1,873,739	2,052,455	-	-	1,873,739	2,052,455
General revenues:						
Property taxes	52,136,281	51,596,469	-	-	52,136,281	51,596,469
Local option sales tax	13,607,344	12,344,117	-	-	13,607,344	12,344,117
Other taxes and licenses	628,459	625,189	-	-	628,459	625,189
Investment earnings	106,848	39,376	38,119	14,758	144,967	54,134
Grants and other contributions not restricted to specific programs						
	121,875	365,625	-	-	121,875	365,625
Miscellaneous	214,860	128,209	34,540	208,588	249,400	336,797
Total revenues	<u>101,279,798</u>	<u>99,234,851</u>	<u>5,157,398</u>	<u>4,890,638</u>	<u>106,437,196</u>	<u>104,125,489</u>
<b>Expenses:</b>						
General Government	7,779,568	9,127,244	-	-	7,779,568	9,127,244
Public Safety	23,383,365	21,366,326	-	-	23,383,365	21,366,326
Transportation	50,377	37,357	-	-	50,377	37,357
Environmental Protection	604,412	479,357	-	-	604,412	479,357
Development	2,422,830	3,182,859	-	-	2,422,830	3,182,859
Human Services	35,403,117	33,194,761	-	-	35,403,117	33,194,761
Cultural and recreational	2,074,703	1,897,152	-	-	2,074,703	1,897,152
Education	22,712,089	21,736,297	-	-	22,712,089	21,736,297
Interest and other charges	641,444	1,026,307	-	-	641,444	1,026,307
Landfill	-	-	2,701,774	2,454,250	2,701,774	2,454,250
Water	-	-	2,169,985	1,970,238	2,169,985	1,970,238
Total expenses	<u>95,071,905</u>	<u>92,047,660</u>	<u>4,871,759</u>	<u>4,424,488</u>	<u>99,943,664</u>	<u>96,472,148</u>
Change in net position	<u>6,207,893</u>	<u>7,187,191</u>	<u>285,639</u>	<u>466,150</u>	<u>6,493,532</u>	<u>7,653,341</u>
Net position, beginning, previously reported						
	32,101,405	28,757,357	31,726,746	31,364,764	63,828,151	60,122,121
Restatement	<u>500,000</u>	<u>(3,843,143)</u>	<u>-</u>	<u>(104,168)</u>	<u>500,000</u>	<u>(3,947,311)</u>
Net position, beginning, restated	<u>32,601,405</u>	<u>24,914,214</u>	<u>31,726,746</u>	<u>31,260,596</u>	<u>64,328,151</u>	<u>56,174,810</u>
Net position, ending	<u>\$ 38,809,298</u>	<u>\$ 32,101,405</u>	<u>\$ 32,012,385</u>	<u>\$ 31,726,746</u>	<u>\$ 70,821,683</u>	<u>\$ 63,828,151</u>



## Management's Discussion and Analysis Wilson County

**Governmental Activities.** Governmental activities increased the County's net position by \$6,207,893, thereby accounting for 96% of the total growth in the net position of Wilson County. Key elements of the increase are as follows:

- Continued diligence in the collection of property taxes with collection percentage of 98%
- Increases in sales tax revenue for FY 2016 from FY 2015 at 9%
- Management of expenses through use of debt service planning and various operating budgets

**Business-Type Activities.** Business-type activities increased Wilson County's net position by \$285,639. Key elements of this increase are as follows:

- Increases in charges for services for the water districts and landfill departments.

### Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, Wilson County's fund balance available in the General Fund was \$35,798,893, while total fund balance for the General Fund is \$45,194,747. The governing body of Wilson County has determined that the County should maintain an available fund balance of 18% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. The County currently has an available fund balance of 36.30% of General Fund expenditures, while total fund balance represents 45.83% of that same amount.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$47,562,532, an increase of \$980,852. This increase is due primarily to the increase in fund balance in the General Fund. General Fund revenues remain fairly flat compared to fiscal year-end June 30, 2016. General Fund expenses increased from prior year by 5%. Increases are attributed to increase funding to education by 4.5%, and increase in general government and human services expenditures primarily due investments in capital assets, capital assets investments included document management system, new state mandate paper ballot voting machines and virtualization project.

**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 \$750,185. This increase was primarily attributable to Restricted Intergovernmental Revenues.

Management's Discussion and Analysis  
Wilson County

**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 position of the Solid Waste Fund at the end of the fiscal year amounted to \$13,147,765 and those for the water funds equaled \$1,532,036. The total growth in net position for the Solid Waste Fund was \$380,762, and the total decrease in net position for the water funds was \$106,827. Other factors concerning the finances of these funds have already been addressed in the discussion of Wilson County's business-type activities.

**Capital Asset and Debt Administration**

**Capital Assets.** Wilson County's capital assets for its governmental and business-type activities as of June 30, 2016 amounted to \$53,768,024 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery, and equipment.

- Purchased new vehicles and equipment for Public Safety Department;
- Disposed of old equipment and vehicle in Public Safety Department;
- Purchased new equipment, vehicles and building improvements for General Government;
- Purchased new software and equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Purchased new equipment for Solid Waste Landfill;
- Disposed of old equipment in Solid Waste Landfill;
- Disposed of old equipment Cultural and Recreational Departments;

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Buildings and improvements	32,449,187	32,139,641	2,882,070	2,882,070	35,331,257	35,021,711
Equipment and plant distribution	10,054,945	9,214,094	28,749,804	28,859,897	38,804,749	38,073,991
Vehicles	5,159,882	4,834,751	1,016,914	780,188	6,176,796	5,614,939
Total	51,063,717	49,588,189	35,857,502	35,730,869	86,921,219	85,319,058
Less: Accumulated depreciation	23,875,814	23,310,114	9,277,381	8,698,513	33,153,195	32,008,627
Net assets	<u>\$ 27,187,903</u>	<u>\$ 26,278,075</u>	<u>\$ 26,580,121</u>	<u>\$ 27,032,356</u>	<u>\$ 53,768,024</u>	<u>\$ 53,310,431</u>

Management's Discussion and Analysis  
Wilson County

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

**Long-Term Debt.** As of June 30, 2016, Wilson County had total bonded debt outstanding of \$10,725,000, 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 Primary Government	
	2016	2015	2016	2015	2016	2015
All bonds	\$ 2,450,000	\$ 4,855,000	\$ 8,275,000	\$ 8,470,000	\$ 10,725,000	\$ 13,325,000

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

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$522,021,737. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenses to total general governmental expenses is 6.04%, a slight decrease from fiscal year 2015 ratio of 6.20%.

The County's general obligation debt per capita at June 30, 2016 was \$30.09, while the County's \$29,905,116 gross debt per capita is \$382.44.

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

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

- Tax collections for Wilson County remain strong. In FY 2016, the tax collection rate was 98%.
- The County had a tax revaluation that impacted the assessed value.
- Increase in sales tax for the past two fiscal years and projected increase as a result of Sales Tax Redistribution.
- The employment rate of 9.9% at June 30, 2016 for Wilson County continues to be higher than the North Carolina average of 5.1%, however lower from 10.3% at June 30, 2016.

**Budget Highlights for Fiscal Year 2016-2017**

**Governmental Activities.** The 2017 General Fund's adopted budget decreased \$3,064,893, 3.2% from the amended budget for the fiscal year ended June 30, 2016. The County complete the 2016 revaluation. The revaluation resulted in the County's January 2016 total assessed valued decreasing. The County tax rate remained flat, which impacted tax revenues. The decrease in the budget from 2016 was decreases to budgetary expenditures for general government departments with the exception of Public Safety. The County continued its commitment to education and employees and the budget reflects cost of living adjustments for employees, and increases to educational funding.

Management's Discussion and Analysis  
Wilson County

**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Assets:</b>				
Cash and cash equivalents	\$ 45,800,238	\$ 18,783,993	\$ 64,584,231	\$ 796,804
Receivables (net)	3,756,393	450,676	4,207,069	3,290
Due from other governments	7,875,658	25,531	7,901,189	-
Due from component unit	121,875	-	121,875	-
Internal balances	(78,472)	78,472	-	-
Inventories	-	-	-	1,079,807
Prepaid items	-	-	-	19,247
Restricted cash and cash equivalents	110,648	186,931	297,579	-
Notes receivable	500,000	-	500,000	-
Net investment in Joint Venture	986,267	-	986,267	-
Capital lease receivable - current portion	261,756	-	261,756	-
Capital lease receivable	1,308,782	-	1,308,782	-
Net pension asset	110,556	-	110,556	-
Capital assets:				
Land, improvements, and construction in progress	3,399,703	3,208,714	6,608,417	574,341
Other capital assets, net of depreciation	23,788,200	23,371,407	47,159,607	2,088,602
Total capital assets	27,187,903	26,580,121	53,768,024	2,662,943
Total assets	87,941,604	46,105,724	134,047,328	4,562,091
<b>Deferred Outflows of Resources:</b>				
Contributions to pension plan in current fiscal year	1,989,446	61,408	2,050,854	42,544
Pension deferrals	57,978	1,544	59,522	8,313
Charge on refunding of debt	492,226	-	492,226	-
Total deferred outflows of resources	2,539,650	62,952	2,602,602	50,857
<b>Liabilities:</b>				
Accounts payable and accrued expenses	4,794,641	246,242	5,040,883	368,768
Accrued interest payable	67,472	28,679	96,151	-
Due to other governments	448,364	-	448,364	40,625
Due to primary government	-	-	-	121,875
Liabilities to be paid from restricted cash:				
Customer deposits	-	186,931	186,931	-
Due within one year	6,425,697	350,454	6,776,151	-
Net Pension liability	2,211,782	68,406	2,280,188	-
Due in more than one year	35,962,010	13,238,576	49,200,586	404,884
Total liabilities	49,909,966	14,119,288	64,029,254	936,152

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	1,199,545	37,003	1,236,548	-
Other deferred inflows	562,445	-	562,445	20,527
Total deferred inflows of resources	<u>1,761,990</u>	<u>37,003</u>	<u>1,798,993</u>	<u>20,527</u>
<b>Net Position:</b>				
Net investment in capital assets	23,278,257	17,254,112	40,532,369	2,662,943
Restricted for:				
Stabilization by State statute	9,498,902	-	9,498,902	-
Public safety	493,701	-	493,701	-
Register of Deeds	187,015	-	187,015	-
Health and human services	2,190,991	-	2,190,991	-
Working capital	-	-	-	240,604
Community development projects	822,607	-	822,607	-
Unrestricted (deficit)	<u>2,337,825</u>	<u>14,758,273</u>	<u>17,096,098</u>	<u>752,722</u>
Total net position	<u>\$ 38,809,298</u>	<u>\$ 32,012,385</u>	<u>\$ 70,821,683</u>	<u>\$ 3,656,269</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 7,779,568	\$ 842,806	\$ -	\$ -
Public safety	23,383,365	3,930,346	821,048	6,096
Transportation	50,377	162,321	251,661	-
Environmental protection	604,412	-	-	-
Economic and physical development	2,422,830	-	4,188	-
Human services	35,403,117	7,943,171	18,503,736	-
Cultural and recreation	2,074,703	-	131,115	-
Education	22,712,089	-	-	1,867,643
Interest on long-term debt	641,444	-	-	-
Total governmental activities	<u>95,071,905</u>	<u>12,878,644</u>	<u>19,711,748</u>	<u>1,873,739</u>
<b>Business-Type Activities:</b>				
Landfill	2,701,774	2,991,581	30,000	-
Water	2,169,985	2,063,158	-	-
Total business-type activities	<u>4,871,759</u>	<u>5,054,739</u>	<u>30,000</u>	<u>-</u>
Total primary government	<u>\$ 99,943,664</u>	<u>\$ 17,933,383</u>	<u>\$ 19,741,748</u>	<u>\$ 1,873,739</u>
<b>Component Unit:</b>				
ABC Board	<u>\$ 6,096,516</u>	<u>\$ 6,255,710</u>	<u>\$ -</u>	<u>\$ -</u>

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



WILSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit Wilson County ABC Board
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (6,936,762)	\$ -	\$ (6,936,762)	
Public safety	(18,625,875)	-	(18,625,875)	
Transportation	363,605	-	363,605	
Environmental protection	(604,412)	-	(604,412)	
Economic and physical development	(2,418,642)	-	(2,418,642)	
Human services	(8,956,210)	-	(8,956,210)	
Cultural and recreation	(1,943,588)	-	(1,943,588)	
Education	(20,844,446)	-	(20,844,446)	
Interest on long-term debt	(641,444)	-	(641,444)	
Total governmental activities	<u>(60,607,774)</u>	<u>-</u>	<u>(60,607,774)</u>	
<b>Business-Type Activities:</b>				
Landfill	-	319,807	319,807	
Water	-	(106,827)	(106,827)	
Total business-type activities	<u>-</u>	<u>212,980</u>	<u>212,980</u>	
Total primary government	<u>(60,607,774)</u>	<u>212,980</u>	<u>(60,394,794)</u>	
<b>Component Unit:</b>				
ABC Board				<u>\$ 159,194</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purpose	52,136,281	-	52,136,281	-
Local option sales tax	13,607,344	-	13,607,344	-
Other taxes and licenses	628,459	-	628,459	-
Grants and contributions not restricted to specific programs	121,875	-	121,875	-
Investment earnings, unrestricted	106,848	38,119	144,967	1,299
Miscellaneous	214,860	34,540	249,400	7,146
Total general revenues	<u>66,815,667</u>	<u>72,659</u>	<u>66,888,326</u>	<u>8,445</u>
Change in net position	<u>6,207,893</u>	<u>285,639</u>	<u>6,493,532</u>	<u>167,639</u>
<b>Net Position:</b>				
Beginning of year - July 1	32,101,405	31,726,746	63,828,151	3,488,630
Prior period adjustment	500,000	-	500,000	-
Beginning of year, restated - July 1	<u>32,601,405</u>	<u>31,726,746</u>	<u>64,328,151</u>	<u>3,488,630</u>
End of year - June 30	<u>\$ 38,809,298</u>	<u>\$ 32,012,385</u>	<u>\$ 70,821,683</u>	<u>\$ 3,656,269</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 39,913,336	\$ 2,181,780	\$ 42,095,116
Restricted cash	110,648	-	110,648
Taxes receivable, net	1,523,936	41,791	1,565,727
Accounts and other receivables, net	1,501,369	-	1,501,369
Due from other governments	7,772,610	103,048	7,875,658
Due from component unit	121,875	-	121,875
Notes receivable	-	500,000	500,000
	<u>50,943,774</u>	<u>2,826,619</u>	<u>53,770,393</u>
Total assets	<u>\$ 50,943,774</u>	<u>\$ 2,826,619</u>	<u>\$ 53,770,393</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 2,384,474	\$ 49,693	\$ 2,434,167
Due to other governments	81,014	367,350	448,364
Miscellaneous liabilities	1,197,158	-	1,197,158
Total liabilities	<u>3,662,646</u>	<u>417,043</u>	<u>4,079,689</u>
	<u>2,086,381</u>	<u>41,791</u>	<u>2,128,172</u>
<b>Deferred Inflows of Resources</b>	<u>2,086,381</u>	<u>41,791</u>	<u>2,128,172</u>
<b>Fund Balances:</b>			
Non-spendable:			
Notes receivable	-	500,000	500,000
Restricted:			
Stabilization by State statute	9,395,854	103,048	9,498,902
Register of Deeds	187,015	-	187,015
Public safety	-	493,701	493,701
Human services	2,190,991	-	2,190,991
Community development projects	-	822,607	822,607
Committed:			
Tax revaluation	110,648	-	110,648
Assigned:			
Subsequent year's expenditures	10,046,104	-	10,046,104
Transportation	-	168,580	168,580
Future capital school	-	299,849	299,849
Future capital community college	750,000	-	750,000
Unassigned	<u>22,514,135</u>	<u>(20,000)</u>	<u>22,494,135</u>
Total fund balances	<u>45,194,747</u>	<u>2,367,785</u>	<u>47,562,532</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,943,774</u>	<u>\$ 2,826,619</u>	<u>\$ 53,770,393</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance, governmental funds	\$ 47,562,532
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,187,903
The County has a long-term receivable from an interlocal agreement. This asset does not provide a current financial resource and, therefore, is not reported in the funds.	1,570,538
Net investment in Joint Venture	986,267
Net pension asset	110,556
Contributions to pension plans in the current fiscal year and pension related deferrals are deferred outflows of resources on the Statement of Net Position.	1,989,446
Charges related to refunding bond issue	492,226
Other long-term assets are not available to pay for current-period expenditures	689,297
Consolidation of internal service fund	2,463,334
Pension related deferrals	(1,141,567)
Deferred inflows of resources for taxes receivable	1,565,727
Net pension liability	(2,211,782)
Some liabilities, including bonds payable, accrued interest, and other post-employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(42,455,179)</u>
Net position of governmental activities	<u>\$ 38,809,298</u>

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 50,504,779	\$ 1,382,338	\$ 51,887,117
Local option sales taxes	13,261,928	345,416	13,607,344
Other taxes and licenses	628,459	-	628,459
Unrestricted intergovernmental	130,421	-	130,421
Restricted intergovernmental	20,915,182	697,815	21,612,997
Permits and fees	865,616	-	865,616
Sales and service	11,873,517	162,321	12,035,838
Investment earnings	105,684	1,164	106,848
Miscellaneous	178,696	-	178,696
Total revenues	<u>98,464,282</u>	<u>2,589,054</u>	<u>101,053,336</u>
<b>Expenditures:</b>			
Current:			
General government	9,277,143	-	9,277,143
Public safety	19,883,137	2,568,476	22,451,613
Transportation	47,857	-	47,857
Environmental protection	265,817	-	265,817
Economic and physical development	2,547,218	-	2,547,218
Human services	36,018,778	-	36,018,778
Cultural and recreation	1,903,244	-	1,903,244
Intergovernmental:			
Education	22,712,089	-	22,712,089
Capital projects	-	4,188	4,188
Debt service:			
Principal	5,181,555	-	5,181,555
Interest and other charges	773,812	-	773,812
Total expenditures	<u>98,610,650</u>	<u>2,572,664</u>	<u>101,183,314</u>
Revenues over (under) expenditures	<u>(146,368)</u>	<u>16,390</u>	<u>(129,978)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers (to) other funds	(170,000)	-	(170,000)
Transfers from (to) other funds	250,000	(80,000)	170,000
Capital lease issued	955,570	-	955,570
Refunding issued	14,495,000	-	14,495,000
Payment to escrow agent	(14,386,684)	-	(14,386,684)
Sale of capital assets	46,944	-	46,944
Total other financing sources (uses)	<u>1,190,830</u>	<u>(80,000)</u>	<u>1,110,830</u>
Net change in fund balances	<u>1,044,462</u>	<u>(63,610)</u>	<u>980,852</u>
<b>Fund Balances:</b>			
Beginning of year, July 1	44,150,285	1,931,395	46,081,680
Prior period adjustment	-	500,000	500,000
Beginning of year, restated	<u>44,150,285</u>	<u>2,431,395</u>	<u>46,581,680</u>
End of year, June 30	<u>\$ 45,194,747</u>	<u>\$ 2,367,785</u>	<u>\$ 47,562,532</u>

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

## WILSON COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

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

Net changes in fund balances - total governmental funds (Exhibit D)	\$ 980,852
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	(33,693)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	3,330,147
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(247,368)
Gain (loss) from the change in Net Investment in Joint Venture related to the Rocky Mount/Wilson Airport during the year, not recognized on the modified accrual basis.	31,692
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,172,951)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	(15,450,570)
Revenues and expenses reported in the statement of activities that do not use or provide current financial resources and therefore are not reported in the governmental funds.	43,851
Principal repayments and payments to escrow agent are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. (This includes debt refunding transactions.)	19,568,239
The change in the accrued interest liability account is reported as an expense in the entity-wide financial statements. However, it is not an expenditure in the governmental funds statement.	132,368
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	282,857
Expenses related to compensated absences and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(387,545)
Changes in deferred outflow related to bond issuance	<u>391,770</u>
Total changes in net position of governmental activities	<u>\$ 6,207,893</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Over/Under</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 50,286,695	\$ 50,286,695	\$ 50,504,779	\$ 218,084
Local option sales tax	11,105,653	11,105,653	13,261,928	2,156,275
Other taxes and licenses	530,000	530,000	628,459	98,459
Unrestricted intergovernmental	258,750	258,750	130,421	(128,329)
Restricted intergovernmental	19,628,707	20,101,437	20,915,182	813,745
Permits and fees	955,547	955,547	865,616	(89,931)
Sales and services	11,687,898	11,851,698	11,873,517	21,819
Investment earnings	32,000	32,000	105,437	73,437
Miscellaneous	50,000	163,655	178,696	15,041
Total revenues	<u>94,535,250</u>	<u>95,285,435</u>	<u>98,464,035</u>	<u>3,178,600</u>
<b>Expenditures:</b>				
Current:				
General government	9,456,983	9,662,398	9,057,757	604,641
Public safety	20,562,714	20,705,979	19,883,137	822,842
Transportation	47,857	47,857	47,857	-
Environmental protection	289,565	294,104	265,817	28,287
Economic and physical development	1,599,649	1,630,447	1,453,901	176,546
Human services	38,415,292	40,989,662	36,018,778	4,970,884
Cultural and recreation	1,985,290	2,002,960	1,903,244	99,716
Intergovernmental:				
Education	23,435,884	23,462,089	22,712,089	750,000
Debt service:				
Principal retirement	5,181,558	5,181,559	5,181,555	4
Interest and other charges	673,438	781,755	773,812	7,943
Total expenditures	<u>101,648,230</u>	<u>104,758,810</u>	<u>97,297,947</u>	<u>7,460,863</u>
Revenues over (under) expenditures	<u>(7,112,980)</u>	<u>(9,473,375)</u>	<u>1,166,088</u>	<u>10,639,463</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Over/Under</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(1,549,000)	(1,649,855)	(1,649,000)	855
Transfers from other funds	500,000	500,000	250,000	(250,000)
Capital lease issued	-	-	955,570	955,570
Refunding issued	-	14,495,002	14,495,000	(2)
Payment to escrow agent	-	(14,386,684)	(14,386,684)	-
Sale of capital assets	-	12,154	46,944	34,790
Fund balance appropriated	<u>8,161,980</u>	<u>10,502,758</u>	-	<u>(10,502,758)</u>
Total other financing sources (uses)	<u>7,112,980</u>	<u>9,473,375</u>	<u>(288,170)</u>	<u>(9,761,545)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	877,918	<u>\$ 877,918</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>43,777,164</u>	
End of year, June 30			44,655,082	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			247	
Transfer in from General Fund			1,479,000	
Expenditures - Economic Development			(1,093,317)	
Expenditures - tax listing			(219,386)	
Fund balance, beginning			<u>373,121</u>	
Fund balance, ending (Exhibit D)			<u>\$ 45,194,747</u>	

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

WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 17,252,787	\$ 1,137,090	\$ 394,116	\$ 18,783,993	\$ 3,705,122
Restricted cash and cash equivalents	-	95,034	91,897	186,931	-
Receivables, net	204,952	110,259	135,465	450,676	-
Due from other governments	25,531	-	-	25,531	-
Total current assets	<u>17,483,270</u>	<u>1,342,383</u>	<u>621,478</u>	<u>19,447,131</u>	<u>3,705,122</u>
Capital assets:					
Land and construction in progress	3,081,656	48,389	78,669	3,208,714	-
Other capital assets, net of depreciation	<u>3,954,017</u>	<u>7,883,297</u>	<u>11,534,093</u>	<u>23,371,407</u>	<u>-</u>
Total capital assets	<u>7,035,673</u>	<u>7,931,686</u>	<u>11,612,762</u>	<u>26,580,121</u>	<u>-</u>
Total assets	<u>24,518,943</u>	<u>9,274,069</u>	<u>12,234,240</u>	<u>46,027,252</u>	<u>3,705,122</u>
<b>Deferred Outflows of Resources:</b>					
Contributions to pension plan in current fiscal year	40,938	10,235	10,235	61,408	-
Pension deferrals	<u>1,030</u>	<u>257</u>	<u>257</u>	<u>1,544</u>	<u>-</u>
Total deferred outflows of resources	<u>41,968</u>	<u>10,492</u>	<u>10,492</u>	<u>62,952</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	170,506	30,660	45,076	246,242	1,163,316
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	27,287	10,450	10,450	48,187	-
Current portion of debt	35,565	75,516	138,275	249,356	-
Accrued interest	-	10,366	18,313	28,679	-
Total current liabilities	<u>233,358</u>	<u>151,067</u>	<u>240,950</u>	<u>625,375</u>	<u>1,163,316</u>

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



WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Major Enterprise Funds			Governmental	
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Internal Service Fund	
			Total		
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	95,034	91,897	186,931	-
Net pension liability	45,604	11,401	11,401	68,406	-
Accrued landfill closure and post-closure care costs	3,675,759	-	-	3,675,759	-
Compensated absences	11,784	2,598	2,597	16,979	-
Other post-employment benefits	386,299	50,116	50,116	486,531	-
Notes payable	-	288,905	346,033	634,938	-
Limited obligation bond	-	2,972,519	5,451,850	8,424,369	-
Total non-current liabilities	<u>4,119,446</u>	<u>3,420,573</u>	<u>5,953,894</u>	<u>13,493,913</u>	-
Total liabilities	<u>4,352,804</u>	<u>3,571,640</u>	<u>6,194,844</u>	<u>14,119,288</u>	<u>1,163,316</u>
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	<u>24,669</u>	<u>6,167</u>	<u>6,167</u>	<u>37,003</u>	-
<b>Net Position:</b>					
Net investment in capital assets	7,035,673	4,570,671	5,647,768	17,254,112	-
Unrestricted	<u>13,147,765</u>	<u>1,136,083</u>	<u>395,953</u>	<u>14,679,801</u>	<u>2,541,806</u>
Total net position	<u>\$ 20,183,438</u>	<u>\$ 5,706,754</u>	<u>\$ 6,043,721</u>	31,933,913	<u>\$ 2,541,806</u>
The assets and liabilities of the Internal Service Fund are not included in the fund financial statements, but are included in the business-type activities of the Statement of Net Position.				<u>78,472</u>	
Total net position - business-type activities				<u>\$ 32,012,385</u>	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
<b>Operating Revenues:</b>					
Charges for services	\$ 2,991,581	\$ 897,339	\$ 1,165,819	\$ 5,054,739	\$ 6,965,492
<b>Operating Expenses:</b>					
Salaries and employee benefits	1,230,843	141,536	141,597	1,513,976	-
Operating expense	1,149,242	163,802	268,990	1,582,034	6,640,383
Landfill closure	66,711	-	-	66,711	-
Depreciation/amortization	254,978	276,503	349,215	880,696	-
Water purchase	-	251,761	239,386	491,147	-
Total operating expenses	<u>2,701,774</u>	<u>833,602</u>	<u>999,188</u>	<u>4,534,564</u>	<u>6,640,383</u>
Operating income (loss)	<u>289,807</u>	<u>63,737</u>	<u>166,631</u>	<u>520,175</u>	<u>325,109</u>
<b>Non-Operating Revenues (Expenses):</b>					
Interest/investment revenue	38,119	-	-	38,119	-
Restricted intergovernmental revenue	30,000	-	-	30,000	-
Interest expense	-	(120,554)	(216,641)	(337,195)	-
Miscellaneous revenue	<u>22,836</u>	<u>-</u>	<u>-</u>	<u>22,836</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>90,955</u>	<u>(120,554)</u>	<u>(216,641)</u>	<u>(246,240)</u>	<u>-</u>
Change in net position	380,762	(56,817)	(50,010)	273,935	325,109
Beginning of year - July 1	<u>19,802,676</u>	<u>5,763,571</u>	<u>6,093,731</u>	<u>31,659,978</u>	<u>2,216,697</u>
End of year - June 30	<u>\$ 20,183,438</u>	<u>\$ 5,706,754</u>	<u>\$ 6,043,721</u>	<u>\$ 31,933,913</u>	<u>\$ 2,541,806</u>
Change in net position, per above				\$ 273,935	
Internal service funds are used by management to charge the cost of health insurance to individual funds. A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities of the Statement of Activities.				<u>11,704</u>	
Total change in net position - business-type activities				<u>\$ 285,639</u>	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 2,978,065	\$ 907,390	\$ 1,158,999	\$ 5,044,454	\$ 6,965,492
Cash paid for goods and services	(1,135,725)	(394,906)	(511,736)	(2,042,367)	(6,238,836)
Cash paid to employees for services	(1,190,471)	(137,508)	(137,570)	(1,465,549)	-
Net cash provided (used) by operating activities	<u>651,869</u>	<u>374,976</u>	<u>509,693</u>	<u>1,536,538</u>	<u>726,656</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(442,088)	-	-	(442,088)	-
Principal paid on bond maturities and equipment contracts	-	(94,076)	(153,840)	(247,916)	-
Interest paid on bond maturities equipment contracts	-	(118,485)	(212,780)	(331,265)	-
Net cash provided (used) by capital and related financing activities	<u>(442,088)</u>	<u>(212,561)</u>	<u>(366,620)</u>	<u>(1,021,269)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	38,119	-	-	38,119	-
Net cash provided (used) by investing activities	<u>38,119</u>	<u>-</u>	<u>-</u>	<u>38,119</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	247,900	162,415	143,073	553,388	726,656
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	<u>17,004,887</u>	<u>1,069,709</u>	<u>342,940</u>	<u>18,417,536</u>	<u>2,978,466</u>
End of year - June 30	<u>\$ 17,252,787</u>	<u>\$ 1,232,124</u>	<u>\$ 486,013</u>	<u>\$ 18,970,924</u>	<u>\$ 3,705,122</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	<u>\$ 289,807</u>	<u>\$ 63,737</u>	<u>\$ 166,631</u>	<u>\$ 520,175</u>	<u>\$ 325,109</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation/amortization	254,978	276,503	349,215	880,696	-
Pension expense	(16,301)	(4,077)	(4,077)	(24,455)	-
Other revenues	52,836	-	-	52,836	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(66,352)	3,862	(5,711)	(68,201)	-
(Increase) decrease in deferred outflows of resources for pensions	217	55	55	327	-
Increase (decrease) in post-closure	66,711	-	-	66,711	-
Increase (decrease) in accounts payable and accrued liabilities	16,000	27,894	(3,422)	40,472	401,547
Increase (decrease) in OPEB payable	<u>53,973</u>	<u>7,002</u>	<u>7,002</u>	<u>67,977</u>	<u>-</u>
Total adjustments	<u>362,062</u>	<u>311,239</u>	<u>343,062</u>	<u>1,016,363</u>	<u>401,547</u>
Net cash provided (used) by operating activities	<u>\$ 651,869</u>	<u>\$ 374,976</u>	<u>\$ 509,693</u>	<u>\$ 1,536,538</u>	<u>\$ 726,656</u>

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

**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 146,329
<b>Liabilities and Net Position</b>	
<b>Liabilities:</b>	
Miscellaneous liabilities	\$ 51,846
Intergovernmental payable	<u>94,483</u>
Total liabilities	<u>\$ 146,329</u>

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### I. Summary of Significant Accounting Policies

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

The Statement of Net Position and the Statement of Activities display information about the primary government net position (the “County”) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function.

Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### **Fund Financial Statements**

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

**Agency Funds** – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains six agency funds: Fines and Forfeitures Fund, which is used to account for fines and forfeitures collected by the County that are required to be remitted to the Wilson County Board of Education; the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis; the Social Services Trust Fund, which is used to account for monies deposited with the County’s Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Tax Collections held for municipalities, which is used to account for tax monies collected for the benefit on municipalities located in the County; the Jail Inmate Fund, which is used to account for monies held for inmates; and the Sheriff Agency Fund, which accounts for monies collected by the Sheriff’s Department that are required to be remitted to governmental agencies.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

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

### **Governmental Fund Financial Statements**

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes, that were billed in periods prior to September 1, 2013 and for limited registration plates, are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

### **C. Budgetary Data**

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

### **D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

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

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

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT).

The County's 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) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

#### **2. Cash and Cash Equivalents**

The County pools monies 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.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 3. **Restricted Assets**

\$110,648 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$186,931 of customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

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

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2015. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

### 5. **Allowances for Doubtful Accounts**

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

### 6. **Inventories and Prepaid Items**

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale.

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

### 7. **Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; computer software, \$5,000; and vehicles, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Wilson County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

### 8. Deferred Outflows/Inflows of Resources

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 9. Long-Term Obligations

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

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

### 10. Compensated Absences

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

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

### 11. Net Position/Fund Balances

#### Net Position

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

Restricted fund balance at June 30, 2016 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Restricted, all other:		
Register of Deeds	\$ 187,015	\$ -
Public Safety	-	493,701
Human Services	2,190,991	-
Community Development Projects	-	822,607
Total	\$ 2,378,006	\$ 1,316,308

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

Committed fund balance at June 30, 2016 is as follows:

<u>Purpose</u>	<u>General Fund</u>
Committed:	
Tax revaluation	\$ 110,648
Total	<u>\$ 110,648</u>

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

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that has been budgeted by the Board of Commissioners for 2016-2017 expenditures.

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

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

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

Assigned fund balance at June 30, 2016 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Assigned:		
Subsequent year's expenditures	\$ 10,046,104	\$ -
Transportation	-	168,580
Future School Capital	-	299,849
Future Capital Community College	<u>750,000</u>	<u>-</u>
Total	<u>\$ 10,796,104</u>	<u>\$ 468,429</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### II. Detail Notes On All Funds

#### A. Assets

##### 1. Deposits

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

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

At June 30, 2016, the County's deposits had a carrying amount of \$36,149,579 and a bank balance of \$36,407,050. Of the bank balance, \$278,859 was covered by Federal depository insurance, and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2016, Wilson County had \$4,710 cash on hand.

At June 30, 2016, the carrying amount of deposits for the Wilson County ABC Board was \$790,404, and the bank balance was \$790,008. Of the bank balance, \$272,224 was covered by federal depository insurance, and \$517,784 in interest-bearing deposits was insured under the Pooling Method.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

At June 30, 2016, Wilson County ABC Board had \$6,400 cash on hand.

**2. Investments**

As of June 30, 2016, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management Trust:				
Cash Portfolio	Amortized Cost	\$ 20,820,453	N/A	N/A
Term Portfolio	Fair Value Level 1	8,053,397	8,053,397	N/A
Total		<u>\$ 28,873,850</u>	<u>\$ 8,053,397</u>	<u>\$ -</u>

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted in active markets for identical assets).

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County’s investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor’s as of June 30, 2016. 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, 2016, the ABC Board had no investments.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**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>
2013	\$ 1,558,552	\$ 370,166	\$ 1,928,718
2014	1,556,281	229,552	1,785,833
2015	1,558,438	89,611	1,648,049
2016	<u>1,575,817</u>	<u>-</u>	<u>1,575,817</u>
Total	<u>\$ 6,249,088</u>	<u>\$ 689,329</u>	<u>\$ 6,938,417</u>

**4. Receivables**

Receivables at the government-wide level at June 30, 2016 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,044,163	\$ 3,018,512	\$ 7,772,610	\$ 12,835,285
Other governmental	<u>-</u>	<u>58,986</u>	<u>103,048</u>	<u>162,034</u>
Total receivables	2,044,163	3,077,498	7,875,658	12,997,319
Allowance for doubtful accounts	<u>(542,794)</u>	<u>(822,474)</u>	<u>-</u>	<u>(1,365,268)</u>
Total governmental activities	<u>\$ 1,501,369</u>	<u>\$ 2,255,024</u>	<u>\$ 7,875,658</u>	<u>\$ 11,632,051</u>
<b>Business-Type Activities:</b>				
Landfill	\$ 221,555	\$ -	\$ 25,531	\$ 247,086
Water and Sewer	<u>401,627</u>	<u>-</u>	<u>-</u>	<u>401,627</u>
Total receivables	623,182	-	25,531	648,713
Allowance for doubtful accounts	<u>(172,506)</u>	<u>-</u>	<u>-</u>	<u>(172,506)</u>
Total business-type activities	<u>\$ 450,676</u>	<u>\$ -</u>	<u>\$ 25,531</u>	<u>\$ 476,207</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Local option sales tax	\$ 2,485,530	\$ -
White goods disposal tax	-	8,649
North Carolina administrative reimbursement and other	5,287,080	16,882
CDBG	20,000	-
Transportation	46,217	-
Emergency telephone	36,831	-
<b>Total</b>	<b>\$ 7,875,658</b>	<b>\$ 25,531</b>

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

The future minimum lease payments receivable as of June 30, 2016 were as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2017	\$ 261,756
2018	261,756
2019	261,756
2020	261,756
2021	261,756
2022-2023	261,758
<b>Total</b>	<b>\$ 1,570,538</b>

**Note Receivable**

The County granted a promissory note in the amount of \$500,000 to Wilson County Properties, Inc. for the purpose of acquiring property and building an industrial building to hold for sale as a means to attract businesses to locate to Wilson County. The remaining balance of the promissory note is payable in full upon maturity. The note is without interest.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Scheduled future maturities of the note receivable are as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	<b>Amount</b>
2017	\$ -
2018	-
2019	-
2020	-
2021	-
2022-2023	<u>500,000</u>
Total	<u><u>\$ 500,000</u></u>

### 5. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<b>July 1, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2016</b>
<b>Governmental Activities:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,399,703	\$ -	\$ -	\$ 3,399,703
<b>Depreciable Capital Assets:</b>				
Buildings	25,179,652	39,410	-	25,219,062
Other improvements	6,959,989	270,136	-	7,230,125
Furniture and equipment	9,214,094	2,567,131	1,726,280	10,054,945
Vehicles	4,834,751	453,470	128,339	5,159,882
Total depreciable assets	<u>46,188,486</u>	<u>3,330,147</u>	<u>1,854,619</u>	<u>47,664,014</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	11,170,476	474,880	-	11,645,356
Other improvements	2,461,621	233,351	-	2,694,972
Furniture and equipment	6,245,627	870,228	1,478,912	5,636,943
Vehicles	3,432,390	594,492	128,339	3,898,543
Total accumulated depreciation	<u>23,310,114</u>	<u>\$ 2,172,951</u>	<u>\$ 1,607,251</u>	<u>23,875,814</u>
Total depreciable capital assets, net	<u>22,878,372</u>			<u>23,788,200</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 26,278,075</u>			<u>\$ 27,187,903</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

General government	\$ 492,925
Public safety	1,206,910
Economic and physical development	23,152
Human services	288,724
Cultural and recreation	151,634
Environmental protection	7,086
Transportation	<u>2,520</u>
Total	<u>\$ 2,172,951</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
<b>Solid Waste:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,081,656	\$ -	\$ -	\$ 3,081,656
<b>Depreciable Capital Assets:</b>				
Buildings	1,735,292	-	-	1,735,292
Infrastructure	1,146,778	-	-	1,146,778
Furniture and equipment	2,759,533	205,362	315,455	2,649,440
Vehicles	698,600	236,726	-	935,326
Total depreciable assets	6,340,203	442,088	315,455	6,466,836
<b>Less Accumulated Depreciation:</b>				
Buildings	76,156	40,230	-	116,386
Infrastructure	123,891	25,218	-	149,109
Furniture and equipment	1,895,113	140,417	315,455	1,720,075
Vehicles	478,136	49,113	-	527,249
Total accumulated depreciation	2,573,296	\$ 254,978	\$ 315,455	2,512,819
Total depreciable capital assets, net	3,766,907			3,954,017
<b>Solid Waste Capital Assets, Net</b>	6,848,563			7,035,673
<b>Southeast Water District:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	48,389	\$ -	\$ -	48,389
<b>Depreciable Capital Assets:</b>				
Plant and distribution system	10,864,951	-	-	10,864,951
Office and maintenance equipment	16,420	-	-	16,420
Vehicles	40,794	-	-	40,794
Total depreciable assets	10,922,165	-	-	10,922,165
<b>Less Accumulated Depreciation:</b>				
Plant and distribution system	2,725,550	271,435	-	2,996,985
Office and maintenance equipment	9,857	750	-	10,607
Vehicles	23,117	8,159	-	31,276
Total accumulated depreciation	2,758,524	\$ 280,344	\$ -	3,038,868
Total depreciable capital assets, net	8,163,641			7,883,297
<b>Southeast Water District Capital Assets, Net</b>	8,212,030			7,931,686

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
<b>Business-Type Activities (continued):</b>				
<b>Southwest Water District:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	78,669	\$ -	\$ -	78,669
 <b>Depreciable Capital Assets:</b>				
Plant and distribution system	15,204,365	-	-	15,204,365
Office and maintenance equipment	14,628	-	-	14,628
Vehicles	40,794	-	-	40,794
Total depreciable assets	15,259,787	-	-	15,259,787
 <b>Less Accumulated Depreciation:</b>				
Plant and distribution system	3,335,510	350,092	-	3,685,602
Office and maintenance equipment	8,066	750	-	8,816
Vehicles	23,117	8,159	-	31,276
Total accumulated depreciation	3,366,693	\$ 359,001	\$ -	3,725,694
Total depreciable capital assets, net	11,893,094			11,534,093
 <b>Southwest Water District</b>				
<b>Capital Assets, Net</b>	11,971,763			11,612,762
 <b>Business-Type Activities</b>				
<b>Capital Assets, Net</b>	\$ 27,032,356			\$ 26,580,121



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Construction Commitments

The government did not have any active construction projects as of June 30, 2016.

### Discretely Presented Component Unit

Capital asset activity for the ABC Board for the year ended June 30, 2016, was as follows:

	<u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2016</u>
<b>Wilson County ABC Board:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
<b>Depreciable Capital Assets:</b>				
Buildings	2,422,013	-	-	2,422,013
Furniture and equipment	462,877	4,130	-	467,007
Vehicles	49,021	-	-	49,021
Leasehold improvements	49,225	-	-	49,225
Total depreciable assets	<u>2,983,136</u>	<u>4,130</u>	<u>-</u>	<u>2,987,266</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	422,368	49,766	-	472,134
Furniture and equipment	308,494	50,396	-	358,890
Vehicles	31,952	9,413	-	41,365
Leasehold improvements	20,067	6,208	-	26,275
Total accumulated depreciation	<u>782,881</u>	<u>\$ 115,783</u>	<u>\$ -</u>	<u>898,664</u>
Total depreciable capital assets, net	<u>2,200,255</u>			<u>2,088,602</u>
<b>ABC Board Capital Assets, Net</b>	<u>\$ 2,774,596</u>			<u>\$ 2,662,943</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Net Investment in Capital Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 27,187,903	\$ 26,580,121
Long-term debt gross	22,171,861	9,326,009
Less: Long-term debt related to assets not owned by the County	(16,358,945)	-
Less: Other debt not issued for capital	<u>(1,903,270)</u>	<u>-</u>
Net investment in capital assets	<u>\$ 23,278,257</u>	<u>\$ 17,254,112</u>

Deferred charge on refunding of \$492,226 is related to debt for assets not owned by the County and is excluded from the above calculation.

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2016 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Due to Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 4,314,584	\$ 430,364	\$ 67,472	\$ 81,014	\$ 4,893,434
Other governmental	<u>49,693</u>	<u>-</u>	<u>-</u>	<u>367,350</u>	<u>417,043</u>
Total governmental activities	<u>\$ 4,364,277</u>	<u>\$ 430,364</u>	<u>\$ 67,472</u>	<u>\$ 448,364</u>	<u>\$ 5,310,477</u>
<b>Business-Type Activities:</b>					
Solid Waste	\$ 119,599	\$ 50,907	\$ -	\$ -	\$ 170,506
Water Distribution Funds:					
Southeast District	30,660	-	10,366	-	41,026
Southwest District	<u>45,076</u>	<u>-</u>	<u>18,313</u>	<u>-</u>	<u>63,389</u>
Total business-type activities	<u>\$ 195,335</u>	<u>\$ 50,907</u>	<u>\$ 28,679</u>	<u>\$ -</u>	<u>\$ 274,921</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 2. Pension Plan Obligations

#### Local Governmental Employees' Retirement System

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

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016 was 7.15% of compensation for law enforcement officers and 6.75% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,046,962 for the year ended June 30, 2016.

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

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

At June 30, 2016, the County reported a liability of \$2,280,188 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the County's proportion was 0.50807%, which was a decrease of 0.00467% from its proportion measure as of June 30, 2014.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

For the year ended June 30, 2016, the County recognized pension expense of \$815,174. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 535,974
Net difference between projected and actual earnings on pension plan investments	-	649,162
Changes in proportion and differences between County contributions and proportionate share of contributions	51,469	48,316
County contributions subsequent to the measurement date	<u>2,046,962</u>	-
Total	<u>\$ 2,098,431</u>	<u>\$ 1,233,452</u>

\$2,046,962 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Total</b>
2017	\$ (751,822)
2018	(751,822)
2019	(751,174)
2020	1,072,835
2021	-
Thereafter	-
Total	<u>\$ (1,181,983)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

## WILSON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	2.2%
Global equity	42.0%	5.8%
Real estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation protection	6.0%	3.4%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

	<b>1% Decrease <u>(6.25%)</u></b>	<b>Discount Rate <u>(7.25%)</u></b>	<b>1% Increase <u>(8.25%)</u></b>
County's proportionate share of the net pension liability (asset)	<u>\$15,900,069</u>	<u>\$ 2,280,188</u>	<u>\$ (9,194,260)</u>

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

**Law Enforcement Officers’ Special Separation Allowance**

**Plan Description.** Wilson County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable 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.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>88</u>
Total	<u><u>98</u></u>

A separate report was not issued for the plan.

### Summary of Significant Accounting Policies

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

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

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

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

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

**Annual Pension Cost and Net Pension Obligation.** The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 235,558
Interest on net pension obligation	30,162
Adjustment to annual required contribution	<u>(53,010)</u>
Annual pension cost	212,710
Contributions made	<u>(171,578)</u>
Increase (decrease) in net pension obligation	41,132
Net pension obligation, beginning of year	<u>603,234</u>
Net pension obligation, end of year	<u><u>\$ 644,366</u></u>

### Three-Year Trend Information

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 182,481	96.49%	\$ 556,346
2015	217,113	78.40%	603,234
2016	212,710	80.66%	644,366

**Funded Status and Funding Progress.** As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$2,513,338. The covered payroll (annual payroll of active employees covered by the plan) was \$4,028,341, and the ratio of the UAAL to the covered payroll was 62.39%.

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### **Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description.** Wilson County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension fund financial statements for the Internal Revenue Code Section 401(k) Plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$234,751, which consisted of \$196,712 from the County and \$38,039 from the law enforcement officers.

### **Registers of Deeds' Supplemental Pension Fund**

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,892 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$110,556 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2015, the County's proportion was 0.47707%, which was a decrease of 0.01297% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$2,525. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 541	\$ 1,830
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	5,483	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,029	1,266
County contributions subsequent to the measurement date	3,892	-
Total	\$ 11,945	\$ 3,096

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

\$3,892 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Total</b>
2017	\$ 820
2018	1,304
2019	1,352
2020	1,481
2021	-
Thereafter	-
Total	<u>\$ 4,957</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

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

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

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

	<b>1% Decrease (4.75%)</b>	<b>Discount Rate (5.75%)</b>	<b>1% Increase (6.75%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$ (99,746)</u>	<u>\$ (110,556)</u>	<u>\$ (119,859)</u>

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### Other Post-Employment Benefits

**Plan Description.** Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This Plan provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least 15 years of creditable service with the County with at least ten years being continuous and uninterrupted immediately prior to retirement. In addition to the 15 years of minimum service, the employee must qualify to receive an unreduced benefit from the System. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County Commissioners may amend the provisions.

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

A separate report was not issued for the plan.

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

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	116	14
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	<u>634</u>	<u>92</u>
Total	<u><u>750</u></u>	<u><u>106</u></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 11.08% of annual covered payroll. For the current year, the County contributed \$880,861, or 2.9%, of annual covered payroll. The County obtains healthcare coverage through private insurers. Contributions made by employees totaled \$24,000, plus dependent coverage payments in the amount of \$23,857 for a grand total contribution of \$47,857.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 3,337,652
Interest on net OPEB obligation	611,827
Adjustment to annual required contribution	<u>(584,484)</u>
Annual OPEB cost (expense)	3,364,995
Contributions made	<u>(880,861)</u>
Increase (decrease) in net OPEB obligation	2,484,134
Net OPEB obligation, beginning of year	<u>15,295,680</u>
Net OPEB obligation, end of year	<u><u>\$ 17,779,814</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

<b>For Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 2,912,133	28.2%	\$13,534,258
2015	2,579,572	31.7%	15,295,680
2016	3,364,995	26.2%	17,779,814

**Funded Status and Funding Progress.** As of December 31, 2014, the most recent actuarial plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL), was \$38,041,619. The covered payroll (annual payroll of active employees covered by the plan) was \$30,130,954, and the ratio of the UAAL to the covered payroll was 126.3 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used and a 30-year level of percentage pay, open amortization period and method. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

### **Other Employment Benefits**

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

Federal and State 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 30 years after closure. The landfill stopped accepting solid waste on January 1, 1998.

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent post-closure costs based on remaining capacity at June 30, 2016 are \$3,711,324.

The County has met the requirements of a local government financial test that is one option under federal and State laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and post-closure care costs. At June 30, 2016, those funds are held in investments with a cost and market value of \$4,945,925. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

### 4. Deferred Outflows and Inflows of Resources

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

	<b>Deferred Inflows</b>
Prepaid taxes not yet earned	\$ 562,445
Taxes receivable, net (General Fund)	1,523,936
Taxes receivable, net (Special Revenue)	41,791
Pension deferrals	<u>1,236,548</u>
Total	<u>\$ 3,364,720</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

	<b>Deferred Outflows</b>
Charge on refunding of debt	\$ 492,226
Contributions to pension plan in current fiscal year	2,050,854
Pension deferrals	<u>59,522</u>
Total	<u>\$ 2,602,602</u>

### 5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through multi-state public entity captive for single occurrence losses in excess of \$600,000 retention up to a \$2 million limit for liability coverage and \$1,750,000 of each loss in excess of \$250,000 per occurrence retention for property and auto physical damage. The County is self-funded for Workers' Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$600,000 for employees up to a limit of \$1 million per occurrence.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance of \$268,100 on one structure.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and the 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, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$6,016,039 in claims was incurred for benefits during the year ended June 30, 2016. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Unpaid claims, beginning of year	\$ 761,769	\$ 812,838
Incurred claims (including IBNRs)	6,016,039	4,478,410
Claim payments	<u>(5,615,616)</u>	<u>(4,529,479)</u>
Unpaid claims, end of year	<u>\$ 1,162,192</u>	<u>\$ 761,769</u>

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

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

### 6. Contingent Liabilities

At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the County's financial position.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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 December 1, 2006 for the Miller Road building requiring 180 monthly installments starting at \$7,233 with an estimated annual CPI adjustment of 2%. At the end of the lease, the County has a purchase option of \$250,000.
2. Lease executed on August 11, 2011 for multi-tasking copier requiring sixty monthly installments of \$488,
3. Lease executed on August 11, 2011 for multi-tasking copier requiring sixty monthly installments of \$488,
4. Lease executed on October 1, 2012 for an IBM server requiring sixty monthly installments of \$652,
5. Lease executed January 13, 2016 for monitors and defibrillators requiring five annual installments of \$75,157,
6. Lease executed on January 26, 2016 for voting machines requiring five annual installments of \$75,547,
7. Lease executed on October 7, 2015 for a copier requiring three annual installments of \$4,871,
8. Lease executed on August 21, 2015 for virtualization servers requiring thirty-six monthly installments of \$5,260.

## WILSON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 1,038,858	\$ 211,305	\$ 827,553
Buildings	<u>1,526,750</u>	<u>209,119</u>	<u>1,317,631</u>
Total	<u>\$ 2,565,608</u>	<u>\$ 420,424</u>	<u>\$ 2,145,184</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 314,290
2018	307,449
2019	258,544
2020	237,505
2021	86,800
2022-2026	<u>43,400</u>
Total minimum lease payments	1,247,988
Less: amount representing interest	<u>(18,394)</u>
Present value of the minimum lease payments	<u>\$ 1,229,594</u>

#### **General Obligation Indebtedness**

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

In November 2012, the Water Districts (a blended component unit of the County) issued GO debt (30 year), the proceeds of which are used to refund existing USDA District debt. The original issue amount of the GO debt was \$9,190,000 with annual installments of \$190,000 to \$410,000; plus interest at 2 to 4.5 percent through June 1, 2042. The balance at June 30, 2016 was \$8,275,000. The County then issued Limited Obligation Bonds in an amount sufficient enough to purchase all the Districts GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

The County's general obligation bonds payable at June 30, 2016 are comprised of the following individual issues:

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

\$5,300,000 Library Bonds Series 2003 - February 2, 2003; due in annual principal installments of \$350,000 through February 2018; interest at 3.25% to 3.6%; payable on February 1 and August 1	\$ 750,000
 \$10,200,000 Advance Refunding Bonds 2010 - December 29, 2010; due in annual principal installments ranging from \$140,000 to \$2,145,000 through April 2017; interest at 2.0% to 4.0%; payable on October and April 1	 <u>1,700,000</u>
 Total	 <u>\$ 2,450,000</u>

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2016, including interest payments, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,050,000	\$ 65,250	\$ 2,050,000	\$ 65,250
2018	<u>400,000</u>	<u>14,400</u>	<u>400,000</u>	<u>14,400</u>
Total	<u>\$ 2,450,000</u>	<u>\$ 79,650</u>	<u>\$ 2,450,000</u>	<u>\$ 79,650</u>

The Water Districts are responsible for accounting for the Limited Obligation Bonds.

**Water Department Limited Obligations:**

Serviced by the County's Water Districts: \$9,190,000 2012 Limited Obligation Water Bonds; due in annual installments of \$190,000 to \$410,000; plus interest at 2.0% to 4.5% through June 1, 2042	 <u>\$ 8,275,000</u>
--	-------------------------

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

<b>Year Ending June 30</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 200,000	\$ 307,913
2018	210,000	299,913
2019	215,000	292,513
2020	230,000	283,913
2021	235,000	307,913
2022-2026	1,315,000	1,324,763
2027-2031	1,570,000	1,011,613
2032-2036	1,855,000	734,781
2037-2041	2,040,000	358,425
2042	405,000	42,525
<b>Total</b>	<b>\$ 8,275,000</b>	<b>\$ 4,964,272</b>

The County's financing debt at June 30, 2016 is comprised of the following notes payable:

	<b>Balance June 30, 2016</b>
<b>Notes Payable:</b>	
\$5,000,000 Financing Agreement - School Improvements - April 2, 2002; refinanced June 4, 2010; due in semi-annual fixed principal payments of \$163,944, plus interest at 2.99% through October 26, 2016; payable on October 26 and April 26	\$ 163,945
\$905,000 Financing Agreement - Energy Conservation - September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.35%	181,776
\$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%	150,956
\$14,495,000 2016 Financing Agreement- Advance Refunding of 2007 Certificates of Participation semi-annual principal and interest payments beginning October 1, 2016 through April 1, 2028; interest rate of 2.16%	14,495,000

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**Balance  
June 30, 2016**

\$5,235,125 Economic Development Park - backed by an Inter-local agreement between the County of Wilson and the City of Wilson, each sharing one-half the amount of annual debt service; annual principal and interest payments of \$523,513, beginning June 8, 2013 through June 8, 2022; interest rate of 3.69%	3,141,075
\$576,923 NC Eastern Region Revolving Loan Fund - annual principal and interest payments beginning May 2015 through April 16, 2019; without interest	346,154
\$26,211 Financing Agreement - Health Equipment - annual principal and interest payments beginning June 2015 through June 17, 2018; interest rate of 1.97%	<u>13,361</u>
Total	<u>\$ 18,492,267</u>

**Balance  
June 30, 2016**

**Notes Payable Water Department:**

Serviced by the Southwest Water District; 2009 DENR Drinking Water Revolving Loan; \$576,724 due in annual installments of \$28,837; beginning 2009; plus interest at 2.10% through May 1, 2029	\$ 374,869
Serviced by the Southeast Water District; 2009 DENR Drinking Water Revolving Loan; \$481,507 due in annual installments of \$24,076; beginning 2009; plus interest at 2.10% through May 1, 2029	<u>312,980</u>
Total	<u>\$ 687,849</u>



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2016, including interest payments, are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,315,854	\$ 403,881	\$ 52,911	\$ 14,445	\$ 2,368,765	\$ 418,326
2018	2,086,933	389,572	52,911	13,334	2,139,844	402,906
2019	1,958,432	336,393	52,911	12,223	2,011,343	348,616
2020	1,819,164	287,986	52,911	11,111	1,872,075	299,097
2021	1,800,332	240,069	52,911	11,111	1,853,243	251,180
2022-2026	6,386,552	621,182	264,557	38,890	6,651,109	660,072
2027-2029	2,125,000	65,580	158,737	11,111	2,283,737	76,691
Total	<u>\$ 18,492,267</u>	<u>\$ 2,344,663</u>	<u>\$ 687,849</u>	<u>\$ 112,225</u>	<u>\$ 19,180,116</u>	<u>\$ 2,456,888</u>

At June 30, 2016, the County had a legal debt margin of \$522,021,737.

**Debt Related to Capital Activities** – Of the total governmental activities debt listed, only \$3,909,646 relates to assets the County holds title.

### Advance Refunding

On May 20, 2016, the County issued the \$14,495,000 Certificates of Participation, Series 2016 for the purpose of an advance refunding of the Series 2007 Certificates of Participation in the amount of \$13,800,000. As a result, the certificates of participation are considered to be defeased, and the liability has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$441,998. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$1,547,064 and resulted in an economic gain of \$1,361,030.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### 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, 2016:

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Current</u>
	<u>July 1, 2015</u>			<u>June 30, 2016</u>	<u>Portion</u>
					<u>of Balance</u>
<b>Governmental Activities:</b>					
General					
obligation debt	\$ 4,855,000	\$ -	\$ 2,405,000	\$ 2,450,000	\$ 2,050,000
Capitalized leases	593,323	955,570	319,299	1,229,594	306,934
Notes payable	20,573,822	14,495,000	16,576,555	18,492,267	2,315,854
Bond premium	144,686	-	144,686	-	-
Compensated absences	1,931,784	2,064,951	1,718,538	2,278,197	1,752,909
Net pension liability (LGERS)	-	2,211,782	-	2,211,782	-
Unfunded Special Separation Allowance	603,234	212,710	171,578	644,366	-
Other post-employment benefits	<u>14,877,126</u>	<u>3,272,914</u>	<u>856,757</u>	<u>17,293,283</u>	<u>-</u>
Total governmental activities	<u>\$ 43,578,975</u>	<u>\$ 23,212,927</u>	<u>\$ 22,192,413</u>	<u>\$ 44,599,489</u>	<u>\$ 6,425,697</u>
<b>Business-Type Activities:</b>					
<b>Water Districts:</b>					
Limited obligation bond	\$ 8,470,000	\$ -	\$ 195,000	\$ 8,275,000	\$ 200,000
Notes payable	740,765	-	52,916	687,849	52,911
Bond premium	376,951	-	13,791	363,160	13,791
Compensated absences	24,000	22,585	20,490	26,095	20,900
Net pension liability (LGERS)	-	22,802	-	22,802	-
Other post-employment benefits	<u>86,228</u>	<u>18,970</u>	<u>4,966</u>	<u>100,232</u>	<u>-</u>
Total Water Districts	<u>9,697,944</u>	<u>64,357</u>	<u>287,163</u>	<u>9,475,138</u>	<u>287,602</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Solid Waste:</b>					
Accrued landfill closure and post-closure care costs	3,644,613	109,338	42,627	3,711,324	35,565
Compensated absences	36,588	29,235	26,752	39,071	27,287
Net pension liability (LGERS)	-	45,604	-	45,604	-
Other post-employment benefits	<u>332,326</u>	<u>73,111</u>	<u>19,138</u>	<u>386,299</u>	<u>-</u>
Total Solid Waste	<u>4,013,527</u>	<u>257,288</u>	<u>88,517</u>	<u>4,182,298</u>	<u>62,852</u>
 Total business-type activities	 <u>\$ 13,711,471</u>	 <u>\$ 321,645</u>	 <u>\$ 375,680</u>	 <u>\$ 13,657,436</u>	 <u>\$ 350,454</u>
 <b>Discretely Presented</b>					
<b>Component Unit:</b>					
<b>Long-Term Liabilities:</b>					
Compensated absences	\$ 41,406	\$ 1,914	\$ -	\$ 43,320	\$ -
Net pension liability (LGERS)	-	39,494	-	39,494	-
Accrued liabilities	<u>283,554</u>	<u>38,516</u>	<u>-</u>	<u>322,070</u>	<u>-</u>
Total long-term liabilities	<u>\$ 324,960</u>	<u>\$ 79,924</u>	<u>\$ -</u>	<u>\$ 404,884</u>	<u>\$ -</u>

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

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**8. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2016 consist of the following:

From the Public Buildings Fund to the Capital Reserve Fund for construction on the Animal Shelter.	\$ 50,000
From the General Fund to the Capital Reserve Fund for moving funds for the construction on the Animal Shelter and EMS Southern Submission	170,000
From the Economic Development Grant Fund to the General Fund for WAAT school project	<u>250,000</u>
Total	<u><u>\$ 470,000</u></u>

**9. Fund Balance**

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

Total fund balance - General Fund	\$ 45,194,747
<b>Less:</b>	
Stabilization by State statute	<u>9,395,854</u>
Total available fund balance	<u><u>\$ 35,798,893</u></u>

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

### III. 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 the 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 the City based on election by the Board. The bylaws of the Council state that the County and the City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$294,045 to the Council for the fiscal year ended June 30, 2016. 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, 2016. Complete financial statements for the Council can be obtained from the Council's administrative offices at 126 West Nash Street, Wilson, North Carolina 27893.

#### **Rocky Mount-Wilson Airport Authority**

The County, in conjunction with the City of Rocky Mount, City of Wilson, Edgecombe County, and Nash County, participates in a joint venture to operate the Rocky Mount/Wilson Airport Authority (Authority). Each of the entities appoints members of the seven-member Board of Commissioners of the Authority. The County appoints one of the seven Board members. The County has an ongoing financial responsibility for the Authority. The County contributed \$47,857 to the Authority's operating purposes during the year ended June 30, 2016. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$986,267 has been reported in the governmental activities in the County's basic financial statements at June 30, 2016. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, North Carolina 27822.

#### **Wilson Technical Community College**

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,234,259 and \$378,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2016. 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, 2016. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

# **WILSON COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

### **Eastpoint**

Wilson County, in conjunction with Bladen, Columbus, Duplin, Edgecombe, Nash, Lenoir, Robeson, Sampson, Scotland, Wayne, and Greene counties, participate in a joint venture to operate Eastpoint, a Local Management Entity (LME) and Managed Care Organization (MCO) of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. Each of the counties will have either two or three representatives based on population as published by the NC Department of Health and Human Services. Wilson County has two representatives on the Board. Each participant in the joint venture makes an annual appropriation to the joint venture, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2016, Wilson County contributed \$349,317 to Eastpoint. None of the participating governments have an equity interest in Eastpoint, so no equity interest has been reflected in the financial statements at June 30, 2016. Complete financial statements for Eastpoint may be obtained from Eastpoint's corporate office at 514 East Main Street, PO Box 369, Beulaville, North Carolina 28518.

## **IV. Jointly Governed Organizations**

### **Upper Coastal Plain Council of Governments**

The County, in conjunction with five other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$40,671 to the Council during the fiscal year ended June 30, 2016.

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

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

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

**V. Benefit Payments Issued by the State**

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

	<u>Federal</u>	<u>State</u>
Medical Assistance Program Medicaid -	\$ 82,674,040	\$ 45,320,930
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	2,101,436	-
Temporary Assistance for Needy Families	539,423	-
IV-E Foster Care	117,880	29,836
IV-E Adoption	372,505	95,181
Chafee Foster Care Independence	10,234	-
Child Welfare Services Adoption Subsidy	-	269,610
State/County Special Assistance for Adults (SC/SA)	-	954,132
SFHF Maximization	-	64,471
State Foster Home	-	57,295
State Children's Health Insurance Program - NC Health Choice	<u>1,483,695</u>	<u>113,882</u>
Total	<u>\$ 87,299,213</u>	<u>\$ 46,905,337</u>

**VI. 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**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016**

### **VII. Subsequent Events**

Events occurring subsequent to year-end have been evaluated through December 5, 2016. This is the date on which the financial statements were available to be issued.

Damage in certain areas of the State of North Carolina resulting from Hurricane Matthew was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Matthew struck North Carolina and caused serious flooding in several counties including Wilson County. While there has been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

### **VIII. Prior Period Adjustment**

During fiscal year ending June 30, 2016, the County decided that a contribution to the Economic Development Commission made during fiscal year 2015 would be repaid as a loan. A prior period adjustment has been recorded in the Economic Development Grant Fund to restate fund balance and record a loan receivable in the amount of \$500,000.



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

---

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

---

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

Schedule of Funding Progress for Other Post-Employment Benefits

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

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

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

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

*This page left blank intentionally.*

## WILSON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c
12/31/2009	\$ -	\$ 1,965,544	\$ 1,965,544	0.00%	\$ 3,795,700	51.78%
12/31/2010	-	1,855,164	1,855,164	0.00%	3,741,831	49.58%
12/31/2011	-	1,876,003	1,876,003	0.00%	3,425,288	54.77%
12/31/2012	-	1,904,864	1,904,864	0.00%	3,534,571	53.89%
12/31/2013	-	1,852,988	1,852,988	0.00%	3,706,127	50.00%
12/31/2014	-	1,764,716	1,764,716	0.00%	3,861,675	45.70%
12/31/2015	-	2,513,338	2,513,338	0.00%	4,028,341	62.39%

## Notes to the Required Schedules:

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

Valuation date	12/31/2015
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	3.57%
Projected salary increases	3.50 to 7.35%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

## WILSON COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

## Schedule of Funding Progress

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

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,707,166	13.00%
2010	2,707,166	15.00%
2011	2,808,685	17.51%
2012	2,808,685	19.62%
2013	2,891,680	24.79%
2014	2,891,680	28.35%
2015	2,555,379	32.02%
2016	3,337,652	26.39%

## Notes to the Required Schedules:

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

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

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

<b>Local Governmental Employees' Retirement System</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Wilson County's proportion of the net pension liability (asset) (%)	0.50807%	0.51274%	0.50750%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ 2,280,188	\$ (3,023,866)	\$ 6,117,324
Wilson County's covered-employee payroll	\$ 28,732,521	\$ 28,860,961	\$ 26,563,359
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.94%	( 10.48%)	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,046,962	\$ 2,057,877	\$ 2,046,767
Contributions in relation to the contractually required contribution	<u>2,046,962</u>	<u>2,057,877</u>	<u>2,046,767</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961
Contributions as a percentage of covered-employee payroll	6.86%	7.16%	7.09%

**WILSON COUNTY, NORTH CAROLINA**

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

<b>Register of Deeds' Supplemental Pension Fund</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Wilson County's proportion of the net pension liability (asset) (%)	0.47707%	0.49006%	0.47400%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (110,556)	\$ (110,078)	\$ (111,078)
Wilson County's covered-employee payroll	\$ 243,750	\$ 238,456	\$ 257,744
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	( 45.36%)	( 46.58%)	( 39.30%)
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

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

**WILSON COUNTY, NORTH CAROLINA**

**WILSON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST THREE FISCAL YEARS**

**Register of Deeds' Supplemental Pension Fund**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,892	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>3,892</u>	<u>3,818</u>	<u>4,001</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 250,588	\$ 243,750	\$ 238,456
Contributions as a percentage of covered-employee payroll	1.55%	1.57%	1.68%



**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

*This page left blank intentionally.*

# **Major Funds**

*This page left blank intentionally.*

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONSOLIDATED  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Revaluation Fund	Economic Development Fund	Eliminations	Total General Fund
<b>Revenues:</b>					
Ad valorem taxes	\$ 50,504,779	\$ -	\$ -	\$ -	\$ 50,504,779
Local option sales tax	13,261,928	-	-	-	13,261,928
Other taxes and licenses	628,459	-	-	-	628,459
Unrestricted intergovernmental	130,421	-	-	-	130,421
Restricted intergovernmental	20,915,182	-	-	-	20,915,182
Permits and fees	865,616	-	-	-	865,616
Sales and services	11,873,517	-	-	-	11,873,517
Investment earnings	105,437	247	-	-	105,684
Miscellaneous	178,696	-	-	-	178,696
Total revenues	<u>98,464,035</u>	<u>247</u>	<u>-</u>	<u>-</u>	<u>98,464,282</u>
<b>Expenditures:</b>					
Current:					
General government	9,057,757	219,386	1,093,317	-	10,370,460
Public safety	19,883,137	-	-	-	19,883,137
Transportation	47,857	-	-	-	47,857
Environmental protection	265,817	-	-	-	265,817
Economic and physical development	1,453,901	-	-	-	1,453,901
Human services	36,018,778	-	-	-	36,018,778
Cultural and recreation	1,903,244	-	-	-	1,903,244
Intergovernmental:					
Education	22,712,089	-	-	-	22,712,089
Debt service:					
Principal retirement	5,181,555	-	-	-	5,181,555
Interest and other charges	773,812	-	-	-	773,812
Total expenditures	<u>97,297,947</u>	<u>219,386</u>	<u>1,093,317</u>	<u>-</u>	<u>98,610,650</u>
Revenues over (under) expenditures	<u>1,166,088</u>	<u>(219,139)</u>	<u>(1,093,317)</u>	<u>-</u>	<u>(146,368)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers to other funds	(1,649,000)	-	-	1,479,000	(170,000)
Transfers from other funds	250,000	75,000	1,404,000	(1,479,000)	250,000
Refunding issued	(14,386,684)	-	-	-	(14,386,684)
Payment to escrow agent	14,495,000	-	-	-	14,495,000
Capital lease proceeds	955,570	-	-	-	955,570
Sale of capital assets	46,944	-	-	-	46,944
Total other financing sources (uses)	<u>(288,170)</u>	<u>75,000</u>	<u>1,404,000</u>	<u>-</u>	<u>1,190,830</u>
Net change in fund balances	877,918	(144,139)	310,683	-	1,044,462
<b>Fund Balances:</b>					
Beginning of year, July 1	<u>43,777,164</u>	<u>254,787</u>	<u>118,334</u>	<u>-</u>	<u>44,150,285</u>
End of year, June 30	<u>\$ 44,655,082</u>	<u>\$ 110,648</u>	<u>\$ 429,017</u>	<u>\$ -</u>	<u>\$ 45,194,747</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$ 49,805,695	\$ 50,175,385	\$ 369,690
Interest	481,000	329,394	(151,606)
Total	<u>50,286,695</u>	<u>50,504,779</u>	<u>218,084</u>
<b>Local Option Sales Taxes</b>	<u>11,105,653</u>	<u>13,261,928</u>	<u>2,156,275</u>
<b>Other Taxes and Licenses:</b>			
Franchise tax	90,000	71,851	(18,149)
Rental vehicle sales tax	40,000	53,343	13,343
Beer and wine tax	120,000	122,716	2,716
Excise tax	280,000	380,549	100,549
Total	<u>530,000</u>	<u>628,459</u>	<u>98,459</u>
<b>Unrestricted Intergovernmental:</b>			
Housing Authority	15,000	8,546	(6,454)
Wilson County ABC Board:			
Profit distribution	243,750	121,875	(121,875)
Total	<u>258,750</u>	<u>130,421</u>	<u>(128,329)</u>
<b>Restricted Intergovernmental:</b>			
General Fund	3,158,856	3,074,019	(84,837)
Library	131,115	131,115	-
Health services	1,396,038	1,333,142	(62,896)
Social services	15,310,228	16,264,146	953,918
Court facility fees	105,200	112,760	7,560
Total	<u>20,101,437</u>	<u>20,915,182</u>	<u>813,745</u>
<b>Permits and Fees:</b>			
Building permits and inspection fees	75,000	157,444	82,444
Register of Deeds	327,000	329,581	2,581
Health services	553,547	378,591	(174,956)
Total	<u>955,547</u>	<u>865,616</u>	<u>(89,931)</u>

## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Sales and Services:</b>			
Jail fees and Sheriff fees	1,293,500	1,542,582	249,082
Rents, concessions, and fees	7,123,198	6,694,041	(429,157)
Ambulance service fees	2,335,000	2,387,764	52,764
Communication center	1,100,000	1,249,130	149,130
Total	<u>11,851,698</u>	<u>11,873,517</u>	<u>21,819</u>
<b>Investment Earnings</b>	<u>32,000</u>	<u>105,437</u>	<u>73,437</u>
<b>Miscellaneous:</b>			
Other	<u>163,655</u>	<u>178,696</u>	<u>15,041</u>
Total revenues	<u>95,285,435</u>	<u>98,464,035</u>	<u>3,178,600</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Board of Commissioners:</b>			
Salaries and employee benefits	61,369	60,661	708
Other operating expenditures	52,656	43,150	9,506
Total	<u>114,025</u>	<u>103,811</u>	<u>10,214</u>
<b>Administration:</b>			
Salaries and employee benefits	353,370	351,020	2,350
Other operating expenditures	13,300	11,961	1,339
Capital outlay	5,900	5,856	44
Total	<u>372,570</u>	<u>368,837</u>	<u>3,733</u>
<b>Human Resources:</b>			
Salaries and employee benefits	187,696	167,707	19,989
Other operating expenditures	56,067	51,789	4,278
Total	<u>243,763</u>	<u>219,496</u>	<u>24,267</u>
<b>Board of Elections:</b>			
Salaries and employee benefits	465,939	253,693	212,246
Other operating expenditures	277,346	248,817	28,529
Capital outlay	112,936	453,280	(340,344)
Total	<u>856,221</u>	<u>955,790</u>	<u>(99,569)</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Finance:</b>			
Salaries and employee benefits	492,001	488,370	3,631
Other operating expenditures	41,607	34,881	6,726
Total	<u>533,608</u>	<u>523,251</u>	<u>10,357</u>
<b>Office of Tax Supervisor:</b>			
Salaries and employee benefits	968,330	946,003	22,327
Other operating expenditures	333,205	317,239	15,966
Data processing charges	160,656	157,351	3,305
Capital outlay	11,220	7,820	3,400
Total	<u>1,473,411</u>	<u>1,428,413</u>	<u>44,998</u>
<b>Technology Services:</b>			
Salaries and employee benefits	364,564	361,683	2,881
Data processing charges	68,684	52,074	16,610
Other operating expenditures	239,763	169,084	70,679
Capital outlay	194,237	376,343	(182,106)
Total	<u>867,248</u>	<u>959,184</u>	<u>(91,936)</u>
<b>Register of Deeds:</b>			
Salaries and employee benefits	348,058	344,032	4,026
Other operating expenditures	55,105	49,618	5,487
Total	<u>403,163</u>	<u>393,650</u>	<u>9,513</u>
<b>Public Buildings:</b>			
Other operating expenditures	790,095	629,986	160,109
Capital outlay	128,096	119,712	8,384
Total	<u>918,191</u>	<u>749,698</u>	<u>168,493</u>
<b>Court Facilities:</b>			
Salaries and employee benefits	629,958	607,737	22,221
Other operating expenditures	350,276	281,119	69,157
Capital outlay	287,962	287,605	357
Total	<u>1,268,196</u>	<u>1,176,461</u>	<u>91,735</u>
<b>Central Service:</b>			
Other operating expenditures	<u>1,786,194</u>	<u>1,375,757</u>	<u>410,437</u>



**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other:</b>			
Upper Coastal Plain COG	40,000	40,000	-
Other area projects	785,808	763,409	22,399
Total	<u>825,808</u>	<u>803,409</u>	<u>22,399</u>
Total general government	<u>9,662,398</u>	<u>9,057,757</u>	<u>604,641</u>
<b>Public Safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	5,960,822	5,735,629	225,193
Other operating expenditures	1,265,736	1,205,461	60,275
Capital outlay	226,805	226,797	8
Total	<u>7,453,363</u>	<u>7,167,887</u>	<u>285,476</u>
<b>Jail:</b>			
Salaries and employee benefits	2,676,825	2,384,262	292,563
Other operating expenditures	1,170,636	1,408,033	(237,397)
Capital outlay	7,980	7,980	-
Total	<u>3,855,441</u>	<u>3,800,275</u>	<u>55,166</u>
<b>Animal Control:</b>			
Salaries and employee benefits	490,634	487,578	3,056
Other operating expenditures	95,130	95,116	14
Total	<u>585,764</u>	<u>582,694</u>	<u>3,070</u>
<b>Emergency Communications:</b>			
Salaries and employee benefits	2,263,940	2,065,613	198,327
Other operating expenditures	245,838	262,276	(16,438)
Capital outlay	72,864	81,171	(8,307)
Total	<u>2,582,642</u>	<u>2,409,060</u>	<u>173,582</u>
<b>Emergency Management:</b>			
Salaries and employee benefits	165,966	161,452	4,514
Other operating expenditures	97,552	84,277	13,275
Capital outlay	28,200	28,174	26
Total	<u>291,718</u>	<u>273,903</u>	<u>17,815</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Emergency Medical Services:</b>			
Salaries and employee benefits	4,552,191	4,303,437	248,754
Other operating expenditures	845,860	745,348	100,512
Capital outlay	<u>539,000</u>	<u>600,533</u>	<u>(61,533)</u>
Total	<u>5,937,051</u>	<u>5,649,318</u>	<u>287,733</u>
Total public safety	<u>20,705,979</u>	<u>19,883,137</u>	<u>822,842</u>
<b>Transportation:</b>			
Rocky Mount/Wilson Airport	<u>47,857</u>	<u>47,857</u>	<u>-</u>
<b>Environmental Protection: Forestry Program:</b>			
Other operating expenditures	<u>88,940</u>	<u>65,789</u>	<u>23,151</u>
<b>Soil Conservation:</b>			
Salaries and employee benefits	184,070	183,225	845
Other operating expenditures	<u>21,094</u>	<u>16,803</u>	<u>4,291</u>
Total	<u>205,164</u>	<u>200,028</u>	<u>5,136</u>
Total environmental protection	<u>294,104</u>	<u>265,817</u>	<u>28,287</u>
<b>Economic and Physical Development: Agricultural Extension and 4-H:</b>			
Salaries and employee benefits	499,864	449,666	50,198
Other operating expenditures	93,012	58,576	34,436
Capital outlay	<u>31,029</u>	<u>31,029</u>	<u>-</u>
Total	<u>623,905</u>	<u>539,271</u>	<u>84,634</u>
<b>Planning and Zoning:</b>			
Salaries and employee benefits	606,153	545,172	60,981
Other operating expenditures	78,344	48,309	30,035
Capital outlay	<u>28,000</u>	<u>27,104</u>	<u>896</u>
Total	<u>712,497</u>	<u>620,585</u>	<u>91,912</u>
<b>Other:</b>			
Other projects	<u>294,045</u>	<u>294,045</u>	<u>-</u>
Total economic and physical development	<u>1,630,447</u>	<u>1,453,901</u>	<u>176,546</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Human Services:</b>			
<b>Diversified Opportunities</b>	29,250	29,250	-
<b>Senior Center:</b>			
Salaries and employee benefits	95,887	95,886	1
Other operating expenditures	42,181	35,203	6,978
Total	<u>138,068</u>	<u>131,089</u>	<u>6,979</u>
<b>Home and Community Care Block Grant:</b>			
Operating expenses	511,691	419,530	92,161
<b>Temporary Care Giver:</b>			
Other operating expenditures	10,309	18	10,291
<b>Health:</b>			
<b>Administration:</b>			
Salaries and employee benefits	1,100	896	204
Other operating expenditures	415,156	405,824	9,332
Capital outlay	273,360	273,358	2
Total	<u>689,616</u>	<u>680,078</u>	<u>9,538</u>
<b>Health Promotion:</b>			
Other operating expenditures	26,830	11,704	15,126
<b>Tuberculosis Control:</b>			
Salaries and employee benefits	68,521	67,210	1,311
Other operating expenditures	24,222	20,836	3,386
Total	<u>92,743</u>	<u>88,046</u>	<u>4,697</u>
<b>Home Health:</b>			
Salaries and employee benefits	3,351,445	3,080,447	270,998
Other operating expenditures	2,113,111	2,102,478	10,633
Capital outlay	23,549	23,493	56
Total	<u>5,488,105</u>	<u>5,206,418</u>	<u>281,687</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Family Planning:</b>			
Salaries and employee benefits	600,681	590,144	10,537
Other operating expenditures	241,484	184,018	57,466
Capital outlay	1,000	-	1,000
Total	<u>843,165</u>	<u>774,162</u>	<u>69,003</u>
<b>Maternal Health:</b>			
Salaries and employee benefits	589,269	579,257	10,012
Other operating expenditures	144,504	123,718	20,786
Total	<u>733,773</u>	<u>702,975</u>	<u>30,798</u>
<b>Environmental Health:</b>			
Salaries and employee benefits	471,529	452,642	18,887
Other operating expenditures	40,048	35,249	4,799
Total	<u>511,577</u>	<u>487,891</u>	<u>23,686</u>
<b>Immunization:</b>			
Salaries and employee benefits	84,145	84,057	88
Other operating expenditures	109,686	109,108	578
Total	<u>193,831</u>	<u>193,165</u>	<u>666</u>
<b>Communicable Diseases:</b>			
Salaries and employee benefits	297,163	295,731	1,432
Other operating expenditures	28,636	20,749	7,887
Total	<u>325,799</u>	<u>316,480</u>	<u>9,319</u>
<b>Comprehensive Breast Cancer Prevention:</b>			
Salaries and employee benefits	16,506	16,483	23
Other operating expenditures	49,117	18,322	30,795
Total	<u>65,623</u>	<u>34,805</u>	<u>30,818</u>
<b>Child Health:</b>			
Salaries and employee benefits	565,772	518,153	47,619
Other operating expenditures	81,950	23,369	58,581
Total	<u>647,722</u>	<u>541,522</u>	<u>106,200</u>
<b>Child Service Coordinator:</b>			
Salaries and employee benefits	293,006	257,046	35,960
Other operating expenditures	8,250	4,638	3,612
Total	<u>301,256</u>	<u>261,684</u>	<u>39,572</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>WIC Clinic Administration:</b>			
Salaries and employee benefits	43,539	42,955	584
Other operating expenditures	4,794	4,474	320
Total	<u>48,333</u>	<u>47,429</u>	<u>904</u>
<b>WIC Nutrition Education:</b>			
Salaries and employee benefits	119,396	117,635	1,761
Other operating expenditures	2,350	2,328	22
Total	<u>121,746</u>	<u>119,963</u>	<u>1,783</u>
<b>AIDS Control:</b>			
Salaries and employee benefits	10,550	9,059	1,491
Other operating expenditures	1,950	1,903	47
Total	<u>12,500</u>	<u>10,962</u>	<u>1,538</u>
<b>Bioterrorism:</b>			
Salaries and employee benefits	24,770	23,228	1,542
Other operating expenditures	23,690	2,827	20,863
Capital outlay	6,191	6,191	-
Total	<u>54,651</u>	<u>32,246</u>	<u>22,405</u>
<b>WIC Client Services:</b>			
Salaries and employee benefits	486,436	486,078	358
Other operating expenditures	5,300	4,711	589
Total	<u>491,736</u>	<u>490,789</u>	<u>947</u>
<b>Mental Health:</b>			
Other operating expenditures	<u>349,317</u>	<u>349,317</u>	<u>-</u>
<b>Maternal Child Care:</b>			
Salaries and employee benefits	181,302	173,930	7,372
Other operating expenditures	12,400	5,663	6,737
Total	<u>193,702</u>	<u>179,593</u>	<u>14,109</u>
<b>Breast and Cervical Cancer:</b>			
Salaries and employee benefits	60,027	46,621	13,406
Other operating expenditures	2,500	2,436	64
Total	<u>62,527</u>	<u>49,057</u>	<u>13,470</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Adult Health:</b>			
Salaries and employee benefits	333,470	249,776	83,694
Other operating expenditures	97,775	89,596	8,179
Total	<u>431,245</u>	<u>339,372</u>	<u>91,873</u>
Total health	<u>11,685,797</u>	<u>10,917,658</u>	<u>768,139</u>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and employee benefits	14,410,985	13,012,857	1,398,128
Other operating expenditures	4,424,638	3,769,109	655,529
Capital outlay	108,579	107,071	1,508
Total	<u>18,944,202</u>	<u>16,889,037</u>	<u>2,055,165</u>
<b>4D Child Support:</b>			
Salaries and employee benefits	90,561	34,447	56,114
Other operating expenditures	184,458	92,170	92,288
Total	<u>275,019</u>	<u>126,617</u>	<u>148,402</u>
<b>Income Maintenance Programs:</b>			
AFDC Fostercare	467,082	190,960	276,122
Special assistance - adults	993,048	1,031,088	(38,040)
Medicaid - County participation	1,700,000	817,843	882,157
Total	<u>3,160,130</u>	<u>2,039,891</u>	<u>1,120,239</u>
<b>Other Services:</b>			
Other operating expenditures	<u>6,115,340</u>	<u>5,386,530</u>	<u>728,810</u>
<b>Emergency Solutions Programs:</b>			
Other operating expenditures	<u>67,197</u>	<u>26,653</u>	<u>40,544</u>
Total social services	<u>28,561,888</u>	<u>24,468,728</u>	<u>4,093,160</u>
<b>Veterans Affairs:</b>			
Salaries and employee benefits	51,864	51,714	150
Other operating expenditures	795	791	4
Total	<u>52,659</u>	<u>52,505</u>	<u>154</u>
Total human services	<u>40,989,662</u>	<u>36,018,778</u>	<u>4,970,884</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Cultural and Recreation:</b>			
<b>Recreation:</b>			
Other operating expenditures	99,892	98,813	1,079
<b>Libraries:</b>			
Salaries and employee benefits	1,425,535	1,349,272	76,263
Other operating expenditures	477,533	455,159	22,374
Total	<u>1,903,068</u>	<u>1,804,431</u>	<u>98,637</u>
Total cultural and recreation	<u>2,002,960</u>	<u>1,903,244</u>	<u>99,716</u>
<b>Education:</b>			
Public schools - current	18,823,625	18,823,625	-
Public schools - capital outlay	1,250,000	1,250,000	-
Public School Bond Fund	26,205	26,205	-
Community colleges - current	2,234,259	2,234,259	-
Community colleges - capital outlay	1,128,000	378,000	750,000
Total education	<u>23,462,089</u>	<u>22,712,089</u>	<u>750,000</u>
<b>Debt Service:</b>			
Principal retirement	5,181,559	5,181,555	4
Interest and other charges	781,755	773,812	7,943
Total debt service	<u>5,963,314</u>	<u>5,955,367</u>	<u>7,947</u>
Total expenditures	<u>104,758,810</u>	<u>97,297,947</u>	<u>7,460,863</u>
Revenues over (under) expenditures	<u>(9,473,375)</u>	<u>1,166,088</u>	<u>10,639,463</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds:			
Revaluation Fund	(75,855)	(75,000)	855
Economic Development Fund	(1,404,000)	(1,404,000)	-
Capital Reserve Fund	(170,000)	(170,000)	-
Transfers from other funds	500,000	250,000	(250,000)
Refunding issued	14,495,002	14,495,000	(2)
Payment to escrow agent	(14,386,684)	(14,386,684)	-
Capital lease obligations issued	-	955,570	955,570
Sale of capital assets	12,154	46,944	34,790
Fund balance appropriated	<u>10,502,758</u>	<u>-</u>	<u>(10,502,758)</u>
Total other financing sources (uses)	<u>9,473,375</u>	<u>(288,170)</u>	<u>(9,761,545)</u>
Net change in fund balance	<u>\$ -</u>	877,918	<u>\$ 877,918</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>43,777,164</u>	
End of year, June 30		<u>\$ 44,655,082</u>	



## WILSON COUNTY, NORTH CAROLINA

LEGALLY BUDGETED TAX REVALUATION AND ECONOMIC DEVELOPMENT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
<b>Revenues:</b>			
Investment earnings	\$ 247	\$ -	\$ 247
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	219,386	-	219,386
Economic Development:			
Economic incentives	-	1,093,317	1,093,317
Total expenditures	<u>219,386</u>	<u>1,093,317</u>	<u>1,312,703</u>
Revenues over (under) expenditures	(219,139)	(1,093,317)	(1,312,456)
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>75,000</u>	<u>1,404,000</u>	<u>1,479,000</u>
Net change in fund balances	(144,139)	310,683	166,544
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>254,787</u>	<u>118,334</u>	<u>373,121</u>
End of year, June 30	<u>\$ 110,648</u>	<u>\$ 429,017</u>	<u>\$ 539,665</u>

**WILSON COUNTY, NORTH CAROLINA**

**REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 247	\$ 247
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	<u>219,855</u>	<u>219,386</u>	<u>469</u>
Revenues over (under) expenditures	<u>(219,855)</u>	<u>(219,139)</u>	<u>716</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	75,855	75,000	855
Fund balance appropriated	<u>144,000</u>	<u>-</u>	<u>144,000</u>
Total other financing sources (uses)	<u>219,855</u>	<u>75,000</u>	<u>144,855</u>
Net change in fund balance	<u>\$ -</u>	<u>(144,139)</u>	<u>\$ (144,139)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>254,787</u>	
End of year, June 30		<u>\$ 110,648</u>	

**WILSON COUNTY, NORTH CAROLINA**

**ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Current:			
General government:			
Economic incentives	\$ 1,404,000	\$ 1,093,317	\$ 310,683
Revenues over (under) expenditures	(1,404,000)	(1,093,317)	(310,683)
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>1,404,000</u>	<u>1,404,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	310,683	<u>\$ 310,683</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>118,334</u>	
End of year, June 30		<u>\$ 429,017</u>	

*This page left blank intentionally.*

# **Nonmajor Governmental Funds**

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Fire Districts Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 367,733	\$ 494,654	\$ 191,619	\$ 822,607	\$ 1,876,613
Taxes receivable, net	41,791	-	-	-	41,791
Accounts receivable, net	-	36,831	46,217	-	83,048
Notes receivable	-	-	-	500,000	500,000
Total assets	<u>\$ 409,524</u>	<u>\$ 531,485</u>	<u>\$ 237,836</u>	<u>\$ 1,322,607</u>	<u>\$ 2,501,452</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 1,336	\$ 23,039	\$ -	\$ 24,375
Due to other governments	367,350	-	-	-	367,350
Total liabilities	<u>367,350</u>	<u>1,336</u>	<u>23,039</u>	<u>-</u>	<u>391,725</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	41,791	-	-	-	41,791
<b>Fund Balances:</b>					
Nonspendable:					
Notes receivable	-	-	-	500,000	500,000
Restricted:					
Stabilization by State statute	-	36,831	46,217	-	83,048
Community development projects	-	-	-	822,607	822,607
Public safety	383	493,318	-	-	493,701
Assigned:					
Transportation	-	-	168,580	-	168,580
Future capital	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>383</u>	<u>530,149</u>	<u>214,797</u>	<u>1,322,607</u>	<u>2,067,936</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 409,524</u>	<u>\$ 531,485</u>	<u>\$ 237,836</u>	<u>\$ 1,322,607</u>	<u>\$ 2,501,452</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Community Grant Fund</u>	<u>Public Buildings Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 5,318	\$ 79,849	\$ 220,000	\$ 305,167	\$ 2,181,780
Taxes receivable, net	-	-	-	-	41,791
Accounts receivable, net	20,000	-	-	20,000	103,048
Due from other funds	-	-	-	-	500,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Total assets	<u>\$ 25,318</u>	<u>\$ 79,849</u>	<u>\$ 220,000</u>	<u>\$ 325,167</u>	<u>\$ 2,826,619</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 25,318	\$ -	\$ -	\$ 25,318	\$ 49,693
Due to other governments	-	-	-	-	367,350
Total liabilities	<u>25,318</u>	<u>-</u>	<u>-</u>	<u>25,318</u>	<u>417,043</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	-	-	-	-	41,791
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,791</u>
<b>Fund Balances:</b>					
Nonspendable:					
Notes receivable	-	-	-	-	500,000
Restricted:					
Stabilization by State statute	20,000	-	-	20,000	103,048
Community development projects	-	-	-	-	822,607
Public safety	-	-	-	-	493,701
Assigned:					
Transportation	-	-	-	-	168,580
Future capital	-	79,849	220,000	299,849	299,849
Unassigned	(20,000)	-	-	(20,000)	(20,000)
Total fund balances	<u>-</u>	<u>79,849</u>	<u>220,000</u>	<u>299,849</u>	<u>2,367,785</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,318</u>	<u>\$ 79,849</u>	<u>\$ 220,000</u>	<u>\$ 325,167</u>	<u>\$ 2,826,619</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Fire District Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 1,382,338	\$ -	\$ -	\$ -	\$ 1,382,338
Local option sales tax	345,416	-	-	-	345,416
Restricted intergovernmental	-	441,966	251,661	-	693,627
Sales and services	-	-	162,321	-	162,321
Investment earnings	-	1,164	-	-	1,164
Total revenues	<u>1,727,754</u>	<u>443,130</u>	<u>413,982</u>	<u>-</u>	<u>2,584,866</u>
<b>Expenditures:</b>					
Public safety	1,727,371	411,349	429,756	-	2,568,476
Capital projects	-	-	-	-	-
Total expenditures	<u>1,727,371</u>	<u>411,349</u>	<u>429,756</u>	<u>-</u>	<u>2,568,476</u>
Revenues over (under) expenditures	383	31,781	(15,774)	-	16,390
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	-	-	-	(250,000)	(250,000)
Net change in fund balances	<u>383</u>	<u>31,781</u>	<u>(15,774)</u>	<u>(250,000)</u>	<u>(233,610)</u>
<b>Fund Balances:</b>					
Beginning of year, July 1	-	498,368	230,571	1,072,607	1,801,546
Prior period adjustment	-	-	-	500,000	500,000
Beginning of year, restated	<u>-</u>	<u>498,368</u>	<u>230,571</u>	<u>1,572,607</u>	<u>2,301,546</u>
End of year, June 30	<u>\$ 383</u>	<u>\$ 530,149</u>	<u>\$ 214,797</u>	<u>\$ 1,322,607</u>	<u>\$ 2,067,936</u>



WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Community Grants Fund</u>	<u>Public Buildings Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,382,338
Local option sales tax	-	-	-	-	345,416
Restricted intergovernmental	4,188	-	-	4,188	697,815
Sales and services	-	-	-	-	162,321
Investment earnings	-	-	-	-	1,164
Total revenues	<u>4,188</u>	<u>-</u>	<u>-</u>	<u>4,188</u>	<u>2,589,054</u>
<b>Expenditures:</b>					
Public safety	-	-	-	-	2,568,476
Capital projects	<u>4,188</u>	<u>-</u>	<u>-</u>	<u>4,188</u>	<u>4,188</u>
Total expenditures	<u>4,188</u>	<u>-</u>	<u>-</u>	<u>4,188</u>	<u>2,572,664</u>
Revenues over (under) expenditures	-	-	-	-	16,390
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	<u>-</u>	<u>(50,000)</u>	<u>220,000</u>	<u>170,000</u>	<u>(80,000)</u>
Net change in fund balances	<u>-</u>	<u>(50,000)</u>	<u>220,000</u>	<u>170,000</u>	<u>(63,610)</u>
<b>Fund Balances:</b>					
Beginning of year, July 1	-	129,849	-	129,849	1,931,395
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Beginning of year, restated	<u>-</u>	<u>129,849</u>	<u>-</u>	<u>129,849</u>	<u>2,431,395</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 79,849</u>	<u>\$ 220,000</u>	<u>\$ 299,849</u>	<u>\$ 2,367,785</u>

## WILSON COUNTY, NORTH CAROLINA

**FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year	\$ 1,683,693	\$ 1,351,897	\$ (331,796)
Prior year	38,442	30,441	(8,001)
Total ad valorem taxes	<u>1,722,135</u>	<u>1,382,338</u>	<u>(339,797)</u>
Other taxes	<u>308,211</u>	<u>345,416</u>	<u>37,205</u>
Total revenues	2,030,346	1,727,754	(302,592)
<b>Expenditures:</b>			
Public safety	<u>2,030,346</u>	<u>1,727,371</u>	<u>302,975</u>
Net change in fund balance	<u>\$ -</u>	383	<u>\$ 383</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ 383</u>	

## WILSON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental			
NC 911 Board	\$ 441,967	\$ 441,966	\$ (1)
Investment earnings	750	1,164	414
Total revenues	<u>442,717</u>	<u>443,130</u>	<u>413</u>
<b>Expenditures:</b>			
Implemental functions	85,534	106,446	(20,912)
Telephone	195,055	182,803	12,252
Software maintenance	102,865	87,847	15,018
Hardware maintenance	158,221	27,738	130,483
Training	13,000	6,515	6,485
Total expenditures	<u>554,675</u>	<u>411,349</u>	<u>143,326</u>
Revenues over (under) expenditures	(111,958)	31,781	143,739
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>111,958</u>	-	<u>(111,958)</u>
Net change in fund balance	<u>\$ -</u>	31,781	<u>\$ 31,781</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>498,368</u>	
End of year, June 30		<u>\$ 530,149</u>	

## WILSON COUNTY, NORTH CAROLINA

**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 185,666	\$ (41,579)
Capital Grant	228,000	-	(228,000)
Public Transportation Grant	91,048	65,995	(25,053)
Sales and services	<u>194,668</u>	<u>162,321</u>	<u>(32,347)</u>
Total revenues	<u>740,961</u>	<u>413,982</u>	<u>(326,979)</u>
<b>Expenditures:</b>			
Salaries and employee benefits	71,406	70,861	545
Operating expenses	485,104	336,813	148,291
Capital outlay	<u>251,005</u>	<u>22,082</u>	<u>228,923</u>
Total expenditures	<u>807,515</u>	<u>429,756</u>	<u>377,759</u>
Revenues over (under) expenditures	(66,554)	(15,774)	50,780
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>66,554</u>	<u>-</u>	<u>(66,554)</u>
Net change in fund balance	<u>\$ -</u>	<u>(15,774)</u>	<u>\$ (15,774)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>230,571</u>	
End of year, June 30		<u>\$ 214,797</u>	

**WILSON COUNTY, NORTH CAROLINA**

**ECONOMIC DEVELOPMENT GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	\$ 250,000	\$ -	\$ (250,000)
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(250,000)</u>	<u>(250,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(250,000)</u>	<u>\$ (250,000)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		1,072,607	
Prior period adjustment		<u>500,000</u>	
Beginning of year, restated		<u>1,572,607</u>	
End of year, June 30		<u>\$ 1,322,607</u>	

## WILSON COUNTY, NORTH CAROLINA

COMMUNITY GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
Community Development Block Grant					
CDBG Scattered Site	\$ 4,188	\$ 220,811	\$ 4,188	\$ 224,999	\$ 220,811
<b>Expenditures:</b>					
CDBG Scattered Site- Admin	-	22,005	-	22,005	(22,005)
CDBG Scattered Site- Rehab	4,188	198,806	4,188	202,994	(198,806)
Total expenditures	4,188	220,811	4,188	224,999	(220,811)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
<b>Fund Balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

**WILSON COUNTY, NORTH CAROLINA**

**PUBLIC BUILDINGS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	\$ 50,000	\$ -	\$ (50,000)
Transfers in (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(50,000)</u>	<u>\$ (50,000)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>129,849</u>	
End of year, June 30		<u>\$ 79,849</u>	

## WILSON COUNTY, NORTH CAROLINA

**CAPITAL RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay	\$ 220,000	\$ -	\$ 220,000
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	220,000	<u>\$ 220,000</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ 220,000</u>	



# **Major Enterprise Funds**

*This page left blank intentionally.*

## WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 2,891,205	\$ 2,991,581	\$ 100,376
Non-operating revenues:			
Restricted intergovernmental revenues- NC DENR	30,000	30,000	-
Investment earnings	15,000	38,119	23,119
Other	26,337	22,836	(3,501)
Total non-operating revenues	<u>71,337</u>	<u>90,955</u>	<u>19,618</u>
Total revenues	<u>2,962,542</u>	<u>3,082,536</u>	<u>119,994</u>
<b>Expenditures:</b>			
Operating expenses	3,071,957	2,380,868	691,089
Capital outlay	443,187	442,088	1,099
Total expenditures	<u>3,515,144</u>	<u>2,822,956</u>	<u>692,188</u>
Revenues over (under) expenditures	(552,602)	259,580	(572,194)
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>552,602</u>	<u>-</u>	<u>(552,602)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>259,580</u>	<u>\$ 259,580</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Capital outlays		442,088	
Depreciation		(254,978)	
Contributions made to the pension plan in the current year		40,938	
Pension expense		16,301	
Increase in accrued landfill closure and costs		(66,711)	
Increase in post-employment benefit		(53,973)	
Decrease in accrued compensated absences		<u>(2,483)</u>	
Total reconciling items		<u>121,182</u>	
Change in net position		<u>\$ 380,762</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

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

## WILSON COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 914,500	\$ 897,339	\$ (17,161)
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	449,038	311,601	137,437
Water purchases	257,900	251,761	6,139
Total operating expenditures	<u>706,938</u>	<u>563,362</u>	<u>143,576</u>
Debt service:			
Interest	118,486	118,484	2
Principal	89,076	94,076	(5,000)
Total debt service	<u>207,562</u>	<u>212,560</u>	<u>(4,998)</u>
Total expenditures	<u>914,500</u>	<u>775,922</u>	<u>138,578</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>121,417</u>	<u>\$ 121,417</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Principal paid on long-term debt		94,076	
Depreciation and amortization		(276,503)	
Contributions made to the pension plan in the current year		10,235	
Pension expense		4,077	
Decrease in accrued interest		(2,070)	
Increase in other post-employment benefit		(7,002)	
Increase in accrued compensated absences		(1,047)	
Total reconciling items		<u>(178,234)</u>	
Change in net position		<u>\$ (56,817)</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 1,040,500	\$ 1,063,269	\$ 22,769
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	433,278	314,300	118,978
Water purchases	240,600	239,386	1,214
Total operating expenditures	<u>673,878</u>	<u>553,686</u>	<u>120,192</u>
Debt service:			
Interest	212,785	212,784	1
Principal	153,837	153,840	(3)
Total debt service	<u>366,622</u>	<u>366,624</u>	<u>(2)</u>
Total expenditures	<u>1,040,500</u>	<u>920,310</u>	<u>120,190</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>142,959</u>	<u>\$ 142,959</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Revenues from capital project		102,550	
Project expenditures not capitalized		(102,550)	
Principal paid on long-term debt		153,840	
Depreciation and amortization		(349,215)	
Contributions made to the pension plan in the current year		10,235	
Pension expense		4,077	
Change in accrued interest		(3,857)	
Increase in post-employment benefit		(7,002)	
Increase in accrued compensated absences		(1,047)	
Total reconciling items		<u>(192,969)</u>	
Change in net position		<u>\$ (50,010)</u>	

## WILSON COUNTY, NORTH CAROLINA

SOUTHWEST WATER DISTRICT CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
Restricted Intergovernmental:	\$ 679,120	\$ -	\$ 102,550	\$ 102,550	\$ (576,570)
<b>Expenditures:</b>					
Administration costs	60,000		56,587	56,587	3,413
Engineering	104,200		45,963	45,963	58,237
Construction	514,920	-	-	-	514,920
Total expenditures	679,120	-	102,550	102,550	576,570
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

**WILSON COUNTY, NORTH CAROLINA**

**WATER FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Non-operating revenues:			
District revenue	\$ 510,713	\$ 510,713	\$ -
<b>Expenditures:</b>			
Debt service:			
Principal retirement	195,000	195,000	-
Interest	315,713	315,713	-
Total debt service	<u>510,713</u>	<u>510,713</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# **Internal Service Fund**

*This page left blank intentionally.*

**WILSON COUNTY, NORTH CAROLINA**

**HOSPITAL - SELF INSURANCE  
SCHEDULE OF REVENUES AND EXPENDITURES -  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Insurance premiums	\$ 6,695,903	\$ 6,965,492	\$ 269,589
<b>Expenditures:</b>			
Operating expenditures:			
Insurance claims and expenses	<u>6,945,903</u>	<u>6,640,383</u>	<u>305,520</u>
Revenues over (under) expenditures	(250,000)	325,109	575,109
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 325,109</u>	<u>\$ 325,109</u>

*This page left blank intentionally.*

# **Agency Funds**

*This page left blank intentionally.*

**WILSON COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 475,559	\$ 475,559	\$ -
<b>Liabilities:</b>				
Intergovernmental payable	\$ -	\$ 475,559	\$ 475,559	\$ -
<b>Deed of Trust Fee Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,321	\$ 43,660	\$ 42,997	\$ 4,984
<b>Liabilities:</b>				
Intergovernmental payable	\$ 4,321	\$ 43,660	\$ 42,997	\$ 4,984
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 16,492	\$ 102,329	\$ 103,661	\$ 15,160
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 16,492	\$ 102,329	\$ 103,661	\$ 15,160
<b>Jail Inmate Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 39,435	\$ 345,010	\$ 351,523	\$ 32,922
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 39,435	\$ 345,010	\$ 351,523	\$ 32,922
<b>Sheriff Account Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,272	\$ 65,349	\$ 62,857	\$ 3,764
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 1,272	\$ 65,349	\$ 62,857	\$ 3,764

**WILSON COUNTY, NORTH CAROLINA**

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b>Tax Collections Held for Municipalities:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 48,754	\$ 2,005,998	\$ 1,965,253	\$ 89,499
<b>Liabilities:</b>				
Intergovernmental payable	\$ 48,754	\$ 2,005,998	\$ 1,965,253	\$ 89,499
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 110,274	\$ 3,037,905	\$ 3,001,850	\$ 146,329
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 57,199	\$ 512,688	\$ 518,041	\$ 51,846
Intergovernmental payable	53,075	2,525,217	2,483,809	94,483
Total liabilities	\$ 110,274	\$ 3,037,905	\$ 3,001,850	\$ 146,329



## **ADDITIONAL FINANCIAL DATA**

---

This section includes additional information on property taxes.

---

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy – General Fund

Analysis of Current Tax Levy – Fire Districts

Secondary Market Disclosures

Ten Largest Taxpayers

*This page left blank intentionally.*

## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2016**

Fiscal Year	Uncollected Balance June 30, 2015	Additions	Collections And Credits	Uncollected Balance June 30, 2016
2015-2016	\$ -	\$ 50,587,842	\$ 49,750,242	\$ 837,600
2014-2015	866,750	-	537,214	329,536
2013-2014	376,950	-	121,314	255,636
2012-2013	268,052	-	50,817	217,235
2011-2012	209,547	-	24,607	184,940
2010-2011	120,966	-	10,600	110,366
2009-2010	108,448	-	7,115	101,333
2008-2009	109,894	-	6,005	103,889
2007-2008	99,016	-	5,155	93,861
2006-2007	101,116	-	6,297	94,819
2005-2006	88,992	-	88,992	-
Total	\$ 2,349,731	\$ 50,587,842	\$ 50,608,358	2,329,215
Less: Allowance for uncollectible accounts:				
General Fund				(805,279)
Ad valorem taxes receivable, net:				
General Fund				\$ 1,523,936
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 50,504,779
Reconciling items:				
Interest collected				(329,394)
Taxes written off				88,992
Miscellaneous				343,981
Total reconciling items				(240,402)
Total collections and credits				\$ 50,608,358

## WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2016

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 6,851,944,143	\$ 0.73	\$ 50,053,225	\$ 45,154,389	\$ 4,898,836
<b>Discoveries</b>	148,704,676	0.73	1,240,539	1,240,539	-
<b>Abatements:</b>					
At current year's rate	(65,757,388)	0.73	(485,003)	(485,003)	-
At prior year's rate	(15,896,338)	0.73	(220,919)	(220,919)	-
Total abatements	(81,653,726)		(705,922)	(705,922)	-
Total property valuation	<u>\$ 6,918,995,093</u>				
<b>Net Levy</b>			50,587,842	45,689,006	4,898,836
Uncollected taxes at June 30, 2016			(837,600)	(837,600)	-
<b>Current Year's Taxes Collected</b>			<u>\$ 49,750,242</u>	<u>\$ 44,851,406</u>	<u>\$ 4,898,836</u>
<b>Current Levy Collection Percentage</b>			<u>98.34%</u>	<u>98.17%</u>	<u>100.00%</u>

## WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Levy</u>	<u>Uncollected Balance June 30, 2016</u>
Tri County	\$ 35,185	\$ 2,592
Green Hornet	16,446	228
Moyton	58,252	2,502
Polly Watson	8,362	287
Sims	60,184	1,359
East Nash	258,242	19,488
Lee Woodard	93,924	2,538
Toisnot	91,829	1,300
Rock Ridge	190,495	4,654
Silver Lake	120,744	4,592
Sanoca	80,582	5,624
Beulah	74,697	2,424
Cross Roads	113,959	5,170
Bakertown	42,786	2,847
Contentnea	131,952	3,332
West Edgecombe	2,509	49
Total original levy	<u>1,380,147</u>	<u>58,986</u>
Less: Allowance for uncollectible accounts:		
Fire Districts		<u>(17,195)</u>
Ad valorem taxes receivable, net:		
Fire districts		<u>\$ 41,791</u>
Less uncollected taxes at June 30, 2016	<u>(58,986)</u>	
<b>Current Year's Taxes Collected</b>	<u>\$ 1,321,161</u>	
<b>Current Levy Collection Percentage</b>	<u>95.73%</u>	

## WILSON COUNTY, NORTH CAROLINA

### SECONDARY MARKET DISCLOSURE COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2016

#### Secondary Market Disclosures:

##### Assessed Valuation:

Assessment Ratio	<u>100.00%</u>
Real property <sup>1</sup>	4,902,889,291
Personal property	1,248,597,390
Public service companies <sup>2</sup>	96,434,987
Motor vehicles	<u>671,073,425</u>
Assessed valuation at current year rates	<u>\$ 6,918,995,093</u>
Tax rate per \$100	<u>\$ 0.73</u>
Levy (includes discoveries, releases, and abatements)	\$ 50,508,664
Penalties	<u>79,178</u>
Net levy (includes discoveries, releases, and abatements) - all rates	<u>\$ 50,587,842</u>

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

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

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

County-wide	\$ 50,587,842
Special fire districts	1,380,147
Solid waste district	<u>1,116,263</u>
Total	<u>\$ 53,084,252</u>

**WILSON COUNTY, NORTH CAROLINA**

**TEN LARGEST TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 349,013,811	30.60%
BB&T Centralized Solutions Inc.	Financial	156,488,390	13.72%
Merck	Pharmaceutical	137,101,954	12.02%
DLP Wilson Medical Center INC	Medical	120,134,349	10.53%
BD RX INC	Pharmaceutical	98,014,964	8.59%
Sandoz	Pharmaceutical	71,420,630	6.26%
Alliance One	Tobacco	71,049,615	6.23%
Perdue Pharmaceuticals	Pharmaceutical	59,237,225	5.19%
Ardagh Glass Inc	Bottling	43,195,080	3.79%
Linamar Forginings Inc	Manufacturing	34,990,027	3.07%
Total		<u>\$ 1,140,646,045</u>	<u>100.00%</u>

*This page left blank intentionally.*



## **STATISTICAL SECTION**

---

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### **Debt Capacity**

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

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

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

*This page left blank intentionally.*

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 17,033,706	\$ 17,651,796	\$ 16,779,850	\$ 16,394,856	\$ 16,914,580	\$ 18,731,866	\$ 19,698,346	\$ 21,398,624	\$ 22,025,930	\$ 23,278,257
Restricted	392,360	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799	13,193,216
Unrestricted	(4,605,305)	(15,129,108)	(19,608,823)	(14,931,994)	(15,774,211)	(10,211,306)	(7,960,954)	(3,200,604)	(3,548,324)	2,337,825
Total Governmental Activities Net Position	<u>\$ 12,820,761</u>	<u>\$ 2,628,404</u>	<u>\$ (2,690,219)</u>	<u>\$ 1,632,868</u>	<u>\$ 8,757,259</u>	<u>\$ 16,586,926</u>	<u>\$ 21,975,339</u>	<u>\$ 28,757,357</u>	<u>\$ 32,101,405</u>	<u>\$ 38,809,298</u>
Business-Type Activities										
Net investment in Capital Assets	\$ 17,056,014	\$ 17,117,626	\$ 17,026,441	\$ 17,013,528	\$ 17,157,058	\$ 17,343,940	\$ 17,618,131	\$ 26,285,558	\$ 26,291,591	\$ 17,254,112
Restricted	208,676	-	-	-	-	-	-	-	-	-
Unrestricted	14,169,801	15,487,424	15,978,199	15,513,216	15,008,537	14,628,460	13,920,346	5,079,206	5,435,155	14,758,273
Total Business-Type Activities Net Position	<u>\$ 31,434,491</u>	<u>\$ 32,605,050</u>	<u>\$ 33,004,640</u>	<u>\$ 32,526,744</u>	<u>\$ 32,165,595</u>	<u>\$ 31,972,400</u>	<u>\$ 31,538,477</u>	<u>\$ 31,364,764</u>	<u>\$ 31,726,746</u>	<u>\$ 32,012,385</u>
Primary Government										
Net Investment in Capital Assets	\$ 34,089,720	\$ 34,769,422	\$ 33,806,291	\$ 33,408,384	\$ 34,071,638	\$ 36,075,806	\$ 37,316,477	\$ 47,684,182	\$ 48,317,521	\$ 40,532,369
Restricted	601,036	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799	13,193,216
Unrestricted	9,564,496	358,316	(3,630,624)	581,222	(765,674)	4,417,154	5,959,392	1,878,602	1,886,831	17,096,098
Total Primary Government Net Position	<u>\$ 44,255,252</u>	<u>\$ 35,233,454</u>	<u>\$ 30,314,421</u>	<u>\$ 34,159,612</u>	<u>\$ 40,922,854</u>	<u>\$ 48,559,326</u>	<u>\$ 53,513,816</u>	<u>\$ 60,122,121</u>	<u>\$ 63,828,151</u>	<u>\$ 70,821,683</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 8,591,788	\$ 9,716,338	\$ 9,168,058	\$ 8,957,720	\$ 8,882,777	\$ 7,651,150	\$ 7,248,404	\$ 9,903,936	\$ 9,127,244	\$ 7,779,568
Public safety	16,009,343	17,310,695	19,485,200	19,306,051	19,196,921	19,815,892	20,830,220	22,263,611	21,366,326	23,383,365
Transportation	40,214	44,199	59,660	50,861	50,724	49,967	50,246	47,857	37,357	50,377
Environmental protection	984,553	263,185	294,273	301,191	300,558	284,161	290,665	524,329	479,357	604,412
Economic and physical development	1,634,504	3,802,793	3,332,631	3,533,157	3,042,014	3,025,416	3,427,689	3,393,417	3,182,859	2,422,830
Human services	34,779,448	34,831,798	35,791,530	34,813,467	34,454,057	33,731,053	35,039,483	34,289,859	33,194,761	35,403,117
Cultural and recreational	1,947,966	2,012,515	2,122,205	2,014,077	2,002,703	1,813,114	1,903,182	1,847,127	1,897,152	2,074,703
Education	18,739,332	30,153,307	28,193,496	18,848,568	18,596,063	18,847,287	18,795,853	20,610,068	21,736,297	22,712,089
Interest on long-term debt	1,719,772	2,168,694	2,170,700	2,067,724	1,439,974	1,539,092	1,430,380	1,216,232	1,026,307	641,444
Total government activities expenses	<u>84,446,920</u>	<u>100,303,524</u>	<u>100,617,753</u>	<u>89,892,816</u>	<u>87,965,791</u>	<u>86,757,132</u>	<u>89,016,122</u>	<u>94,096,436</u>	<u>92,047,660</u>	<u>95,071,905</u>
Business-Type Activities:										
Landfill	\$ 2,352,221	\$ 2,552,162	\$ 2,379,231	\$ 2,549,099	\$ 2,408,065	\$ 2,535,925	\$ 2,632,369	\$ 2,603,931	\$ 2,454,250	\$ 2,701,774
Water	1,634,317	1,655,504	1,711,393	1,849,152	1,813,444	1,870,248	2,279,006	2,434,397	1,970,238	2,169,985
Total business-type activities expenses	<u>3,986,538</u>	<u>4,207,666</u>	<u>4,090,624</u>	<u>4,398,251</u>	<u>4,221,509</u>	<u>4,406,173</u>	<u>4,911,375</u>	<u>5,038,328</u>	<u>4,424,488</u>	<u>4,871,759</u>
Total primary government expenses	<u>88,433,458</u>	<u>104,511,190</u>	<u>104,708,377</u>	<u>94,291,067</u>	<u>92,187,300</u>	<u>91,163,305</u>	<u>93,927,497</u>	<u>99,134,764</u>	<u>96,472,148</u>	<u>99,943,664</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	975,562	785,436	882,443	952,104	775,757	779,845	807,579	502,902	519,520	842,806
Public safety	3,915,444	3,928,008	4,083,112	3,569,290	4,585,775	4,779,443	5,125,848	5,263,315	3,842,377	3,930,346
Transportation	-	21,872	49,892	70,637	51,861	213,920	205,362	226,852	170,271	162,321
Environmental protection	-	-	-	200	-	-	-	-	-	-
Economic and physical development	40,388	-	-	-	-	-	23,953	-	-	-
Human services	7,067,283	6,251,536	7,995,214	7,472,782	7,252,008	7,564,365	7,207,332	8,674,555	7,890,687	7,943,171
Cultural and recreational	-	25,744	28,841	32,653	34,332	59,828	57,037	-	-	-
Operating grants and contributions	15,399,555	17,415,740	18,101,406	20,207,494	19,282,450	18,398,248	17,364,048	18,277,404	19,660,556	19,711,748
Capital grants and contributions	1,229,134	63,154	1,653,878	1,701,926	3,172,685	1,960,955	1,457,437	2,711,121	2,052,455	1,873,739
Total government activities program revenues	<u>28,627,366</u>	<u>28,491,490</u>	<u>32,794,786</u>	<u>34,007,086</u>	<u>35,154,868</u>	<u>33,756,604</u>	<u>32,248,596</u>	<u>35,656,149</u>	<u>34,135,866</u>	<u>34,464,131</u>
Business-Type Activities:										
Charges for services:										
Landfill	2,689,342	2,663,594	2,470,560	2,347,945	2,327,996	2,610,208	2,649,072	2,612,503	2,787,838	2,991,581
Water	1,118,400	1,200,633	1,367,028	1,514,292	1,514,426	1,572,563	1,801,028	1,873,413	1,825,054	2,063,158
Operating grants and contributions	-	803,500	-	-	-	-	-	-	54,400	30,000
Capital grants and contributions	682,515	-	321,336	-	-	-	-	-	-	-
Total business-type program revenues	<u>4,490,257</u>	<u>4,667,727</u>	<u>4,158,924</u>	<u>3,862,237</u>	<u>3,842,422</u>	<u>4,182,771</u>	<u>4,450,100</u>	<u>4,485,916</u>	<u>4,667,292</u>	<u>5,084,739</u>
Total primary government program revenues	<u>33,117,623</u>	<u>33,159,217</u>	<u>36,953,710</u>	<u>37,869,323</u>	<u>38,997,290</u>	<u>37,939,375</u>	<u>36,698,696</u>	<u>40,142,065</u>	<u>38,803,158</u>	<u>39,548,870</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(55,819,554)	(71,812,034)	(67,822,967)	(55,885,730)	(52,810,923)	(53,000,528)	(56,767,526)	(58,440,287)	(57,911,794)	(60,607,774)
Business-type activities	503,719	460,061	68,300	(536,014)	(379,087)	(223,402)	(461,275)	(552,412)	242,804	212,980
Total primary government net expense	<u>\$ (55,315,835)</u>	<u>\$ (71,351,973)</u>	<u>\$ (67,754,667)</u>	<u>\$ (56,421,744)</u>	<u>\$ (53,190,010)</u>	<u>\$ (53,223,930)</u>	<u>\$ (57,228,801)</u>	<u>\$ (58,992,699)</u>	<u>\$ (57,668,990)</u>	<u>\$ (60,394,794)</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property taxes	\$ 40,579,339	\$ 42,242,034	\$ 47,418,462	\$ 47,985,145	\$ 48,432,721	\$ 48,652,157	\$ 49,589,056	\$ 52,414,386	\$ 51,596,469	\$ 52,136,281
Local option sales tax	16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117	13,607,344
Other taxes and licenses	1,352,912	1,284,311	1,279,712	644,480	687,322	499,644	530,176	699,995	625,189	628,459
Grants and contributions not restricted to specific programs	163,537	230,929	150,000	225,000	225,000	250,345	243,750	243,750	365,625	121,875
Investment earnings, unrestricted	1,337,881	1,472,840	526,767	84,638	73,441	68,897	89,810	47,280	39,376	106,848
Miscellaneous, unrestricted	(216,677)	69,334	(353,399)	284,644	259,932	156,371	108,558	239,841	128,209	214,860
Special item - economic development										
Incentive	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	20,600	-	-	-	-	-
Total governmental activities	<u>59,324,570</u>	<u>61,619,677</u>	<u>62,504,344</u>	<u>60,188,817</u>	<u>59,935,314</u>	<u>60,830,215</u>	<u>62,286,960</u>	<u>65,222,305</u>	<u>65,098,985</u>	<u>66,815,667</u>
Business-Type Activities:										
Grants and contributions not restricted to specific programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
Investment earnings, unrestricted	813,384	710,498	331,290	58,118	38,538	30,207	27,352	345,483	14,758	38,119
Miscellaneous, unrestricted	-	-	-	-	-	-	-	33,216	208,588	34,540
Transfers	-	-	-	-	(20,600)	-	-	-	-	-
Total business-type activities	<u>813,384</u>	<u>710,498</u>	<u>331,290</u>	<u>58,118</u>	<u>17,938</u>	<u>30,207</u>	<u>27,352</u>	<u>378,699</u>	<u>223,346</u>	<u>72,659</u>
Total primary government	<u>60,137,954</u>	<u>62,330,175</u>	<u>62,835,634</u>	<u>60,246,935</u>	<u>59,953,252</u>	<u>60,860,422</u>	<u>62,314,312</u>	<u>65,601,004</u>	<u>65,322,331</u>	<u>66,888,326</u>
<b>Change in Net Position</b>										
Governmental activities	3,505,016	(10,192,357)	(5,318,623)	4,323,087	7,124,391	7,829,687	5,492,082	6,782,018	7,187,191	6,207,893
Business-type activities	1,317,103	1,170,559	399,590	(477,896)	(361,149)	(193,195)	(433,923)	(173,713)	466,150	285,639
Total primary government	<u>4,822,119</u>	<u>(9,021,798)</u>	<u>(4,919,033)</u>	<u>3,845,191</u>	<u>6,763,242</u>	<u>7,636,492</u>	<u>5,058,159</u>	<u>6,608,305</u>	<u>7,653,341</u>	<u>6,493,532</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 7,316,558	\$ 7,421,733	\$ 6,729,102	\$ 7,194,610	\$ -	\$ -	\$ -	\$ -		
Unreserved	20,015,927	17,357,420	16,563,965	19,247,970	-	-	-	-		
Restricted	-	-	-	-	6,022,889	7,183,183	9,395,506	8,961,836	12,013,772	11,773,860
Committed	-	-	-	-	2,729,890	3,262,228	1,025,855	644,054	254,787	110,648
Assigned	-	-	-	-	5,638,789	7,540,784	11,627,353	9,306,913	9,001,980	10,796,104
Unassigned	-	-	-	-	17,897,429	19,012,749	18,117,920	22,840,764	22,879,746	22,514,135
Total general fund	<u>\$ 27,332,485</u>	<u>\$ 24,779,153</u>	<u>\$ 23,293,067</u>	<u>\$ 26,442,580</u>	<u>\$ 32,288,997</u>	<u>\$ 36,998,944</u>	<u>\$ 40,166,634</u>	<u>\$ 41,753,567</u>	<u>\$ 44,150,285</u>	<u>\$ 45,194,747</u>
All Other Governmental Funds										
Reserved	\$ 155,536	\$ 105,739	\$ 169,578	\$ 231,955	\$ -	\$ -	\$ -	\$ -		
Unreserved, reported in:										
Capital projects funds	632,456	8,677,836	2,049,401	1,571,911	-	-	-	-		
Special revenue funds	476,942	587,180	849,967	1,180,163	-	-	-	-		
Restricted	-	-	-	-	1,594,001	945,895	842,441	1,597,501	1,610,027	1,419,356
Assigned	-	-	-	-	426,262	435,618	340,196	975,023	328,323	468,429
Non-spendable	-	-	-	-	-	-	-	-	-	500,000
Unassigned	-	-	-	-	75,359	-	-	(6,506)	(6,955)	(20,000)
Total all other governmental funds	<u>\$ 1,264,934</u>	<u>\$ 9,370,755</u>	<u>\$ 3,068,946</u>	<u>\$ 2,984,029</u>	<u>\$ 2,095,622</u>	<u>\$ 1,381,513</u>	<u>\$ 1,182,637</u>	<u>\$ 2,566,018</u>	<u>\$ 1,931,395</u>	<u>\$ 2,367,785</u>

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>										
Ad valorem taxes	\$ 40,968,449	\$ 42,217,538	\$ 47,155,793	\$ 47,998,574	\$ 48,337,108	\$ 48,486,720	\$ 49,482,035	\$ 52,992,608	\$ 51,937,667	\$ 51,887,117
Local option sales tax	16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117	13,607,344
Other taxes and licenses	1,352,912	1,284,311	1,279,712	1,206,796	687,322	499,644	530,176	699,995	625,189	628,459
Unrestricted intergovernmental revenues	163,537	208,151	150,000	268,665	225,000	250,345	243,750	254,149	386,087	130,421
Restricted intergovernmental revenues	19,742,308	19,660,135	19,997,001	21,575,164	22,886,533	20,475,539	19,489,754	22,191,573	21,480,140	21,612,997
Permits and fees	660,740	544,339	428,857	421,293	384,117	400,205	447,437	1,293,039	1,247,286	865,616
Sales and services	8,224,319	8,306,220	12,368,929	11,424,648	11,884,218	12,608,346	12,311,405	12,171,537	11,903,335	12,035,838
Investment earnings	1,337,881	1,472,840	526,767	84,638	73,441	68,897	62,458	47,280	39,376	106,848
Miscellaneous	93,362	72,906	217,505	294,269	213,499	344,420	427,439	282,065	83,741	178,696
Total revenues	<u>88,651,086</u>	<u>90,086,669</u>	<u>95,607,366</u>	<u>94,238,957</u>	<u>94,927,536</u>	<u>94,336,917</u>	<u>94,720,064</u>	<u>101,509,299</u>	<u>100,046,938</u>	<u>101,053,336</u>
<b>Expenditures:</b>										
General government	9,300,101	8,291,245	8,797,504	8,472,516	8,290,694	7,399,100	7,221,725	8,539,044	8,892,958	9,277,143
Public safety	15,208,085	16,598,002	18,484,597	18,052,745	15,929,725	19,216,818	19,974,519	22,206,531	20,773,507	22,451,613
Transportation	40,214	43,921	56,403	47,857	47,857	47,857	47,857	47,857	47,857	47,857
Environmental protection	260,307	244,530	264,780	278,506	281,693	269,781	279,338	281,859	274,118	265,817
Economic and physical development	2,327,428	3,445,811	3,165,096	2,764,400	5,066,317	5,613,412	3,448,155	3,354,289	3,203,158	2,547,218
Human services	34,681,279	34,468,410	34,590,796	33,432,009	33,127,310	32,955,787	33,651,603	34,365,815	33,942,679	36,018,778
Cultural and recreational	1,681,971	1,809,886	1,866,074	1,769,221	1,745,106	1,649,070	1,759,841	1,673,799	1,746,637	1,903,244
Intergovernmental :										
Education	18,739,332	19,399,207	20,866,815	18,689,717	18,596,063	18,417,173	18,795,853	20,610,068	21,736,297	22,712,089
Capital projects	1,572,530	11,575,737	8,108,572	853,109	421,594	991,388	472,641	1,168,920	1,313,220	4,188
Debt service:										
Principal retirement	4,509,787	4,802,271	4,582,563	4,900,826	4,918,749	5,004,797	4,996,939	5,702,386	5,349,232	5,181,555
Interest and fees	1,749,254	1,615,172	2,665,170	2,165,489	1,568,512	1,439,934	1,484,592	1,250,373	1,061,244	773,812
Bond Issuance cost					144,909					
Total expenditures	<u>90,070,288</u>	<u>102,294,192</u>	<u>103,448,370</u>	<u>91,426,395</u>	<u>90,138,529</u>	<u>93,005,117</u>	<u>92,133,063</u>	<u>99,200,941</u>	<u>98,340,907</u>	<u>101,183,314</u>
Excess of revenues over (under) expenditures	<u>(1,419,202)</u>	<u>(12,207,523)</u>	<u>(7,841,004)</u>	<u>2,812,562</u>	<u>4,789,007</u>	<u>1,331,800</u>	<u>2,587,001</u>	<u>2,308,358</u>	<u>1,706,031</u>	<u>(129,978)</u>
<b>Other financing sources (uses):</b>										
Debt proceeds	1,405,000	18,563,512	-	-	-	-	-	-	-	-
Refunding bonds Issued					10,200,000					14,495,000
Premium on refunding bonds					386,487					
Payment to refunded bond escrow					(10,438,084)					(14,384,684)
Transfers in to other funds					1,927,903	133,888	240,207	1,527,000	977,293	
Transfer out to other funds	-	(803,500)	-	-	(1,907,303)	(133,888)	(240,207)	(1,527,000)	(977,293)	(170,000)
Installment purchase obligations issued						5,235,125	300,000	603,134		170,000
Capital lease obligation issued	-	-	-	252,034	-	46,475	36,813	58,822		955,570
Refunding issued						(2,617,562)	-			
Sales of capital assets	-	-	53,109	-	-	-	-	-	56,064	46,944
Total other financing sources (uses)	<u>1,405,000</u>	<u>17,760,012</u>	<u>53,109</u>	<u>252,034</u>	<u>169,003</u>	<u>2,664,038</u>	<u>336,813</u>	<u>661,956</u>	<u>56,064</u>	<u>1,112,830</u>
Net change in fund balances	<u>\$ (14,202)</u>	<u>\$ 5,552,489</u>	<u>\$ (7,787,895)</u>	<u>\$ 3,064,596</u>	<u>\$ 4,958,010</u>	<u>\$ 3,995,838</u>	<u>\$ 2,923,814</u>	<u>\$ 2,970,314</u>	<u>\$ 1,762,095</u>	<u>\$ 980,852</u>
Debt service as a percentage of noncapital expenditures	7.61%	7.61%	8.23%	8.46%	7.98%	7.28%	7.20%	7.63%	6.64%	6.09%

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

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

Fiscal Year Ended 30-Jun	Real Property				Total	Total Direct Tax Rate
	Residential Property	Public Service	Personal Property	Motor Vehicles		
2007	3,608,777,787	75,885,032	942,052,612	574,974,740	5,201,690,171	0.7600
2008	3,735,135,051	65,415,105	1,007,905,553	609,610,462	5,418,066,171	0.7300
2009	4,502,749,848	81,287,907	1,043,167,315	592,139,523	6,219,344,593	0.7300
2010	4,633,928,475	79,703,635	1,076,134,029	583,287,626	6,373,053,765	0.7300
2011	4,694,480,580	78,226,687	1,132,425,735	480,408,940	6,385,541,942	0.7300
2012	4,715,489,339	83,300,049	1,141,746,126	546,149,593	6,486,685,107	0.7300
2013	4,745,155,195	85,302,868	1,521,437,440	212,760,541	6,564,656,044	0.7300
2014	4,942,838,796	83,889,129	1,207,165,362	665,844,441	6,899,737,728	0.7300
2015	4,910,234,502	82,135,749	1,223,753,613	624,457,251	6,840,581,115	0.7300
2016	4,902,889,291	96,434,987	1,248,597,390	671,073,243	6,918,994,911	0.7300

Source: Wilson County Tax Administrator/Collector

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



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

<b>Fiscal Year Ended June 30</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Wilson County</b>	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.73000	0.73000	0.76000	0.76000
<b>Municipality Rates:</b>										
Black Creek	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000	0.59360	0.59750	0.59750	0.59700
Elm City	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.56000	0.51500	0.63000	0.63000
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.61000	0.61000	0.61000	0.61000
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.45000	0.45000	0.45000	0.45000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.58000	0.58000	0.58000	0.58000
Sharpsburg	0.6500	0.6500	0.6500	0.6500	0.5000	0.5000	0.50000	0.50000	0.45000	0.45000
Sims	0.4700	0.5000	0.5000	0.5000	0.5000	0.5000	0.50000	0.50000	0.50000	0.50000
Stantonsburg	0.5000	0.4600	0.4600	0.4600	0.4300	0.4300	0.43000	0.43000	0.43000	0.43000
Wilson	0.5550	0.5150	0.5150	0.5150	0.5150	0.5150	0.51500	0.51500	0.51500	0.51500
Wilson-Municipal	0.7350	0.6850	0.6850	0.6850	0.6850	0.6850	0.68500	0.68500	0.68500	0.68500
<b>Fire Districts:</b>										
Bakertown	0.0600	0.0850	0.0850	0.0850	0.0850	0.0850	0.08500	0.08500	0.08500	0.08500
Beulah	0.0800	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250	0.11250
Black Creek	0.1050	0.0500	0.0500	0.0500	0.0500	0.0500	0.04360	0.04750	0.04750	0.04700
Contentnea	0.0625	0.0950	0.0950	0.0950	0.0600	0.0600	0.06000	0.06000	0.06000	0.06000
Cross Roads	0.0650	0.0975	0.0975	0.0975	0.0975	0.0975	0.09750	0.09000	0.09750	0.09750
East Nash	0.1025	0.1350	0.1350	0.1350	0.1350	0.1350	0.13500	0.13500	0.13500	0.13500
Green Hornet	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250	0.08250
Lee Woodard	0.1120	0.0825	0.0825	0.0825	0.0825	0.0725	0.07250	0.07250	0.07250	0.07250
Moyton	0.1070	0.1300	0.1300	0.1300	0.1300	0.1300	0.13000	0.13000	0.13000	0.13000
Polly Watson	0.0750	0.1075	0.1075	0.1075	0.1075	0.0875	0.08750	0.08750	0.08750	0.08750
Rock Ridge	0.0675	0.1000	0.1000	0.1000	0.1000	0.1000	0.10000	0.10000	0.10000	0.10000
Sanoca	0.0925	0.1250	0.1250	0.1250	0.1250	0.1250	0.12500	0.12500	0.12500	0.12500
Silver Lake	0.0945	0.1225	0.1225	0.1225	0.1225	0.1225	0.12250	0.12250	0.12250	0.12250
Sims	0.0400	0.0725	0.0725	0.0725	0.0725	0.0725	0.07250	0.07250	0.07250	0.07250
Toisnot	0.0150	0.0475	0.0475	0.0475	0.0475	0.0475	0.04750	0.04750	0.04750	0.04750
Tri County	0.1000	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250	0.11250
West Edgecombe	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250	0.08250

Source: Wilson County Tax Administrator/Collector

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

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

Taxpayer	Type of Business	2016			2007		
		2015 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2006 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone	Tire manufacturing	\$ 349,013,811	1	5.04 %	\$ 270,334,504	1	5.20 %
BB&T Centralized Solutions Inc.	Financial	156,488,390	2	2.26	77,995,606	3	1.50
Merck Sharp & Dohme	Pharmaceutical	137,101,954	3	1.98	n/a	n/a	n/a
DLP Wilson Medical Center	Medical	120,134,349	4	1.74	141,212,119	2	2.71
BD RX Inc.	Pharmaceutical	98,014,964	5	1.42	40,088,068	7	0.77
Sandoz	Pharmaceutical	71,420,630	6	1.03	68,550,885	4	1.42
Alliance One	Tobacco	71,049,615	7	1.03	66,084,828	5	1.27
Perdue Pharmaceuticals	Pharmaceutical	59,237,225	8	0.86	37,949,159	8	0.73
Ardagh Glass Inc,	Bottling	43,195,080	9	0.62	33,671,678	6	0.65
Linamar Forginings	Manufacturing	34,990,027	10	0.51	22,041,440	n/a	0.00
<b>Total</b>		<b>\$ 1,140,646,045</b>		<b>16.49%</b>	<b>\$ 757,928,287</b>		<b>14.57%</b>

Source: Wilson County Tax Administrator/Collector

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	39,537,727	38,188,244	96.59%	n/a	n/a	n/a
2008	41,117,227	39,769,810	96.72%	\$ 635,632	\$ 40,405,443	98.27%
2009	46,091,324	44,480,655	96.51%	623,049	45,103,703	97.86%
2010	46,645,101	45,190,484	96.88%	721,049	45,911,533	98.43%
2011	47,031,339	45,454,664	96.65%	432,628	45,887,292	97.57%
2012	47,428,433	45,754,592	96.47%	1,104,879	46,859,471	98.80%
2013	47,968,099	46,285,917	96.49%	1,402,784	47,688,701	99.42%
2014	50,448,327	49,310,094	97.74%	1,534,993	50,845,087	100.79%
2015	50,003,458	49,136,708	98.27%	1,064,098	50,200,806	100.39%
2016	50,587,842	49,750,242	98.34%	844,040	50,594,282	100.01%

Source: Wilson County Tax Administrator/Collector

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Rental Vehicle Tax</b>	<b>Franchise Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Privilege and Civil Licenses</b>	<b>Total</b>
2007	40,968,449	16,107,578	111,946		61,051	607,737	12,315	57,869,076
2008	42,217,538	16,320,229	112,059	\$ 36,867	102,488	528,349	8,014	59,325,544
2009	47,155,793	13,482,802	115,115	33,054	92,214	294,445	9,952	61,183,375
2010	47,998,574	10,964,910	37,330	35,866	87,829	357,046	8,394	59,489,949
2011	48,337,108	10,236,298	107,507	40,040	82,552	287,295	8,945	59,099,745
2012	46,853,188	10,925,633	120,501	37,447	99,253	234,873	7,570	58,278,465
2013	47,688,700	11,431,555	113,971	31,803	93,218	282,332	8,852	59,650,431
2014	50,841,094	11,280,037	123,483	49,331	89,737	429,290	8,154	62,821,126
2015	55,401,949	12,527,937	133,060	50,384	81,349	359,813	583	68,555,075
2016	55,493,118	13,808,947	122,716	103,215	71,851	380,549	-	69,980,396

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	<sup>1</sup> Percentage of Personal Income <sup>a</sup>	<sup>1</sup> Per Capita
	General Obligation Bonds	Installment Obligations	Capitalized Leases	Installment Obligations	Water Bonds			
2007	20,805,000	19,438,556	1,656,726		9,834,000	51,734,282	2.13%	675.19
2008	19,235,000	34,616,861	1,415,026		9,745,000	65,011,887	2.56%	836.79
2009	17,570,000	31,770,501	1,185,320	\$ 1,058,231	9,617,500	61,201,552	2.39%	781.10
2010	15,910,000	28,611,276	1,239,344	1,005,320	9,485,000	56,250,940	2.09%	712.79
2011	14,760,000	25,497,516	1,030,353	952,409	9,347,000	51,587,278	1.94%	644.80
2012	12,975,000	27,599,246	864,438	899,494	9,204,000	51,542,178	1.78%	631.31
2013	10,095,000	25,782,306	767,856	846,582	8,850,000	46,341,744	1.72%	569.45
2014	7,270,000	23,508,054	751,905	793,674	8,660,000	40,983,633	1.42%	499.68
2015	4,855,000	20,573,822	593,323	743,761	8,470,000	35,235,906	1.20%	432.89
2016	2,450,000	18,492,267	1,229,594	687,850	8,638,160	31,497,871	1.05%	386.90

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

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

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General bonded debt outstanding										
General obligation bonds	<u>\$ 20,805,000</u>	<u>\$ 19,235,000</u>	<u>\$ 17,570,000</u>	<u>\$ 15,910,000</u>	<u>\$ 14,760,000</u>	<u>\$ 12,975,000</u>	<u>\$ 10,095,000</u>	<u>\$ 7,270,000</u>	<u>\$ 4,855,000</u>	<u>\$ 2,450,000</u>
Total	20,805,000	19,235,000	17,570,000	15,910,000	14,760,000	12,975,000	10,095,000	\$ 7,270,000	\$ 4,855,000	\$ 2,450,000
Assessed Value	5,201,690,173	5,418,066,171	6,219,344,293	6,373,053,765	6,385,541,942	6,486,685,107	6,564,656,044	6,899,737,728	6,840,581,115	6,918,995,093
Percentage of estimated actual property value	0.40%	0.36%	0.28%	0.25%	0.23%	0.20%	0.15%	0.11%	0.07%	0.04%
Per capita	271.53	247.58	224.24	201.60	184.49	158.92	124.05	88.64	59.65	30.09
Legal debt limit - eight percent (8%) of assessed valuation	<u>416,135,214</u>	<u>433,445,294</u>	<u>497,547,543</u>	<u>509,844,301</u>	<u>510,843,355</u>	<u>518,934,809</u>	<u>525,172,484</u>	<u>551,979,018</u>	<u>547,246,489</u>	<u>553,519,607</u>
Total Net Debt Applicable to Debt Limit	51,734,282	65,011,887	61,201,552	56,250,940	51,587,278	51,542,181	45,495,162	40,983,633	35,754,383	31,497,871
Legal debt margin	<u>\$ 364,400,932</u>	<u>\$ 368,433,407</u>	<u>\$ 436,345,991</u>	<u>\$ 453,593,361</u>	<u>\$ 459,256,077</u>	<u>\$ 467,392,628</u>	<u>\$ 479,677,322</u>	<u>\$ 510,995,385</u>	<u>\$ 511,492,106</u>	<u>\$ 522,021,736</u>
Total Net Debt Applicable to the Limit as a percentage of the debt limit	12.43%	15.00%	12.30%	11.03%	10.10%	9.93%	8.66%	7.42%	6.53%	5.69%

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

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income (in thousands)</b>	<b>(1) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>(2) School Enrollment</b>	<b>(2) Graduation Rate Percentage</b>	<b>(8) Unemployment Rate Percentage</b>
2007	76,622	2,434,371	31,771	24.70	12,376	56.5%	6.3%
2008	77,692	2,539,242	32,683	23.96	12,424	54.8%	7.9%
2009	78,353	2,556,486	32,628	35.10	12,395	58.2%	12.9%
2010	78,917	2,688,926	33,044	39.00 (6)	12,469	64.9%	12.7%
2011	80,005 (7)	2,653,765	33,170	39.00 (6)	12,194	69.1%	13.5%
2012	81,643 (7)	2,903,306	35,561	39.00 (6)	12,043	77.3%	13.6%
2013	81,380 (7)	2,699,375	33,170	38.30 (1)	12,307	79.70%	13.5%
2014	82,020 (7)	2,881,509	35,197	39.00 (6)	13,099 (6)	77.80%	9.9%
2015	81,397 (7)	2,937,718	35,972	39.00 (6)	13,469	81.50%	10.5%
2016	81,410 (7)	2,993,982	36,044	39.00	12084	81.50%	9.3%

**Sources:**

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Wilson County Board of Education
- (3) State Library of North Carolina - Woods and Poole Annual County Profile
- (4) ERS/USDA Data - NC Unemployment and Median Household Income
- (5) Employment Security Commission of North Carolina, seasonally adjusted rates as of June 30  
<http://accessnc.commerce.state.nc.us/EDIS/demographics.html>
- (7) NC Dept. of Revenue Sales Tax Distribution
- (8) [https://ycharts.com/indicators/wilson\\_nc\\_unemployment\\_rate](https://ycharts.com/indicators/wilson_nc_unemployment_rate)

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

Employer	2016			Employer	2007		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
BB&T	2,297	1	6.85 %	Bridgestone Americas Tire Operations, LLC	2,200	1	5.78 %
Bridgestone Americas Tire Operations, LLC	1,800	2	5.36	BB&T	2,000	2	5.25
Wilson County Schools	1,522	3	4.54	Wilson County Schools	1,500	3	3.94
Wilson Medical Center	1,230	4	3.67	Wilson Medical Center	1,250	4	3.28
Alliance One International	970	5	2.89	Alliance One Tobacco USA	890	5	2.34
UTC Aerospace Systems	735	6	2.19	ST Wooten	670	6	1.76
Smithfield Packing Company	700	7	2.24	County of Wilson	655	7	1.72
County of Wilson	750	8	2.09	City of Wilson	650	8	1.71
City of Wilson	725	9	2.16	Merck Mfg.	525	9	1.38
Merck Mfg.	325	10	0.97	Smithfield Packing	500	10	1.31
Total	11,054		32.94 %		10,840		28.46 %
Balance of employment	22,500		67.06 %		27,246		71.54 %
Total employment	33,554		100.00 %		38,086		100.00 %

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



**Table 14**  
**Wilson County, North Carolina**  
**Full-Time County Government Employees by Function/Program**  
**Full-Time-Equivalent County Government Employees by Function/Program FY2016**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General government										
County Manager	3	3	3	4	4	4	4	3	4	3
Tax administration	15	16	16	15	17	17	16	17	17	17
Board of Elections	3	3	3	2	3	3	3	3	3	3
Register of Deeds	6	6	6	5	6	6	6	6	6	6
Human resources	2	2	2	2	2	2	2	3	3	3
IT Department	5	5	5	5	5	5	5	4	5	5
Finance	7	7	7	7	6	6	6	6	6	7
Public buildings	5	5	6	7	6	6	10	14	14	12
Cultural and recreational										
Library	20	20	20	19	19	19	27	27	26	26
Public safety										
Sheriff	69	71	81	76	83	83	92	93	99	89
Detention center	53	59	33	35	43	43	45	45	47	44
Animal control	7	7	8	8	8	8	9	9	9	9
Emergency communications	32	30	31	32	31	31	31	34	38	38
Emergency management	1	2	2	2	2	2	2	2	2	2
Emergency medical services	37	40	45	48	49	49	69	72	69	72
Transportation										
Transportation	1	1	1	1	1	1	1	1	1	2
Economic and physical development										
Cooperative extension	10	10	10	9	9	9	11	11	11	11
Environmental protection										
Planning	8	8	9	9	9	9	9	9	9	6
Soil and water conservation	4	4	4	4	4	4	3	3	3	3
Human services										
Health	128	133	135	129	136	136	136	131	140	110
Senior Center	1	1	1	1	1	1	2	2	2	2
Social services	200	202	204	215	214	214	218	213	237	228
Veterans affairs	1	1	1	1	1	1	1	1		1
Utilities										
Water	4	4	4	4	4	4	5	5	5	5
Solid waste	6	8	6	8	10	10	38	38	38	38
<b>Total</b>	<b>628</b>	<b>648</b>	<b>643</b>	<b>648</b>	<b>673</b>	<b>673</b>	<b>751</b>	<b>752</b>	<b>794</b>	<b>742</b>

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	85	190	123	141	98	87	182	175	155	124
Building inspections conducted	4018	3629	2134	2342	2850	177	2969	2758	1746	2473
Sheriff										
Arrests	2387	2832	3012	3194	2806	2723	2274	2226	2377	2201
Citations		1046	1453	1916	1088	1455	958	650	1483	750
Fire										
Inspections	68	90	54	83	82	76	81	53	181	40
EMS										
Calls	11,589	11,709	11,900	12,300	13,014	12,924	13,730	13,719	13,523	14495
Solid Waste										
MSW (tons)	6,891	6,936	6,855	6,026	6,311	6,447	6,334	6,287	6,282	5,720
C&D (tons)	27,055	26,888	12,419	14,917	14,009	15,154	13,477	11,674	14,231	36,240
Recycle (tons)	886	943	748	772	1,085	1,112	1,111	1,387	2,215	3,003
Tires (tons)	3,069	3,422	3,155	2,250	1,912	2,285	1,347	1,285	1,466	1,511
Oil (gallons)	2,907	3,066	2,584	2,756	3,095	2,376	2,246	1,627	4,123	5,415
Batteries (count)*	537	354	262	146	83	84	123	*4,320	n/a	2,956
Jail										
Inmates admitted (average)	6605	6488	6590	5129	5200	5353	6039	6695	5783	5870
Inmates (daily average)	245	245	193	191	173	176	198	220	190	189
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5171	5232	5357	5538	5606	5757	5841	5730	8466	8,590
Family and children's Medicaid (active cases)	6322	6703	7232	7625	7655	8042	8220	8403	**20,010	10,924
Food stamps (active cases)	4451	4896	5832	7041	8125	8255	8338	8959	9,090	9,024
Children in foster care	90	80	76	69	63	60	58	60	73	68
Children in DSS custody	90	80	76	69	63	60	58	60	73	68
Day care (children served)	1210	1129	1125	1075	800	852	703	771	732	731
Child support (collections)	\$8,832,010	\$9,298,672	\$9,313,957	\$9,232,088	\$8,898,924	\$8,946,811	\$8,690,277	\$8,403,110	\$8,458,736	\$8,457,195
Work First (active cases)	3878	2930	2881	2920	2925	235	249	233	249	275
Reception services (clients seen)	54,162	55,633	55,411	57,570	59,917	60,292	58,310	50612	48,915	60,583
Health Department										
TB (clients seen)	1,862	1,791	1,805	1,508	2,210	2,325	2,589	2,735	2,805	2896
Communicable disease/STD (client visits)	7,864	8,570	8,527	9,589	2,669	3,425	3,456	3,567	3,787	1942
Pharmacy (prescriptions filled)	4,148	4,889	5,068	6,911	6,095	5,722	5,923	6,025	6,155	41988
BCCCP (clients visits)	56	60	77	76	54	49	76	77	80	76
HIV/AIDS (tests)	2,071	3,602	3,893	3,797	4,418	3,725	3,872	3,942	4,102	3209
Immunizations (administered)	5,581	5,799	7,745	10,257	10,133	10,125	11,280	11,569	12,589	4827
Lab (tests)	40,032	29,303	33,929	32,672	27,304	28,294	29,854	40,953	41,872	37950
Environmental health (onsite inspections)	190	192				472	515	1,268	1,299	1228
Environmental health (restaurant inspections)	590	338	270	409		547	902	1,720	1,864	1659
WIC (caseloads)	31,992	36,286	38,278	34,576		3,255	37,251	2,853	2,963	2948
Cultural and Recreational										
Libraries - circulation of youth services	91,997	90,241	94,925	115,032	122,218	128,538	118,558	129,149	127,899	111452
Libraries - circulation of adult services	128,037	129,984	143,936	162,240	154,082	150,340	133,204	170,703	158,998	156372
Education										
ADM	12600	12424	12642	12461	12177	12043	12307	13099	13469	12084

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

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

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

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units		86	89	91	99	98	98	97	99	98
Canine units	0	0	0	0	0	4	4	4	4	4
EMS										
Stations	1	1	1	1	1	1	1	1	2	2
Ambulances/QRVs	12	13	13	13	17	17	17	18	18	18
Defibrillators	12	12	12	12	12	12	12	12	12	12
Cultural and Recreation										
Libraries	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)		218	218	218	218	218	218	218	218	218
Pump stations	3	3	3	3	3	3	3	3	3	3

*This page left blank intentionally.*

## **COMPLIANCE SECTION**

*This page left blank intentionally.*

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 5, 2016. Our report includes a reference to other auditors who audited the financial statements of the Wilson County ABC Board, as described in our report on Wilson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 5, 2016



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

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

## **Report On Compliance For Each Major Federal Program; and Internal Control Over Compliance; In Accordance With the OMB Uniform Guidance; And The State Single Audit Implementation Act**

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

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

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

We have audited the compliance of Wilson County, North Carolina with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major federal programs for the year ended June 30, 2016. Wilson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Those standards, OMB Uniform Guidance, and the State Single Audit Implementation Act, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wilson County's compliance.

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

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-003 and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

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

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2016-009 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-007 and 2016-008 to be significant deficiencies.

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 5, 2016

*This page left blank intentionally.*

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

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

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

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

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

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

We have audited the compliance of Wilson County, 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 could have a direct and material effect on each of Wilson County's major State programs for the year ended June 30, 2016. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of Wilson County's compliance.

#### **Basis for Qualified Opinion on State/County Special Assistance for Adults (SC/SA)**

As described in the accompanying Schedule of Findings, Responses, and Questioned Costs, Wilson County did not comply with requirements regarding State/County Special Assistance for Adults (SC/SA) as described in findings 2016-012 and 2016-013 for eligibility. Compliance with such requirements is necessary, in our opinion, for Wilson County to comply with the requirements applicable to that program.

#### **Qualified Opinion on State/County Special Assistance for Adults (SC/SA)**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on State/County Special Assistance for Adults (SC/SA) for the year ended June 30, 2016.

#### **Unmodified Opinion on Each of the Other Major State Programs**

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major State programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings, Responses, and Questioned Costs for the year ended June 30, 2016.

#### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with applicable sections of the Uniform Guidance, as described in the *Audit Manual for Governmental Auditors in North Carolina* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2016-003. Our opinion on each major State program is not modified with respect to this matter.

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

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

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-001, 2016-002, 2016-003, 2016-009, 2016-010, 2016-011, 2016-012, and 2016-013 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2016-007, 2016-008, and 2016-014 to be significant deficiencies.

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 5, 2016

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**Financial Statements**

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

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiency (s) identified? None reported

Non-compliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness (es) identified? Yes
- Significant deficiency (s) identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes



**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.775, 93.777, 93.778
TANF Cluster	93.558, 93.714
Child Care Development Fund Cluster	93.575, 93.596

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$3,000,000</u>
---	--------------------

Auditee qualified as low-risk auditee?	No
--	----

**State Awards**

Internal control over major State programs:

- |   |     |
|---|-----|
| • Material weakness (es) identified?      | Yes |
| • Significant deficiency (es) identified? | Yes |

Type of auditor’s report issued on compliance for major State programs:	Unmodified, for all State programs except for State/County Special Assistance for Adults (SC/SA) which was Qualified
---	--

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

Identification of major State programs:

**Program Name**

- Medicaid Cluster
- State/County Special Assistance for Adults (SC/SA)
- Subsidized Child Care Cluster
- Public School Building Capital Fund

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

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

None reported.

### 3. Federal Award Findings and Questioned Costs

#### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Grant Number: DMA 2016

#### Finding: 2016-001

#### MATERIAL WEAKNESS

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Any errors discovered during the review process should be corrected.

**Condition:** The County Department of Social Services did not have adequate controls in place to ensure that proper eligibility determinations were being made and documented. The County performed second party reviews over the program but 4 of the sampled reviews contained errors that were not followed up on.

**Context:** The County did not make corrections as a result of errors discovered during the second party reviews performed over the program.

**Effect:** Casefiles could be missing the required eligibility determination documentation which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Weakness in implementation of controls over second party review procedures performed by management.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

**Views of Responsible Officials and Planned Corrective Actions:** It is noted that cases were already being reviewed but in addition to what we were already doing a formal tracking tool for case file reviews has been implemented.

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778  
Grant Number: DMA 2016

### Finding: 2016-002

#### MATERIAL WEAKNESS

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure an applicant is not considered verified as eligible for approval or recertification unless the caseworker performs an automated income and resources match verification for the applicant, which retrieves and verifies applicant information from several federal and State benefit and reporting systems. Management should have an adequate system of internal control procedures in place to ensure an applicant's eligibility determination may only be overridden and forced for approval of benefits with proper supervisor approval or as a result of NC FAST job aide correspondence.

**Condition:** The County Department of Social Services failed to provide evidence of documentation of caseworker performing the automated income and resource match verification for one applicant. The County Department of Social Services failed to provide evidence of documentation of authorization to force applicant eligibility for one applicant.

**Context:** Of the 3,403 casefiles, we examined 60 and determined that the above condition applied to two applicants. One applicant received benefits during the fiscal year with an incomplete verification of the automated income and resources match verification systems on file. One applicant received benefits during the fiscal year, having been provided forced eligibility without the caseworker obtaining proper supervisor approval to force the eligibility. The County was able to substantiate that the applicants were eligible to receive benefits.

**Effect:** Casefiles were missing the required supporting documentation of authorization to force eligibility approval and complete verification of automated income and resource match verification which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Caseworker failed to perform the required verification procedures and proper supervisor approval to force eligibility.

**Questioned Costs:** None. The County was able to substantiate that the applicants were eligible to receive benefits.

**Recommendation:** Caseworkers should process all new and recertifying applicants through the automated income and resource match verification systems as required by program requirements and retain complete documentation of such in the applicant's casefile. Caseworkers should obtain proper supervisor approval before forcing eligibility approvals for applicants. Evidence of authorization should be retained in the casefile.

**Views of Responsible Officials and Planned Corrective Actions:** Refer to corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 3. Federal Award Findings and Questioned Costs (continued)

##### **US Department of Health and Human Services**

Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778  
Grant Number: DMA 2016

##### **Finding: 2016-003**

#### **NONMATERIAL NONCOMPLIANCE/MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure that active casefiles are eligible for benefits and that closed casefiles are terminated timely.

**Condition:** Two applicants had changes in SSI benefits and continued to receive benefits while terminated or on hold. One applicant had been terminated from SSI but the certification period was not shortened and the applicant continued to receive benefits. One applicant receiving SSI was on hold but the County did not have evidence in the case file.

**Context:** Of the 3,403 casefiles, we examined 60 and we determined that the above condition applied to two applicants. One applicant had been terminated from SSI but the certification period was not shortened, the County did not have evidence in the case file, and the applicant continued to receive benefits. One applicant receiving SSI was on hold but the County did not have evidence in the case file documenting the reason for the hold and the applicant continued to receive benefits.

**Effect:** Participant could receive benefits they are not eligible for due to change in SSI benefits.

**Cause:** Caseworker did not have proper documentation of the status of SSI benefits in the casefile.

**Questioned Costs:** \$12,330

**Recommendation:** Caseworkers should review the status of SSI cases and ensure documentation of SSI terminations and holds are contained in the casefile.

**Views of Responsible Officials and Planned Corrective Actions:** SDX (SSI) reports were not available to counties until December 2015 for NCFast cases; therefore, the county had no knowledge that the cases were on hold and SSI had terminated. Because of other glitches in the state NCFast system, the SDX (SSI) termination reports are not always accurate. See job aid and policy attached to the email. This was out of our control. Training on how to shorten certification periods on SDX cases was not provided by the state until April 13, 2016. Please refer to the corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 3. Federal Award Findings and Questioned Costs (continued)

##### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA # 93.558  
Grant Number: WC302

##### **Finding: 2016-004**

##### **MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure that documentation of a signed learning assessment is included in the casefile. Management should have an adequate system of internal control procedures in place to ensure an applicant's eligibility determination may only be overridden and forced for approval of benefits with proper supervisor approval or as a result of NC FAST job aide correspondence.

**Condition:** The County Department of Social Services failed to provide evidence of documentation of a signed learning assessment for two applicants. The County Department of Social Services failed to provide evidence of documentation of authorization to force applicant eligibility for three applicants.

**Context:** Of the 399 casefiles, we examined 60 and determined that the above condition applied to five applicants. Two applicants received benefits during the fiscal year with no documentation of a signed learning assessment on file. Three applicants received benefits during the fiscal year, having been provided forced eligibility without the caseworker obtaining proper supervisor approval to force the eligibility. The County was able to substantiate that the applicants were eligible to receive benefits.

**Effect:** Casefiles were missing the required supporting documentation of authorization to force eligibility approval and documentation of signed learning assessments were not on file.

**Cause:** Caseworker failed to perform the required documentation and proper supervisor approval to force eligibility.

**Questioned Costs:** None. The County was able to substantiate that the applicants were eligible to receive benefits.

**Recommendation:** Caseworkers should ensure that all documentation regarding learning assessments is completed as required by program requirements and retain complete documentation of such in the applicant's casefile. Caseworkers should obtain proper supervisor approval before forcing eligibility approvals for applicants. Evidence of authorization should be retained in the casefile.

**Views of Responsible Officials and Planned Corrective Actions:** Proper supervisor approval is required for forced eligibility approvals. Please refer to the corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 3. Federal Award Findings and Questioned Costs (continued)

##### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA # 93.558  
Grant Number: WC302

##### Finding: 2016-005

##### NONMATERIAL NON-COMPLIANCE/MATERIAL WEAKNESS

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure that benefit payments are properly calculated for applicants during eligibility review process and such documentation is retained in the applicants' case file.

**Condition:** Two applicants had benefit overpayments with no supporting documentation to support the overpayments in the files.

**Context:** Of the 399 casefiles, we examined 60 and determined that two applicants had benefit overpayments with no supporting documentation. Upon further review and recalculation, both participants were deemed eligible for benefits, but not for the overpayments.

**Effect:** Applicants could receive incorrect benefit payments.

**Cause:** Caseworker failed to provide documentation to support the overpayments.

**Questioned Costs:** \$43

**Recommendation:** Caseworkers should look over their eligibility determinations and go back through their checklist of items required before approving benefits.

**Views of Responsible Officials and Planned Corrective Actions:** A formal review policy was implemented July 1, 2016. A formal tracking tool for case file reviews was implemented July 1, 2016. Please refer to the corrective action plan.

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**3. Federal Award Findings and Questioned Costs (continued)**

**US Department of Health and Human Services**

Passed through the NC Dept. of Health and Human Services  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA # 93.558  
Grant Number: WC302

**Finding: 2016-006**

**MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures.

**Condition:** The County Department of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being made and documented. The County did not have a formal review policy in place for the period under audit.

**Context:** The County did not have a review policy formally in place for the period under audit.

**Effect:** Casefiles could be missing the required eligibility determination documentation which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Weakness in implementation of controls over second party review procedures performed by management.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should adopt and adhere to a policy in implementing second party reviews. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

**Views of Responsible Officials and Planned Corrective Actions:** See corrective action plan.

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**3. Federal Award Findings and Questioned Costs (continued)**

**US Department of Health and Human Services**

Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778  
Grant Number: DMA 2016  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA # 93.558  
Grant Number: WC302  
Program Name: Child Care Development Fund Cluster  
CFDA # 93.575, 93.596  
Grant Number: WC302

**Finding: 2016-007**

**SIGNIFICANT DEFICIENCY**

**Criteria:** In accordance with the Uniform Guidance, DSS employees should sign a confidentiality agreement as a control over personally identifiable information.

**Condition:** 3 employees did not sign confidentiality agreements.

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

**Effect:** Breaches of personally identifiable information could occur.

**Cause:** Lack of proper internal controls over personally identifiable information.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Require all County DSS employees to sign a confidentiality agreement.

**Views of Responsible Officials and Planned Corrective Action:** All permanent employees with the agency receive training on confidentiality and sign the confidentiality agreement during their new employee orientation. The three individuals who did not have a signed agreement were temporary staff. Temporary staff are required to sign the confidentiality agreement when they are hired with the agency.



## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 3. Federal Award Findings and Questioned Costs (continued)

##### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778  
Grant Number: DMA 2016  
Program Name: Temporary Assistance for Needy Families (TANF)  
CFDA # 93.558  
Grant Number: WC302  
Program Name: Child Care Development Fund Cluster  
CFDA # 93.575, 93.596  
Grant Number: WC302

##### **Finding: 2016-008**

##### **SIGNIFICANT DEFICIENCY**

**Criteria:** In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe.

**Condition:** Upon surprise inspection, eleven unattended work stations of DSS employees were logged onto the State network without anyone attending to the work station.

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

**Effect:** Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

**Cause:** Lack of proper internal controls over data security.

**Questioned Costs:** None. The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Require the County Data Processing Department to implement procedures to require logout of workstations where access to the State DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

**Views of Responsible Officials and Planned Corrective Action:** Please refer to the corrective action plan.

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

### 3. Federal Award Findings and Questioned Costs (continued)

#### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Child Care Development Fund Cluster

CFDA # 93.575, 93.596

Grant Number: WC302

#### Finding: 2016-009

#### MATERIAL WEAKNESS

**Criteria:** Management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures.

**Condition:** The County Department of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being made and documented. The County did not have a formal review policy in place for the period under audit.

**Context:** The County did not have a review policy formally in place for the period under audit.

**Effect:** Casefiles could be missing the required eligibility determination documentation which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Weakness in implementation of controls over second party review procedures performed by management.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should adopt and adhere to a policy in implementing second party reviews. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

**Views of Responsible Officials and Planned Corrective Actions:** See corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

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

##### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2016-001** – Management should have an adequate system of internal control procedures in place to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Any errors discovered during the review process should be corrected. See more details at Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs.

##### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2016-002** – Management should have an adequate system of internal control procedures in place to ensure an applicant is not considered verified as eligible for approval or recertification unless the caseworker performs an automated income and resources match verification for the applicant, which retrieves and verifies applicant information from several federal and State benefit and reporting systems. Management should have an adequate system of internal control procedures in place to ensure an applicant's eligibility determination may only be overridden and forced for approval of benefits with proper supervisor approval or as a result of NC FAST job aide correspondence. See more details at Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs.

##### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2016-003** – Management should have an adequate system of internal control procedures in place to ensure that active casefiles are eligible for benefits and that closed casefiles are terminated timely. See more details at Finding 2016-003 in Section III – Federal Award Findings and Questioned Costs.

##### **N.C. Department of Health and Human Services**

Program Name: Medical Assistance Program (Medicaid; Title XIX)

Program Name: State/County Special Assistance for Adults (SC/SA)

Program Name: Subsidized Child Care Cluster

**Finding: 2016-007** – In accordance with the Uniform Guidance, DSS employees should sign a confidentiality agreement as a control over personally identifiable information. See more details at Finding 2016-007 in Section III – Federal Award Findings and Questioned Costs.

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

### 4. State Award Findings and Questioned Costs (continued)

#### N.C. Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

Program Name: State/County Special Assistance for Adults (SC/SA)

Program Name: Subsidized Child Care Cluster

**Finding: 2016-008** – In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe. See more details at Finding 2016-008 in Section III – Federal Award Findings and Questioned Costs.

**Finding: 2016-009** – Management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures. See more details at Finding 2016-009 in Section III – Federal Award Findings and Questioned Costs.

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**4. State Award Findings and Questioned Costs (continued)**

**N.C. Department of Health and Human Services**

Program Name: State/County Special Assistance for Adults (SC/SA)

**Finding: 2016-010**

**MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Verification of accuracy of information used in determining eligibility should be performed by management. Evidence of the review should be documented and include authorized signatures.

**Condition:** The County Department of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being made and documented. The County did not have a formal review policy in place for the entire period under audit.

**Context:** The County did not have a review policy formally in place for the entire period under audit.

**Effect:** Casefiles could be missing the required eligibility determination documentation which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Weakness in implementation of controls over second party review procedures performed by management.

**Identification of a repeat finding.** This is a repeat finding from the immediate previous audit, 2015-005.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should adhere to the County's policy in implementing second party reviews. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

**Views of Responsible Officials and Planned Corrective Actions:** Team leader already implemented a formal second party review process effective September 2015.

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

### 4. State Award Findings and Questioned Costs (continued)

#### N.C. Department of Health and Human Services

Program Name: State/County Special Assistance for Adults (SC/SA)

**Finding: 2016-011**

#### **MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure an applicant's eligibility determination may only be overridden and forced for approval of benefits with proper supervisor approval or as a result of NC FAST job aide correspondence.

**Condition:** The County Department of Social Services failed to provide evidence of documentation of authorization to force applicant eligibility for three applicants.

**Context:** Of the 559 casefiles, we examined 60 and determined that the above condition applied to three applicants. Three applicants received benefits during the fiscal year, having been provided forced eligibility without the caseworker obtaining proper supervisor approval to force the eligibility. The County was able to substantiate that the applicants were eligible to receive benefits.

**Effect:** Casefiles were missing the required supporting documentation of authorization to force eligibility approval which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Caseworker failed to obtain proper supervisor approval to force eligibility.

**Questioned Costs:** None. The County was able to substantiate that the applicants were eligible to receive benefits.

**Recommendation:** Caseworkers should obtain proper supervisor approval before forcing eligibility approvals for applicants. Evidence of authorization should be retained in the casefile.

**Views of Responsible Officials and Planned Corrective Actions:** The NCFast state system is designed so that only certain positions like supervisor or troubleshooters can approve the forced eligibility. The state failed to provide training on how to issue benefits for SA customers when their benefits decreased or increased during the current month. We advocated with the state for several months for a way to issue changed benefits to the SA In Home recipients and the state finally provided training on how to do this in April 2016. Please refer to the corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 4. State Award Findings and Questioned Costs (continued)

##### **N.C. Department of Health and Human Services**

Program Name: State/County Special Assistance for Adults (SC/SA)

**Finding: 2016-012**

##### **MATERIAL NONCOMPLIANCE/MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure an applicant's FL-2 may only be overridden and forced for approval of benefits with proper supervisor approval or as a result of NC FAST job aide correspondence.

**Condition:** The County Department of Social Services failed to provide evidence of documentation of authorization to override an FL-2 for three applicants resulting in underpayment of benefits.

**Context:** Of the 559 casefiles, we examined 60 and determined that the above condition applied to three applicants. Three applicants received an underpayment of benefits during the fiscal year, due to forced FL-2 forms without the caseworker obtaining proper supervisor approval to force the FL-2 and proper supporting documentation. Upon further review and recalculation, both participants were deemed eligible for benefits, but underpayments resulted.

**Effect:** Applicants could receive incorrect benefit payments.

**Cause:** Caseworker failed to provide documentation to support the underpayments and failed to obtain supervisor approval to override the FL-2.

**Questioned Costs:** \$222

**Recommendation:** Caseworkers should look over their eligibility determinations and go back through their checklist of items required before approving benefits. Caseworkers should obtain supervisor approval before overriding FL-2 forms.

**Views of Responsible Officials and Planned Corrective Actions:** Please refer to the corrective action plan.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

#### 4. State Award Findings and Questioned Costs (continued)

##### **N.C. Department of Health and Human Services**

Program Name: State/County Special Assistance for Adults (SC/SA)

**Finding: 2016-013**

##### **MATERIAL NONCOMPLIANCE/MATERIAL WEAKNESS**

**Criteria:** Management should have an adequate system of internal control procedures in place to ensure that required supporting documentation related to form FL-2 is on file.

**Condition:** The County Department of Social Services failed to document the reason for a three month gap in which no FL-2 was in place for one applicant.

**Context:** Of the 559 casefiles, we examined 60 and determined that the above condition applied to one applicant. The applicant received benefits during the three months in which an FL-2 form was not in place. Upon further review and recalculation, the participant was deemed ineligible for benefits during the three month period.

**Effect:** Applicants could receive incorrect benefit payments.

**Cause:** Caseworker failed to provide documentation to support the three month gap in which no FL-2 was in place.

**Questioned Costs:** \$351

**Recommendation:** Caseworkers should look over their eligibility determinations and go back through their checklist of items required before approving benefits. Caseworkers should ensure that proper supporting documentation is included in the file.

**Views of Responsible Officials and Planned Corrective Actions:** Please refer to the corrective action plan.



**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**4. State Award Findings and Questioned Costs (continued)**

**N.C. Department of Public Instruction**

Program Name: Public School Building Capital Fund

**Finding: 2016-014**

**SIGNIFICANT DEFICIENCY**

**Criteria:** Management should have a system in place to ensure that disbursements are made timely in accordance with program requirements.

**Condition:** Public School Building Capital Fund is a State program administered by the Finance Department of the County. During our testing, we noted that one disbursement was not made within three business days of the drawdown as required by the program.

**Context:** During our testing of the program, we noted the above condition.

**Effect:** The disbursement was not made in a timely manner.

**Cause:** Controls over disbursements are in place but the disbursement was not made timely.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable.

**Recommendation:** Management should adopt policies and procedures requiring disbursements to be made within three business days of the drawdown.

**Views of Responsible Officials and Planned Corrective Actions:** Management is aware of this finding. Please refer to the corrective action plan.

# WILSON COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

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

None reported.

### 3. Federal Award Findings and Questioned Costs

#### **Finding: 2016-001**

**Name of Contact Person:** Tondra Talley

**Corrective Action/Management's Response:** Our goal is to ensure that our customers receive the correct benefit for which they are entitled and also to provide our staff with feedback to enhance their knowledge and skills of the program guidelines and system usage. As stated above, we have already implemented a formal process and created a tracking tool to provide this feedback to staff and deadlines for corrections.

**Proposed Completion Date:** Immediately and ongoing.

#### **Finding: 2016-002**

**Name of Contact Person:** Mary Mallory and Delphine Lucas

**Corrective Action/Management's Response:** Our plan is to work diligently in an effort to serve our customers by providing accurate benefits in a timely manner. Our overall goal is to ensure that our customers receive the correct program benefit based on the eligibility status. In our monitoring process we continue to review the case file for online verifications of income and resources using the automated systems. Unfortunately due to the continued discrepancies of our state NCFast system, we must at times provide an override (forced eligibility) to deliver the benefits for which the customer is entitled. We will continue to provide feedback to the state of ongoing glitches that prohibit our customers from receiving a correct determination of benefits based on policy determined by the State of North Carolina. We will also continue to have supervisor approval for cases where forced eligibility is needed.

**Proposed Completion Date:** Immediately and ongoing

#### **Finding: 2016-003**

**Name of Contact Person:** Delphine Lucas

**Corrective Action/Management's Response:** SDX (SSI) reports were made available to the counties in December 2015 for NCFast cases. Training on how to shorten certification periods was provided by the state on April 13, 2016. Supervisor will continue to monitor the SDX (SSI) reports to prevent clients from receiving Medicaid that they are not entitled to receive and will ensure through the second party review process that documentation of SSI terminations and holds are filed in the casefiles. We will continue to report glitches in the state NCFast system.

**Proposed Completion Date:** Immediately and ongoing

## WILSON COUNTY, NORTH CAROLINA

### CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

**Finding: 2016-004**

**Name of Contact Person:** Mary Mallory

**Corrective Action/Management's Response:** Our plan is to work diligently in an effort to serve our customers by providing accurate benefits in a timely manner. Our overall goal is to ensure that our customers receive the correct program benefit based on the eligibility status. Unfortunately due to the continued discrepancies of our state NCFast system, we must provide an override (forced eligibility) to deliver the benefits for which the customer is entitled. As a part of our supervisor review process, we will continue to monitor cases that require forced eligibility prior to and after the case completion. We will also continue to provide feedback to the state of ongoing glitches that prohibit our customers from receiving a correct determination of benefits based on policy determined by the State of North Carolina.

**Proposed Completion Date:** Immediately and ongoing

**Finding: 2016-005**

**Name of Contact Person:** Mary Mallory

**Corrective Action/Management's Response:** Our goal is to ensure that our customers receive the correct benefit for which they are entitled and also to provide our staff with feedback to enhance their knowledge and skills of the program guidelines and system usage. As stated above, we have already implemented a formal review process and created a tracking tool to provide this feedback to staff and deadlines for corrections. Training is provided to staff in team meetings so they keep updated on changes.

**Proposed Completion Date:** Immediately and ongoing

**Finding: 2016-006**

**Name of Contact Person:** Mary Mallory

**Corrective Action/Management's Response:** Our goal is to ensure that our customers receive the correct benefit for which they are entitled and also to provide our staff with feedback to enhance their knowledge and skills of the program guidelines and system usage. We have a formal second party review process and a tracking tool to provide this feedback to staff and deadlines for corrections. Training is provided to staff in team meetings so they keep updated on changes.

**Proposed Completion Date:** July 1, 2016 and ongoing

# WILSON COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

**Finding: 2016-007**

**Name of Contact Person:** LaTonya Gunter

**Corrective Action/Management's Response:** Temporary staff are required to sign the confidentiality agreement when they are hired with the agency.

**Proposed Completion Date:** Immediately and ongoing

**Finding: 2016-008**

**Name of Contact Person:** Kim Boykin

**Corrective Action/Management's Response:** Team leaders have advised staff to lock their computers when they leave their workstation. Computers have been updated with a control setting so they will go to screen saver mode after 5 minutes of non-use and require the user to type their password to unlock. Team leaders will also periodically check offices that are unattended to ensure staff are locking their computers before leaving their workstations and team leaders will address policy with staff who are out of compliance.

**Proposed Completion Date:** Immediately and ongoing

**Finding: 2016-009**

**Name of Contact Person:** Tracey Meeks

**Corrective Action/Management's Response:** We implemented a formal second party review process and created a tracking tool to provide feedback to staff and track corrections needed. Deadlines for corrections are provided and corrections are verified.

**Proposed Completion Date:** Immediately and ongoing

# WILSON COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

### 4. State Award Findings and Questioned Costs

**Finding: 2016-001**

See Finding 2016-001 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-002**

See Finding 2016-002 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-003**

See Finding 2016-003 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-007**

See Finding 2016-007 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-008**

See Finding 2016-008 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-009**

See Finding 2016-009 in Section III – Federal Award Findings and Questioned Costs of the Corrective Action Plan.

**Finding: 2016-010**

**Name of Contact Person:** Delphine Lucas

**Corrective Action/Management's Response:** A formal second party review process for SA is in place. Team Leader will continue to second party SA and LTC reviews and solicit a quicker response for corrections to be completed by staff to prevent any over or under payments. During team meetings, staff will continue to receive training and one-on-one training will be provided during case staffing or individual conferences as needed.

**Proposed Completion Date:** Immediately and ongoing

## WILSON COUNTY, NORTH CAROLINA

### CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

**Finding: 2016-011**

**Name of Contact Person:** Delphine Lucas

**Corrective Action/Management's Response:** Our plan is to work diligently in an effort to serve our customers by providing accurate benefits in a timely manner. Our overall goal is to ensure that our customers receive the correct program benefit based on the eligibility status. Unfortunately due to the continued discrepancies of our state NCFast system, we must provide an override (forced eligibility) to deliver the benefits of which the customer is entitled. As a part of our supervisor review process, we will continue to monitor cases that require forced eligibility prior to and after the case completion. We will also continue to provide feedback to the state of ongoing glitches that prohibit our customers from receiving a correct determination of benefits based on policy determined by the State of North Carolina. The state provided training on how to issue changed benefits to the SA In Home recipients in April 2016.

**Proposed Completion Date:** Immediate and ongoing

**Finding: 2016-012**

**Name of Contact Person:** Delphine Lucas

**Corrective Action/Management's Response:** Supervisor currently has a process in place to monitor FL-2's and will continue to monitor them to prevent any gaps in coverage or to prevent any denials of cases due to FL-2 forms. Training will continue to be provided during team meetings and one-on-one training will be provided during case staffing or individual conferences as needed.

**Proposed Completion Date:** Immediately and ongoing

**Finding: 2016-013**

**Name of Contact Person:** Delphine Lucas

**Corrective Action/Management's Response:** We note this as a worker error and will follow up with the worker on this. During a second party review of the case file, team leader ensures case contains proper documentation regarding FL-2 forms and that forms and cases are accurate. Training will continue to be provided during team meetings and one-on-one training will be provided during case staffing or individual conferences as needed.

**Proposed Completion Date:** Immediately and ongoing

# WILSON COUNTY, NORTH CAROLINA

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2016

**Finding: 2016-014**

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

**Corrective Action/Management's Response:** Management agrees the disbursement was not made within three days of the drawdown. We agree with the recommendations and will put procedures in place to ensure disbursements timing is within the program requirements.

**Proposed Completion Date:** Management and the Board will implement the above procedure immediately.

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

2015-001: Corrected.

2015-002: Corrected.

2015-003: Corrected.

2015-004: Corrected.

2015-005: Modified and repeated in current year as finding 2016-010.



COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

Grantor/Pass-Through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<b>FEDERAL AWARDS:</b>						
<u>U. S. Department of Agriculture</u>						
<u>Food and Nutrition Service</u>						
Passed-Through the N.C. Department of Health and Human Services:						
Division of Social Services:						
Administration:						
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Capital	10.561	WC302	\$ 1,262,962	\$ -	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Admin	10.561	WC302	186,059	-	-	-
Total SNAP Cluster			1,449,021	-	-	-
<u>Passed-Through the N.C. Department of Health and Human Services:</u>						
<u>Division of Public Health:</u>						
Special Supplemental Nutrition Program for Women, Infants and Children (WIC):						
Administration	10.557	13A25403GG98	496,010	-	-	-
Direct Benefit Payments	10.557	5NC700705	2,101,436	-	-	-
Total Division of Public Health			2,597,446	-	-	-
Total U.S. Department of Agriculture			4,046,467	-	-	-
<u>U.S. Department of Homeland Security:</u>						
Passed-through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grant	97.042	EMW-2015-EP-00011-S01	52,917	-	-	-
Total Department of Homeland Security			52,917	-	-	-
<u>Department of Health and Human Services</u>						
<u>Administration for Community Living</u>						
Passed-Through Centralina Council of Governments:						
<u>Aging Cluster:</u>						
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers						
	93.044	FRC13	111,352	6,550	-	-
Special Programs for the Aging - TITLE III C Nutrition Services	93.045	FRC17	190,653	11,214	-	-
Total Aging Cluster			302,005	17,764	-	-
Social Services Block Grant	93.667	G1601NCSOSR	16,922	483	-	-
Nutritional Services for the Elderly	10.570	FRC60	39,095	-	-	-
<u>Administration for Children and Families</u>						
Passed-Through the N.C. Department of Health and Human Services:						
<u>TANF Cluster:</u>						
Division of Social Services:						
Temporary Assistance for Needy Families (TANF) State Programs						
Work First Admin	93.558	WC302	317,108	-	-	-
Work First Service	93.558	WC302	1,661,704	-	-	-
Direct Benefit Payments- TANF Payments & Penalties	93.558	WC302	539,423	-	-	-
Temporary Assistance for Needy Families (TANF)	93.558	13A15151T298	19,584	-	-	-
Total TANF Cluster			2,537,819	-	-	-
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin						
	93.596	WC302	235,651	-	-	-
Division of Child Development:						
Child Care and Development Block Grant - Discretionary						
	93.575	536147	1,817,962	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin	93.596	536145	619,173	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin	93.596	536148	218,657	-	-	-
Total Child Care Fund Cluster			2,891,443	-	-	-
TANF	93.558	536150	538,154	-	-	-
Emergency Contingency Fund for Temporary Foster Care Title IV-E	93.658	536153	36,520	18,708	-	-
State Appropriations		536142	-	300,081	-	-
TANF-MOE		536146; 536142	-	219,351	-	-
Total Subsidized Child Care (Note 3)			574,674	538,140	-	-
Total Subsidized Child Care Cluster			3,466,117	538,140	-	-
<u>Centers for Medicare and Medicaid Services</u>						
Passed-Through the N.C. Department of Health and Human Services:						
<u>Medicaid Cluster:</u>						
Division of Medical Assistance:						
Medical Assistance Program						
State County Special Assistance	93.778	WC302	72,137	-	-	-
Medical Assistance Program - Direct Benefit Payments	93.778	DMA 2016	82,674,040	45,320,930	-	-
DMA Equipment County	93.778	WC302	52,751	-	-	-
Division of Social Services:						
Medical Assistance Program						
Adult Care Home Case Management	93.778	WC302	27,552	8,922	-	-
MA Expansion	93.778	WC302	188,474	-	-	-
Medical Assistance Program - Administration	93.778	WC302	3,301,223	-	-	-
Medical Transportation Admin	93.778	WC302	163,276	-	-	-
Medical Transportation Service	93.778	WC302	3,749	1,911	-	-
Total Medicaid Cluster			86,483,202	45,331,763	-	-
Children's Health Insurance Program - NC Health Choice:						
Admin	93.767	WC302	143,648	5,042	-	-

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

Grantor/Pass-Through Grantor/Program Title (a)	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
Direct Benefit Payments	93.767	DMA 2016	1,483,695	113,882	-	-
Total Children's Health Insurance Program			1,627,343	118,924	-	-
<b>Division of Social Services:</b>						
<b>Foster Care and Adoption Cluster:</b>						
Foster Care Title IV-E						
Administration:						
IV-E CPS	93.658	WC302	81,728	62,734	-	-
IV-E Foster Care Trn	93.658	WC302	10,112	-	-	-
IV-E Foster Care/Off Trn	93.658	WC302	330,287	-	-	-
Adoption Assistance	93.659	WC302	44,958	-	-	-
Adoption Assistance	93.659	WC302	4,463	-	-	-
Foster Care Title IV-E	93.658	WC302	4,485	-	-	-
Foster Care Title IV-E	93.658	WC302	75,517	-	-	-
Direct Benefit Payments:						
Foster Care Title IV-E	93.658	WC302	11,300	5,650	-	-
Foster Care Title IV-E	93.658	WC302	12,062	-	-	-
Foster Care Title IV-E	93.658	WC302	66,299	16,953	-	-
Foster Care Title IV-E	93.658	WC302	28,219	7,233	-	-
Adoption Assistance	93.659	WC302	372,505	95,181	-	-
Total Foster Care and Adoption Cluster (Note 3)			1,041,935	187,751	-	-
Administration:						
Chafee Foster Care Independence Program	93.674	WC302	9,876	2,469	-	-
Social Services Block Grant	93.667	WC302	36,910	-	-	-
Social Services Block Grant	93.667	WC302	522	-	-	-
Social Services Block Grant	93.667	WC302	27,636	-	-	-
Social Services Block Grant	93.667	WC302	360,214	32,061	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WC302	24,024	-	-	-
Low Income Energy Assistance Crisis Intervention Payments	93.568	WC302	377,457	-	-	-
Low Income Home Energy Assistance Admin	93.568	WC302	72,555	-	-	-
Low Income Home Energy Assistance	93.568	WC302	417,300	-	-	-
N.C.Child Support Enforcement Section						
Child Support Enforcement						
Title IV-D Administration	93.563	WC302	1,215,885	-	-	-
IV-D Offset Fees - ESC	93.563	WC302	363	-	-	-
IV-D Offset Fees - Federal	93.563	WC302	4,252	-	-	-
Promoting Safe and Stable Families	93.556	WC302	21,058	-	-	-
Direct Benefit Payments:						
Chafee Foster Care Independence Program	93.674	WC302	10,234	-	-	-
			2,578,286	34,530	-	-
<b>Centers for Disease Control and Prevention</b>						
Passed-Through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Immunization Cooperative Agreements	93.268	1331631CEJ98	17,148	-	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	1320310DJS98	14,854	-	-	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)						
Aligned Cooperative Agreements	93.074	12642680M898	989	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ANF98	30,592	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	126C5503PF98	15,246	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	1311462BNB98	510	-	-	-
HIV Prevention Activities_Health Department Based	93.940	1311981DHV98	9	-	-	-
Public Health Emergency Preparedness	93.069	12642680EW98	32,299	-	-	-
Total Centers for Disease Control and Prevention			111,647	-	-	-
<b>Health Resources and Service Administration</b>						
Passed-Through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant to the States	93.994	13A15740AP98	156,163	79,104	-	-
<b>Office of Population Affairs</b>						
Passed-Through the N.C. Department of Health and Human Services:						
Office of Population Affairs:						
Family Planning Services	93.217	13A1592AFP98	69,310	-	-	-
Total U.S. Department of Health and Human Services			102,529,228	46,308,459	-	-
<b>U.S. Department of Housing and Urban Development</b>						
<b>Community Planning and Development</b>						
Office of Community Development and Planning:						
Passed-Through the N.C. Department of Health and Human Services:						
Office of Economic Opportunity:						
Emergency Solutions Grants Program	14.231	E15DC3700001	26,653	-	-	-
Passed through N.C. Department of Commerce						
Community Development Block						
Grants/State's program and Non-						
Entitlement Grants in Hawaii Scattered Site Housing Program	14.228	12-C-2432	4,188	-	-	-

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

Grantor/Pass-Through Grantor/Program Title (a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Passed through NC Department of Energy and Natural Resources Community Development Block / States Program and Non- Entitlement Grants in Hawaii Grant-Infrastructure Fund	14.228-2	13-I-2637	102,550	-	-	-
Total U.S. Department of Housing and Urban Development			133,391	-	-	-
<u>U.S. Department of Justice</u>						
<u>Bureau of Justice Assistance</u>						
Direct Program:						
State Criminal Alien Assistance Program	16.606		2,452	-	-	-
Bulletproof Vest Partnership Program	16.607		2,250	-	-	-
Drug Enforcement Administration Equitable Sharing Program	16.922		1,995	-	-	-
Total U.S. Department of Justice			6,697	-	-	-
<u>U.S. Department of Transportation</u>						
<u>Federal Transit Administration</u>						
Passed-Through the N.C. Department of Transportation Public Transportation Division:						
Formula Grants for Rural Areas- Admin 15-CT-035	20.509	36233.111.16.1	16,213	-	-	-
Formula Grants for Rural Areas- Admin16-CT-035	20.509	36233.111.17.1	45,229	3,840	-	-
Total U.S. Department of Transportation			61,442	3,840	-	-
Total Federal Awards			\$ 102,730,758	\$ 46,312,299	\$ -	\$ -
<b>STATE AWARDS:</b>						
<u>N.C. Department of Administration</u>						
County Veterans Service Program			-	1,907	-	-
Total N.C. Department of Administration			-	1,907	-	-
<u>N.C. Department of Insurance</u>						
Senior Health Insurance Information Program			-	3,805	-	-
<u>N.C. Department of Natural and Cultural Resources</u>						
Division of State Library:						
State Aid to Public Libraries			-	131,115	-	-
Total N.C. Department of Natural and Cultural Resources			-	131,115	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Soil and Water Conservation:						
Convenience Center Commingled Recycling Collection Grant Program			-	30,000	-	-
N.C. Agriculture Cost Share - Technical Assistance			-	21,206	-	-
Total Division of Soil and Water Conservation			-	51,206	-	-
Total N.C. Department of Environmental Quality			-	51,206	-	-
<u>N.C. Department of Health and Human Services</u>						
Division of Aging and Adult Services:						
Access		FRC13	-	30,512	-	-
In Home Service		FRC13	-	124,083	-	-
Home Delivered Meals		FRC17	-	111,357	-	-
Senior Center Outreach		FRC00	-	7,600	-	-
Total Division of Aging and Adult Services			-	273,552	-	-
Division of Public Health:						
Food and Lodging Fees		11534752SZ98	-	15,048	-	-
Public Health Nursing		11614301098	-	2,200	-	-
General Aid to Counties		11614110098	-	138,666	-	-
General Communicable Disease Control		11754510098	-	8,294	-	-
Breast and Cervical Cancer Program		13205599098	-	16,575	-	-
Child Health		12715745098	-	2,430	-	-
Tuberculosis		14604551098	-	48,377	-	-
Tuberculosis Medical Service		14604554098	-	3,643	-	-
HMHC-Family Planning		13A15735098	-	8,618	-	-
Maternal Health (HMHC)		13A15740098	-	15,805	-	-
School Nurse Funding Initiative		13325358098	-	150,000	-	-
Women's Health Service Fund		13A16016FR98	-	13,844	-	-
Sexually Transmitted Diseases		13114601RQ98	-	2,414	-	-
HIV/STD SSBG Aid		13114536RQ98	-	10,157	-	-
Total Division of Public Health			-	436,071	-	-
Division of Social Services:						
ST Child Welfare/CPS/CS LD		WC302	-	68,959	-	-
FS County Incentive		WC302	-	1,432	-	-
Direct Benefit Payments- Child Welfare Services Adoption Subsidy -		WC302	-	269,610	-	-
Energy Assist Private Grant		WC302	-	1,686	-	-
AFDC Incent/Prog Integrity		WC302	-	271	-	-
Direct Benefit Payments- State/County Special Assistance for Adults (SC/SA) -		WC302	-	954,132	-	-
Direct Benefit Payments- SFHF Maximization		WC302	-	64,471	-	-
Direct Benefit Payments- State Foster Home		WC302	-	57,295	-	-
Total Division of Social Services			-	1,417,856	-	-
Total N.C. Department of Health and Human Services			-	2,127,479	-	-
<u>N.C. Department of Public Instructions</u>						
Public School Building Capital Fund			-	1,867,643	-	-

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

Grantor/Pass-Through Grantor/Program Title <small>1(a)</small>	Federal CFDA Number <u>1(b)</u>	State/ Pass-through Grantor's Number <u>Number</u>	Federal (Direct & Pass-Through) Expenditures <u>1(c)(d),2</u>	State Expenditures <u>1(d)</u>	Passed-through to Subrecipients <u>1(e)</u>	Local Expenditures <u>1(d)</u>
Total N.C. Department of Public Instruction			-	1,867,643	-	-
<u>N.C. Department of Public Safety:</u>						
Division of Juvenile Justice and Delinquency Prevention: Juvenile Crime and Delinquency Prevention Council			-	241,769	-	-
Total N.C. Department of Public Safety			-	241,769	-	-
<u>N.C. Department of Transportation:</u>						
DOT Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.6.1	-	70,277	-	-
ROAP Work First Transitional- Employment		36236.11.5.1	-	21,047	-	-
ROAP Rural General Public Program		36228.22.6.1	-	94,342	-	-
Total DOT Cluster			-	185,666	-	-
Total N.C. Department of Transportation			-	185,666	-	-
<u>N.C. Department of Commerce</u>						
STEM Garden Grant			-	12,235	-	-
Total N.C. Department of Commerce			-	12,235	-	-
Total State Awards			-	4,622,825	-	-
Total Federal and State Awards			\$ 102,730,758	\$ 50,935,124	\$ -	\$ -

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

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Wilson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Wilson County, it is not intended to and does not present the financial position, changes in net position or cash flows of Wilson County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Wilson County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Cluster of Programs**

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