

Wilson County
Wilson, North Carolina
Financial Statements
For The Year Ended June 30, 2011

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June 30, 2011**

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Introductory Section

WILSON COUNTY, NORTH CAROLINA

BOARD OF COMMISSIONERS

Thomas Lucas.....Chairman
Bobbie D. Jones Vice-Chairman
Roger Lucas Tim Williford
Leslie T. Atkinson R. Tad Piner
Rob Boyette

COUNTY OFFICIALS

Ellis Williford County Manager
Denise Stinagle.....Asst. County Manager/Clerk to the Board
Stephen L. Beaman.....County Attorney
Donna Wood..... Finance Director
Audrey Neal..... Register of Deeds
Randy Faircloth..... Tax Administrator
Calvin Woodard, Jr. Sheriff
Rena Morris Elections Director
Glenn Osborne.....Department of Social Services Director
Felix Meyer Health Director
Sue Glover.....Administrative Asst./Dept. Head -Soil & Water Conservation
Shirley Ballance Human Resource Coordinator
Walter Earle County Extension Director
Mark Johnson.....Planning Director
Ted Boswell..... Building Maintenance Director
Kim Dupree Technology Services Director
Terry Barber Emergency Medical Services Director
Gordon Deno.....Emergency Management Coordinator
Brenda Womble Emergency Communications Director
Rebecca Callison..... Library Director
Andy Davis Solid Waste Director
Dale Causey Water Systems Director

Financial Section

Flowers & Stanley, L.L.P.

Certified Public Accountants

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Eric B. Harrell, CPA
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Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of and for the year ended June 30, 2011, which collectively comprise the Wilson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us; and our opinion on the financial statements, insofar as it relates to the amounts included for the Wilson County ABC Board, is based on the report of the other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, on our consideration of Wilson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 4, 2011

Management Discussion and Analysis

Management's Discussion and Analysis

As management of Wilson County, we offer readers of Wilson County's financial statements this narrative overview and analysis of the financial activities of Wilson County for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

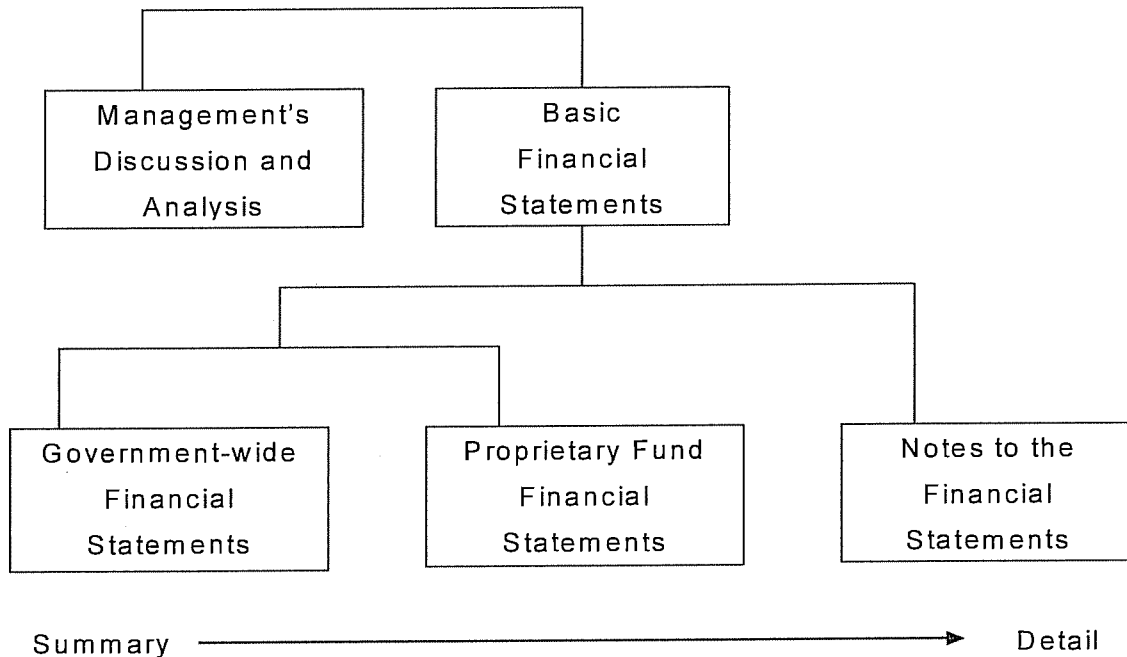
Financial Highlights

- The assets of Wilson County's governmental activities and business type activities exceeded its liabilities at the close of the most recent fiscal year by \$40,922,854.
- Wilson County's total net assets increased by \$6,763,242.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$34,384,619, after a net increase in fund balance of \$4,958,010. Approximately 22.2 percent of this total amount, or \$7,616,890, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,897,429, or 20.5 percent of total general fund expenditures for the fiscal year.
- The County holds the following bond ratings:
 - Moody's Aa2
 - Standard & Poor's AA-
 - 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.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets 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 state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water department and solid waste (landfill) services offered by Wilson County. The final category is the component unit. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

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

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

Management 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Wilson County has two fiduciary funds, both 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.

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

Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Wilson County, assets exceeded liabilities by \$40,922,854 as of June 30, 2011.

Wilson County's Net Assets
Figure 2

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets						
Current and other assets	\$ 40,477,273	\$ 34,376,061	\$ 18,631,397	\$ 18,978,741	\$ 59,108,670	\$ 53,354,802
Restricted assets	861,945	516,643	-	-	861,945	516,643
Capital assets	22,196,032	22,949,203	27,456,467	27,503,848	49,652,499	50,453,051
Total Assets	\$ 63,535,250	\$ 57,841,907	\$ 46,087,864	\$ 46,482,589	\$ 109,623,114	\$ 104,324,496
Liabilities						
Long-term liabilities outstanding	\$ 50,515,938	\$ 52,731,149	\$ 13,556,295	\$ 13,504,538	\$ 64,072,233	\$ 66,235,687
Other liabilities	4,262,053	3,477,890	365,974	451,307	4,628,027	3,929,197
Total Liabilities	\$ 54,777,991	\$ 56,209,039	\$ 13,922,269	\$ 13,955,845	\$ 68,700,260	\$ 70,164,884
Net Assets						
Invested in capital assets, net of related debt	\$ 16,914,580	\$ 16,394,856	\$ 17,157,058	\$ 17,013,528	\$ 34,071,638	\$ 33,408,384
Restricted	7,616,890	170,006	-	-	7,616,890	170,006
Unrestricted	(15,774,211)	(14,931,994)	15,008,537	15,513,216	(765,674)	581,222
Total Net Assets	\$ 8,757,259	\$ 1,632,868	\$ 32,165,595	\$ 32,526,744	\$ 40,922,854	\$ 34,159,612

The County's net assets increased by \$6,763,242 for the fiscal year ended June 30, 2011. One of the largest portions \$34,071,638 (83.3%) reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net assets \$7,616,890 (18.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$765,674) (-1.9%) is unrestricted.

Management Discussion and Analysis
Wilson County

Wilson County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 12,699,733	\$ 12,097,666	\$ 3,842,422	\$ 3,862,237	\$ 16,542,155	\$ 15,959,903
Intergovernmental	19,282,450	20,207,494	-	-	19,282,450	20,207,494
Grants & Contributions:						
Capital	3,172,685	1,701,926	-	-	3,172,685	1,701,926
General Revenues:						
Property taxes	48,432,721	47,985,145	-	-	48,432,721	47,985,145
Local Option Sales Tax	10,236,298	10,964,910	-	-	10,236,298	10,964,910
Other taxes & licenses	687,322	664,480	-	-	687,322	664,480
Investment earnings	73,441	84,638	38,538	58,118	111,979	142,756
Grants & other contributions not restricted to specific programs						
	225,000	225,000	-	-	225,000	225,000
Miscellaneous	259,932	284,644	-	-	259,932	284,644
Transfers	20,600	-	(20,600)	-	-	-
Total Revenues	<u>\$ 95,090,182</u>	<u>\$ 94,215,903</u>	<u>\$ 3,860,360</u>	<u>\$ 3,920,355</u>	<u>\$ 98,950,542</u>	<u>\$ 98,136,258</u>
Expenses:						
General Government	\$ 8,882,777	\$ 8,957,720	\$ -	\$ -	\$ 8,882,777	\$ 8,957,720
Public Safety	19,196,921	19,306,051	-	-	19,196,921	19,306,051
Transportation	50,724	50,861	-	-	50,724	50,861
Environmental Protection	300,558	301,191	-	-	300,558	301,191
Economic & Physical Development						
	3,042,014	3,533,157	-	-	3,042,014	3,533,157
Human Services	34,454,057	34,813,467	-	-	34,454,057	34,813,467
Culture & Recreational	2,002,703	2,014,077	-	-	2,002,703	2,014,077
Education	18,596,063	18,848,568	-	-	18,596,063	18,848,568
Interest & Other charges	1,439,974	2,067,724	-	-	1,439,974	2,067,724
Landfill	-	-	2,408,065	2,549,099	2,408,065	2,549,099
Water	-	-	1,813,444	1,849,152	1,813,444	1,849,152
Total Expenses	<u>\$ 87,965,791</u>	<u>\$ 89,892,816</u>	<u>\$ 4,221,509</u>	<u>\$ 4,398,251</u>	<u>\$ 92,187,300</u>	<u>\$ 94,291,067</u>
Increase (Decrease) in Net Assets	\$ 7,124,391	\$ 4,323,087	\$ (361,149)	\$ (477,896)	\$ 6,763,242	\$ 3,845,191
Net Assets, July 1	1,632,868	(2,690,219)	32,526,744	33,004,640	34,159,612	30,314,421
Net Assets, June 30	<u>\$ 8,757,259</u>	<u>\$ 1,632,868</u>	<u>\$ 32,165,595</u>	<u>\$ 32,526,744</u>	<u>\$ 40,922,854</u>	<u>\$ 34,159,612</u>

Management Discussion and Analysis
Wilson County

Governmental Activities. Of the total net assets, governmental activities reported an \$8,757,259 balance and represents an increase of \$7,124,391 in comparison to the fiscal year 2010. While the debt for the school projects is carried in the County's general fund, the assets are included as assets of the Board of Education. Expenditures for education were \$18,596,063, a decrease by \$252,505, over the previous year. Operating grants in the amount of \$19,282,450, sales and services in the amount of \$12,699,733 and local option sales taxes of \$10,236,298, along with the ad valorem tax collections totaling \$48,432,721 were the main sources of funding of Wilson County's governmental activities. A key element of the increase is as follows

- Continued diligence in the collection of property taxes with collection percentage of 96.65%.
- Savings from debt refunding on installment debt in June 2010

Business-type Activities. Business-type activities' net assets decreased by (\$361,149).

- Increased costs in operation of landfill and water department

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.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$34,384,619 an increase of \$4,958,010. This increase is due in part to the aggressive tax collection effort in the current year, increase in collection of fees for the County's Emergency Management Services and the change in the Medicaid program, which became effective July 1, 2009.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$17,897,429, while total fund balance for the general fund is \$32,288,997. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 20.5% percent of total general fund expenditures, while total fund balance represents 37% of that same amount.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$6,348,057. This increase was attributable to approximately \$1,785,501 or 28% transferred from Capital Projects to the General Fund and the remaining was primarily attributable to Restricted Intergovernmental Revenues.

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

Unrestricted net assets of Solid Waste and Water Districts for the fiscal year 2011 amounted to \$15,008,537.

Capital Asset and Debt Administration

Capital Assets. Wilson County's investment in capital assets for its governmental and business type activities as of June 30, 2011 amounts to \$49,652,499 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

- Purchased new vehicles and equipment for Public Safety Department;
- Purchased new servers for Information Technology Department;
- Purchased new equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Constructed Access Road for Landfill.

Management Discussion and Analysis
Wilson County

Wilson County's Capital Assets
Figure 4

	Activities		Activities		Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 760,308	\$ 760,308	\$ 3,208,714	\$ 3,208,714	\$ 3,969,022	\$ 3,969,022
Buildings & improvements	29,336,148	29,250,834	1,260,965	519,305	30,597,113	29,770,139
Equipment/Plant distribution	7,911,309	8,842,998	28,221,115	28,218,628	36,132,424	37,061,626
Vehicles	4,410,541	3,931,654	385,528	414,258	4,796,069	4,345,912
Construction in progress	4,773	-	-	-	4,773	-
Total	\$ 42,423,079	\$ 42,785,794	\$ 33,076,322	\$ 32,360,905	\$ 75,499,401	\$ 75,146,699
Accumulated depreciation	20,227,047	19,836,591	5,619,855	4,857,057	25,846,902	24,693,648
Net Assets	\$ 22,196,032	\$ 22,949,203	\$ 27,456,467	\$ 27,503,848	\$ 49,652,499	\$ 50,453,051

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

Long-term Debt. At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$14,760,000, 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	
	2011	2010	2011	2010	2011	2010
All Bonds	\$14,760,000	\$15,910,000	\$10,299,409	\$10,490,317	\$25,059,409	\$26,400,317

Management Discussion and Analysis
Wilson County

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$459,256,084. This legal debt limit is determined by the Municipal Finance Law of North Carolina, which limits the amount of net bonded debt a County may have outstanding to 8 percent of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 7.44% a slight decrease from fiscal year 2010 ratio of 7.99%.

The County's general obligation debt per capita, at June 30, 2011 was \$184.49, while the County's \$51,587,271 gross debt per capita is \$644.80.

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

Economic Factors and Next Year's Budget and Rates

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

Budget Highlights for Fiscal Year 2011-2012

Governmental activities. The 2012 General Fund's adopted budget increased \$3,072,522 from the budget for the fiscal year ended June 30, 2011. However, the 2012 budget was adopted to include Revenue Revaluation Fund and Economic Development due to GASB Statement No. 54. These funds were budgeted independently from the General fund in prior years. The 2012 adopted budget for these funds was \$1,679,000. Therefore, the general fund adopted budget compared similarly to 2011 (excluding Revenue Revaluation and Economic Development) increased \$1,393,522 or 1.6 % over prior year primarily to account for increases in expenses due to the economy and provide some funding for needed projects that have been delayed in prior years.

Requests for information

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

Basic Financial Statements

Government-wide Financial Statements

Wilson County, North Carolina
Statement of Net Assets
June 30, 2011

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
Assets				
Current Assets:				
Cash and cash equivalents	\$ 31,160,548	\$ 18,234,601	\$ 49,395,149	\$ 1,407,435
Receivable (net)	3,475,684	333,289	3,808,973	5,378
Due from other governments	5,035,342	63,507	5,098,849	-
Due from component unit	112,500	-	112,500	-
Inventories	-	-	-	675,431
Prepaid expenses	-	-	-	17,234
Deferred charge:				
Issuance costs	124,299	-	124,299	-
Refunding	568,900	-	568,900	-
Total Current Assets	\$ 40,477,273	\$ 18,631,397	\$ 59,108,670	\$ 2,105,478
Restricted Assets:				
Cash and cash equivalents	\$ 861,945	\$ -	\$ 861,945	\$ -
Capital Assets:				
Land, improvements, and construction in progress	\$ 765,081	\$ 3,208,714	\$ 3,973,795	\$ 319,449
Other capital assets, net of depreciation	21,430,951	24,247,753	45,678,704	1,349,977
Total Capital Assets	\$ 22,196,032	\$ 27,456,467	\$ 49,652,499	\$ 1,669,426
Total Assets	\$ 63,535,250	\$ 46,087,864	\$ 109,623,114	\$ 3,774,904

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2011

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
(continued)				
Liabilities				
Current Liabilities:				
Accounts payable & accrued expenses	\$ 3,280,258	\$ 215,164	\$ 3,495,422	\$ 401,028
Unearned revenue	328,323	-	328,323	-
Accrued interest payable	310,236	36,789	347,025	-
Customer deposits	-	114,021	114,021	-
Due to other governments	-	-	-	37,500
Due to primary government	-	-	-	112,500
Deferred credit - bond premium	343,236	-	343,236	-
Total Current Liabilities	\$ 4,262,053	\$ 365,974	\$ 4,628,027	\$ 551,028
Long-term Liabilities:				
Due within one year	\$ 5,150,771	\$ 195,911	\$ 5,346,682	\$ -
Due in more than one year	45,365,167	13,360,384	58,725,551	175,686
Total Long-term Liabilities	\$ 50,515,938	\$ 13,556,295	\$ 64,072,233	\$ 175,686
Total Liabilities	\$ 54,777,991	\$ 13,922,269	\$ 68,700,260	\$ 726,714
Net Assets				
Invested in capital assets, net of related debt	\$ 16,914,580	\$ 17,157,058	\$ 34,071,638	\$ 1,669,426
Restricted For:				
Public Safety	1,037,250	-	1,037,250	-
Register of Deeds	196,185	-	196,185	-
Stabilization by State Statue	5,951,243	-	5,951,243	-
Working Capital	-	-	-	186,490
Capital Outlay	432,212	-	432,212	-
Unrestricted (deficit)	(15,774,211)	15,008,537	(765,674)	1,192,274
Total Net Assets	\$ 8,757,259	\$ 32,165,595	\$ 40,922,854	\$ 3,048,190

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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 8,882,777	\$ 775,757	\$ 7,053	\$ 1,181,965
Public Safety	19,196,921	4,585,775	837,689	-
Transportation	50,724	51,861	589,429	-
Environmental Protection	300,558	-	70,304	-
Economic and Physical Development	3,042,014	-	67,643	421,594
Human Services	34,454,057	7,252,008	17,705,102	-
Cultural and Recreation	2,002,703	34,332	5,230	146,221
Education	18,596,063	-	-	1,422,905
Interest on long-term debt	1,439,974	-	-	-
Total Governmental Activities	<u>\$ 87,965,791</u>	<u>\$ 12,699,733</u>	<u>\$ 19,282,450</u>	<u>\$ 3,172,685</u>
Business-type Activities:				
Landfill	\$ 2,408,065	\$ 2,327,996	\$ -	\$ -
Water	1,813,444	1,514,426	-	-
Total Business-type Activities	<u>\$ 4,221,509</u>	<u>\$ 3,842,422</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 92,187,300</u>	<u>\$ 16,542,155</u>	<u>\$ 19,282,450</u>	<u>\$ 3,172,685</u>
Component Units:				
ABC Board	<u>\$ 4,834,188</u>	<u>\$ 4,848,738</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, including loss on disposition of fixed assets

Transfers

Total General Revenues and Transfers/Distribution

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
\$ (6,918,002)	\$ -	\$ (6,918,002)	
(13,773,457)	-	(13,773,457)	
590,566	-	590,566	
(230,254)	-	(230,254)	
(2,552,777)	-	(2,552,777)	
(9,496,947)	-	(9,496,947)	
(1,816,920)	-	(1,816,920)	
(17,173,158)	-	(17,173,158)	
(1,439,974)	-	(1,439,974)	
<u>\$ (52,810,923)</u>	<u>\$ -</u>	<u>\$ (52,810,923)</u>	
\$ -	\$ (80,069)	\$ (80,069)	
-	(299,018)	(299,018)	
<u>\$ -</u>	<u>\$ (379,087)</u>	<u>\$ (379,087)</u>	
\$ (52,810,923)	\$ (379,087)	\$ (53,190,010)	
			<u>\$ 14,550</u>
\$ 48,432,721	\$ -	\$ 48,432,721	\$ -
10,236,298	-	10,236,298	-
687,322	-	687,322	-
225,000	-	225,000	-
73,441	38,538	111,979	11,117
259,932	-	259,932	23,810
20,600	(20,600)	-	-
<u>\$ 59,935,314</u>	<u>\$ 17,938</u>	<u>\$ 59,953,252</u>	<u>\$ 34,927</u>
\$ 7,124,391	\$ (361,149)	\$ 6,763,242	\$ 49,477
1,632,868	32,526,744	34,159,612	2,998,713
<u>\$ 8,757,259</u>	<u>\$ 32,165,595</u>	<u>\$ 40,922,854</u>	<u>\$ 3,048,190</u>

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

Fund Financial Statements

Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2011

Exhibit 3

	<u>Major Funds</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assets			
Cash and cash equivalents	\$ 29,309,858	\$ 1,850,690	\$ 31,160,548
Restricted cash	429,733	432,212	861,945
Taxes receivable, net	2,123,330	61,469	2,184,799
Accounts and other receivables, net	678,862	144,003	822,865
Due from other governments	5,035,342	-	5,035,342
Due from component unit	112,500	-	112,500
Total Assets	<u>\$ 37,689,625</u>	<u>\$ 2,488,374</u>	<u>\$ 40,177,999</u>
Liabilities and Fund Balances			
Liabilities:			
Liabilities	\$ 2,958,485	\$ 321,773	\$ 3,280,258
Deferred revenue	2,123,330	61,469	2,184,799
Unearned revenue	318,813	9,510	328,323
Total Liabilities	<u>\$ 5,400,628</u>	<u>\$ 392,752</u>	<u>\$ 5,793,380</u>
Fund Balances:			
Restricted:			
Stabilization by State Statute	\$ 5,826,704	\$ 124,539	\$ 5,951,243
Register of Deeds	196,185	-	196,185
School Capital	-	432,212	432,212
Public Safety	-	1,037,250	1,037,250
Committed:			
Human Services	2,012,307	-	2,012,307
Tax Revaluation	429,733	-	429,733
Economic Development	287,850	-	287,850
Assigned:			
Subsequent year's expenditures	5,638,789	426,262	6,065,051
Unassigned	17,897,429	75,359	17,972,788
Total Fund Balances	<u>\$ 32,288,997</u>	<u>\$ 2,095,622</u>	<u>\$ 34,384,619</u>
Total Liabilities and Fund Balances	<u>\$ 37,689,625</u>	<u>\$ 2,488,374</u>	<u>\$ 40,177,999</u>

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

Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2011

Exhibit 3

Reconciliation of the governmental fund balance to net assets:

Total fund balances	\$ 34,384,619
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,196,032
Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds.	693,199
Premium collected on issue of COPS.	(343,236)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	468,020
Liabilities for earned but deferred revenues in fund statements.	2,184,799
Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(50,826,174)
Net Assets of Governmental Activities	\$ 8,757,259

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

Exhibit 4

	<u>Major Funds</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues			
Ad valorem taxes	\$ 47,171,296	\$ 1,165,812	\$ 48,337,108
Local option sales taxes	9,964,439	271,859	10,236,298
Other taxes and licenses	687,322	-	687,322
Unrestricted intergovernmental	225,000	-	225,000
Restricted intergovernmental	20,151,230	2,735,303	22,886,533
Permits and fees	384,117	-	384,117
Sales and service	11,832,357	51,861	11,884,218
Investment earnings	71,131	2,310	73,441
Miscellaneous	71,768	141,731	213,499
	<u>\$ 90,558,660</u>	<u>\$ 4,368,876</u>	<u>\$ 94,927,536</u>
Total Revenues			
Expenditures			
Current:			
General Government	\$ 8,290,694	\$ -	\$ 8,290,694
Public Safety	15,929,725	-	15,929,725
Transportation	47,857	-	47,857
Environmental Protection	281,693	-	281,693
Economic and			
Physical Development	2,578,421	2,487,896	5,066,317
Human Services	33,127,310	-	33,127,310
Cultural and Recreational	1,745,106	-	1,745,106
Intergovernmental:			
Education	18,596,063	-	18,596,063
Capital projects	-	421,594	421,594
Debt Service:			
Principal	4,918,749	-	4,918,749
Interest and other charges	1,568,512	-	1,568,512
Bond Issuance cost	144,909	-	144,909
	<u>\$ 87,229,039</u>	<u>\$ 2,909,490</u>	<u>\$ 90,138,529</u>
Total Expenditures			

(continued)

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

Exhibit 4

	Major Funds	Non-Major	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
(continued)			
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,329,621	\$ 1,459,386	\$ 4,789,007
Other Financing Sources (Uses):			
Transfers to other funds	\$ (37,371)	\$ (1,869,932)	\$ (1,907,303)
Transfers from other funds	1,890,532	37,371	1,927,903
Refunding bonds issued	10,200,000	-	10,200,000
Premium on refunding bonds	386,487	-	386,487
Payment to refunded bond escrow	(10,438,084)	-	(10,438,084)
Total Other Financing Sources (Uses)	\$ 2,001,564	\$ (1,832,561)	\$ 169,003
Net Change in Fund Balance	\$ 5,331,185	\$ (373,175)	\$ 4,958,010
Fund Balances:			
Beginning of year, July 1	26,957,812	2,468,797	29,426,609
End of year, June 30	\$ 32,288,997	\$ 2,095,622	\$ 34,384,619

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011

Exhibit 4

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

Net changes in fund balances - total governmental funds	\$ 4,958,010
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(706,839)
Property tax revenues (including accrued interest) in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	95,613
Undepreciated cost of capital assets sold or retired which exceeds proceeds.	(30,931)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,964,440
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	23,567
Net pension obligations	(21,763)
Other postemployment benefits	(2,259,344)
Accrued interest	101,638
Total Changes in Net Assets of Governmental Activities	\$ 7,124,391

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 45,310,229	\$ 45,390,229	\$ 47,171,296	\$ 1,781,067
Local option sales tax	11,074,507	11,074,507	9,964,439	(1,110,068)
Other taxes and licenses	521,350	521,350	687,322	165,972
Unrestricted intergovernmental	142,500	112,500	225,000	112,500
Restricted intergovernmental	16,171,006	19,302,966	20,086,923	783,957
Permits and fees	359,500	362,300	384,117	21,817
Sales and services	11,497,316	11,532,954	11,832,357	299,403
Investment earnings	151,000	151,000	70,175	(80,825)
Miscellaneous	39,000	52,500	71,768	19,268
	\$ 85,266,408	\$ 88,500,306	\$ 90,493,397	\$ 1,993,091
Expenditures:				
Current:				
General Government	\$ 7,793,783	\$ 8,929,349	\$ 8,290,694	\$ 638,655
Public Safety	16,020,648	16,944,005	15,929,725	1,014,280
Transportation	47,857	47,857	47,857	-
Environmental Protection	298,774	304,939	281,693	23,246
Economic and Physical Development	1,100,310	1,112,235	1,036,509	75,726
Human Services	35,266,397	38,591,965	33,127,310	5,464,655
Cultural and Recreational	1,749,461	1,791,492	1,745,106	46,386
Intergovernmental:				
Education	17,979,619	18,883,064	18,596,063	287,001
Debt Service:				
Principal retirement	4,900,325	4,928,325	4,918,749	9,576
Interest and other charges	1,893,596	1,950,027	1,568,512	381,515
Bond issuance cost	-	148,404	144,909	3,495
	\$ 87,050,770	\$ 93,631,662	\$ 85,687,127	\$ 7,944,535
Revenues Over (Under) Expenditures	\$ (1,784,362)	\$ (5,131,356)	\$ 4,806,270	\$ 9,937,626

(continued)

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 5

	General Fund			Variance
	Original	Final	Actual	With Final
	Budget	Budget		Positive
				(Negative)
(continued)				
Other Financing Sources (Uses):				
Transfers to other funds	\$ (1,679,000)	\$ (1,716,371)	\$ (1,716,371)	\$ -
Transfers from other funds	683,626	1,890,532	1,890,532	-
Refunding bonds issued	-	10,200,000	10,200,000	-
Premium on refunding bonds	-	386,488	386,487	(1)
Payment to refunded bond escrow	-	(10,438,084)	(10,438,084)	-
Fund balance appropriated	2,779,736	4,808,791	-	(4,808,791)
	<u>\$ 1,784,362</u>	<u>\$ 5,131,356</u>	<u>\$ 322,564</u>	<u>\$ (4,808,792)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,128,834</u>	<u>\$ 5,128,834</u>
 Fund Balances:				
Beginning of year, July 1			26,442,580	
End of year, June 30			<u>\$ 31,571,414</u>	
 Legally budgeted Tax Revaluation Fund and Economic Development fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			956	
Restricted Intergovernmental			64,307	
Transfer-in from General Fund			1,679,000	
Expenditures			(1,541,912)	
Fund Balance, Beginning			515,232	
Fund Balance, Ending (Exhibit 4)			<u>\$ 32,288,997</u>	

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2011

Exhibit 6

Major Enterprise Funds

	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 17,490,519	\$ 640,988	\$ 103,094	\$ 18,234,601
Receivables, net	144,434	87,230	101,625	333,289
Due from other governments	63,507	-	-	63,507
Total Current Assets	\$ 17,698,460	\$ 728,218	\$ 204,719	\$ 18,631,397
Non-Current Assets:				
Capital Assets:				
Land and construction in progress	\$ 3,081,656	\$ 48,389	\$ 78,669	\$ 3,208,714
Other capital assets, net of depreciation	1,752,490	9,226,040	13,269,223	24,247,753
Capital Assets, Net	\$ 4,834,146	\$ 9,274,429	\$ 13,347,892	\$ 27,456,467
Total Non-Current Assets	\$ 4,834,146	\$ 9,274,429	\$ 13,347,892	\$ 27,456,467
Total Assets	\$ 22,532,606	\$ 10,002,647	\$ 13,552,611	\$ 46,087,864
Liabilities				
Current Liabilities:				
Accounts payable	\$ 186,864	\$ 6,289	\$ 22,011	\$ 215,164
Customer deposits	-	57,468	56,553	114,021
Due to other funds	-	-	-	-
Current portion of bonds	-	76,075	119,836	195,911
Accrued interest	-	13,604	23,185	36,789
Liabilities Payable from Restricted Assets:				
Accounts payable	-	-	-	-
Total Current Liabilities	\$ 186,864	\$ 153,436	\$ 221,585	\$ 561,885

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2011

Exhibit 6

	Major Enterprise Funds			Total
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	
Liabilities (continued)				
Non-current Liabilities:				
Accrued landfill closure and postclosure care costs	\$ 3,002,661	\$ -	\$ -	\$ 3,002,661
Compensated absences	28,662	14,825	14,825	58,312
Other postemployment benefits	157,243	19,335	19,335	195,913
Bonds	-	3,650,282	6,453,216	10,103,498
Total Non-current Liabilities	\$ 3,188,566	\$ 3,684,442	\$ 6,487,376	\$ 13,360,384
Total Liabilities	\$ 3,375,430	\$ 3,837,878	\$ 6,708,961	\$ 13,922,269
Net Assets				
Invested in capital assets, net of related debt	\$ 4,834,146	\$ 5,548,072	\$ 6,774,840	\$ 17,157,058
Unrestricted	14,323,030	616,697	68,810	15,008,537
Restricted	-	-	-	-
Total Net Assets	\$ 19,157,176	\$ 6,164,769	\$ 6,843,650	\$ 32,165,595

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

Wilson County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

Exhibit 7

	Major Enterprise Funds			Total
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	
Operating Revenues				
Charges for services	\$ 2,327,996	\$ 711,201	\$ 803,225	\$ 3,842,422
Operating Expenses				
Administration	\$ -	\$ -	\$ -	\$ -
Salaries and employee benefits	926,762	115,695	117,818	1,160,275
Operating expense	1,109,971	105,301	86,372	1,301,644
Landfill closure	176,620	-	-	176,620
Depreciation	193,267	271,461	330,771	795,499
Water purchase	-	154,137	171,661	325,798
Total Operating Expenses	<u>\$ 2,406,620</u>	<u>\$ 646,594</u>	<u>\$ 706,622</u>	<u>\$ 3,759,836</u>
Operating Income (Loss)	<u>\$ (78,624)</u>	<u>\$ 64,607</u>	<u>\$ 96,603</u>	<u>\$ 82,586</u>
Non-Operating Revenues (Expenses)				
Interest/investment revenue	\$ 38,538	\$ -	\$ -	\$ 38,538
Bad debt	(1,445)	(5,719)	(6,565)	(13,729)
Interest expense	-	(163,686)	(284,258)	(447,944)
Total Non-Operating Revenue (Expenses)	<u>\$ 37,093</u>	<u>\$ (169,405)</u>	<u>\$ (290,823)</u>	<u>\$ (423,135)</u>
Income (Loss) before Contributions	\$ (41,531)	\$ (104,798)	\$ (194,220)	\$ (340,549)
Transfers to other funds	<u>(10,300)</u>	<u>(5,150)</u>	<u>(5,150)</u>	<u>(20,600)</u>
Change in Net Assets	\$ (51,831)	\$ (109,948)	\$ (199,370)	\$ (361,149)
Total Net Assets - Beginning	19,209,007	6,274,717	7,043,020	32,526,744
Total Net Assets - Ending	<u>\$ 19,157,176</u>	<u>\$ 6,164,769</u>	<u>\$ 6,843,650</u>	<u>\$ 32,165,595</u>

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

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2011

Exhibit 8

	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 2,322,582	\$ 696,495	\$ 781,160	\$ 3,800,237
Cash paid for goods & services	(1,200,238)	(257,435)	(259,768)	(1,717,441)
Cash paid to employees for services	(871,482)	(111,374)	(111,371)	(1,094,227)
Customer deposits received	-	2,234	3,108	5,342
Net Cash Provided by Operating Activities	<u>\$ 250,862</u>	<u>\$ 329,920</u>	<u>\$ 413,129</u>	<u>\$ 993,911</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers Out	<u>\$ (10,300)</u>	<u>\$ (5,150)</u>	<u>\$ (5,150)</u>	<u>\$ (20,600)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition & construction of capital assets	\$ (748,118)	\$ -	\$ -	\$ (748,118)
Principal paid on debt	-	(74,075)	(116,836)	(190,911)
Interest paid on debt	-	(163,953)	(284,667)	(448,620)
Capital contributions	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>\$ (748,118)</u>	<u>\$ (238,028)</u>	<u>\$ (401,503)</u>	<u>\$ (1,387,649)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>\$ 38,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,538</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (469,018)</u>	<u>\$ 86,742</u>	<u>\$ 6,476</u>	<u>\$ (375,800)</u>
Cash and Cash Equivalents:				
Beginning of year, July 1	17,959,537	554,246	96,618	18,610,401
End of year, June 30	<u>\$ 17,490,519</u>	<u>\$ 640,988</u>	<u>\$ 103,094</u>	<u>\$ 18,234,601</u>

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

(continued)

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2011

Exhibit 8

	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total
(continued)				
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (78,624)	\$ 64,607	\$ 96,603	\$ 82,586
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation (net)	\$ 193,267	\$ 271,461	\$ 330,771	\$ 795,499
Provision for uncollectible accounts	(1,445)	(5,719)	(6,565)	(13,729)
Changes in Assets and Liabilities:				
(Increase) Decrease in accounts receivable/due from	(3,969)	(8,987)	(15,500)	(28,456)
Increase in accrued landfill closure costs	176,620	-	-	176,620
Increase in other postemployee benefits	54,477	5,734	5,734	65,945
Increase (decrease) in accounts payable	(90,267)	2,003	(1,735)	(89,999)
Increase in customer deposits	-	2,234	3,108	5,342
Increase in accrued vacation pay	803	(1,413)	713	103
Total Adjustments	\$ 329,486	\$ 265,313	\$ 316,526	\$ 911,325
Net Cash Provided by Operating Activities	\$ 250,862	\$ 329,920	\$ 413,129	\$ 993,911

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

Wilson County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

Exhibit 9

	Agency Fund
Assets	
Cash and cash equivalents	\$ 4,816
Liabilities and Net Assets	
Liabilities:	
Intergovernmental payable - State of North Carolina - DMV	\$ 4,011
Intergovernmental payable - State of North Carolina	805
Net Assets	\$ 4,816

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. Wilson County Water Districts (the "Districts") exist to provide and maintain a water system for the county residents within the districts. The Districts are reported as enterprise funds in the County's financial statements. Wilson County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Wilson County ABC Board, which has a June 30 year-end, is presented as if they are separate proprietary funds of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements

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

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

Fund Financial Statements

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 Fiscal Year Ended June 30, 2011

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 and Sewer districts within the County.

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

The County reports the following fund types:

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

Nonmajor Funds - The County maintains seven legally budgeted funds. The Emergency Telephone System fund, the Fire District fund and the Transportation Fund are reported as nonmajor special revenue funds. The Economic Development Reserve Fund, the Public Buildings Fund, the New Elementary Construction Fund and the Grant Projects Fund are reported as capital projects funds.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

Proprietary funds distinguish operating revenues and expenses from 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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Governmental Fund Financial Statements

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Wilson County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the 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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond (debt) proceeds for the New Elementary School are restricted to the purpose for which they were borrowed. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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, 2010.

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 County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the ABC Board consists of materials and supplies held for consumption or resale.

7. Capital Assets

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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

	<u>Years</u>
Buildings	50
Improvements	5-25
Infrastructure	50
Furniture and equipment	3-10
Vehicles	5
Computer Equipment	5

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

	<u>Years</u>
Buildings	40-50
Furniture and equipment	3-10
Vehicles	3-5
Leasehold improvements	5-20

8. Long-term Obligations

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

9. Compensated Absences

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

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

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The governmental fund types classify fund balances as follows:

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 of 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 School Capital - portion of fund balance that can only be used for JW Jones School Capital per G.S. 159-18-22.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Wilson County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation.

Committed for Human Services - portion of fund balance that can only be used for human services.

Committed for Economic Development - portion of fund balance that can only be used for economic development purposes.

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment of \$(25,627,360) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 42,423,079
Less accumulated depreciation	(20,227,047)
Net Capital Assets	\$ 22,196,032
Deferred charges related to advance refunding bond issued	693,199
Premium collected on issue of COPS	(343,236)
Accrued interest receivable included in the Government-wide statements, as these are not available financial resources, therefore deferred in the fund statement	468,020
Liabilities for revenue deferred but earned and therefore reserved in the fund statements but not in the government-wide.	2,184,799
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(41,287,869)
Compensated absences	(1,844,416)
Accrued interest payable	(310,236)
Unfunded Separation Allowance	(593,443)
Other postemployment benefits	(6,790,210)
Total Adjustment	\$ (25,627,360)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$2,166,381 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities.	\$ 1,022,681
Cost of disposed capital asset not recorded in fund statements	(51,105)
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the Statement of Activities but not in the fund statements.	(1,724,747)
New debt and premium on new debt issued during the year is recorded as a source of Funds on the funds statements; it has no effect on the Statement of Activities - it affects only the government-wide Statement of Net Assets	(10,586,487)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Assets in the government-wide statements.	15,410,835
Expenses reported on fund statements that are capitalized on Government-wide statements - bond issuance and refunding costs	144,909
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	132,832
Amortization of refunding costs not recorded on fund statements	(20,610)
Compensated absences	23,567
Other Pension Costs	(21,763)
Other postemployment benefits	(2,259,344)
Increase in deferred tax revenue at end of year	82,770
Increase in accrued taxes receivable at end of year	12,843
Total Adjustment	<u>\$ 2,166,381</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

II. Stewardship, Compliance, and Accountability

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

The County reported no instances of non-compliance.

III Detail Notes on All Funds

A. Assets

1. Deposits

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

At June 30, 2011, the County's deposits had a carrying amount of \$36,208,595 and a bank balance of \$36,788,383. Of the bank balance, 514,647 was covered by federal depository insurance, \$146,100 in non-interest bearing deposits and \$36,127,636 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2011, Wilson County had \$9,360 cash on hand.

At June 30, 2011, the carrying amount of deposits for Wilson County ABC Board was \$1,401,635 and the bank balance was \$1,325,394. Of the bank balance, \$470,339 was covered by federal depository insurance and \$855,055 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2011, Wilson County ABC Board had \$5,800 cash on hand.

2. Investments

As of June 30, 2011, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
N.C. Capital Management Trust - Cash Portfolio	\$ 14,039,139	N/A	N/A	N/A
	=====	=====	=====	=====

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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, 2011. 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, 2011, the ABC Board had no investments.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,637,526	\$ 388,912	\$ 2,026,438
2009	1,604,970	236,733	1,841,703
2010	1,620,285	93,166	1,713,451
Total	<u>\$ 4,862,781</u>	<u>\$ 718,811</u>	<u>\$ 5,581,592</u>
	=====	=====	=====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

4. Receivables

Receivables at the government-wide level at June 30, 2011, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from other Governments	Other	Total
Governmental Activities:					
General	\$ 791,362	\$ 3,429,007	\$ 5,035,342	\$ -	\$ 9,255,711
Other governmental	144,003	81,269	-	-	225,272
Total Receivables	<u>\$ 935,365</u>	<u>\$ 3,510,276</u>	<u>\$ 5,035,342</u>	<u>\$ -</u>	<u>\$ 9,480,983</u>
Allowance for Doubtful Accounts	-	(857,457)	-	-	(857,457)
Total Governmental Activities	<u>\$ 935,365</u>	<u>\$ 2,652,819</u>	<u>\$ 5,035,342</u>	<u>\$ -</u>	<u>\$ 8,623,526</u>
Business-type Activities:					
Landfill	\$ 162,840	-	\$ 63,507	-	\$ 226,347
Water & Sewer	290,449	-	-	-	290,449
Total Receivables	<u>\$ 453,289</u>	<u>\$ -</u>	<u>\$ 63,507</u>	<u>\$ -</u>	<u>\$ 516,796</u>
Allowance for Doubtful Accounts	(120,000)	-	-	-	(120,000)
Total Governmental Activities	<u>\$ 333,289</u>	<u>\$ -</u>	<u>\$ 63,507</u>	<u>\$ -</u>	<u>\$ 396,796</u>

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

	General Fund	Enterprise Fund
Local option sales tax	\$ 1,677,101	\$ -
White goods disposal tax	-	5,804
Scrap tire tax	-	24,080
NC Administrative Reimbursement and Other	<u>3,358,241</u>	<u>33,623</u>
Total	<u>\$ 5,035,342</u>	<u>\$ 63,507</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

5. Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 760,308	\$ -	\$ -	\$ -	\$ 760,308
Construction in progress	-	4,773	-	-	4,773
Total	<u>\$ 760,308</u>	<u>\$ 4,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,081</u>
 Capital Assets Being Depreciated:					
Buildings	\$ 22,929,630	\$ -	\$ -	\$ -	\$ 22,929,630
Other improvements	6,321,204	85,314	-	-	6,406,518
Furniture & equipment	8,842,998	205,160	1,134,113	(2,736)	7,911,309
Vehicles	3,931,654	727,434	248,547	-	4,410,541
Total	<u>\$ 42,025,486</u>	<u>\$ 1,017,908</u>	<u>\$ 1,382,660</u>	<u>\$ (2,736)</u>	<u>\$ 41,657,998</u>
 Less Accumulated Depreciation for:					
Buildings	\$ 9,006,646	\$ 430,121	\$ -	\$ -	\$ 9,436,767
Other improvements	1,403,527	237,194	-	-	1,640,721
Furniture & equipment	6,436,468	585,085	1,089,619	(2,736)	5,929,198
Vehicles	2,989,950	472,347	241,936	-	3,220,361
Total	<u>\$ 19,836,591</u>	<u>\$ 1,724,747</u>	<u>\$ 1,331,555</u>	<u>\$ (2,736)</u>	<u>\$ 20,227,047</u>
 Total Capital Assets Being Depreciated, Net					
	<u>\$ 22,188,895</u>				<u>\$ 21,430,951</u>
 Governmental Activities Capital Assets, Net					
	<u>\$ 22,949,203</u>				<u>\$ 22,196,032</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Capital Assets (continued)

Primary Government

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

General Government	\$ 456,620
Public Safety	927,554
Economic and Physical Development	5,541
Human Services	182,032
Cultural and Recreational	145,604
Transportation	-
Environmental Protection	7,396
Total	<u>\$ 1,724,747</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassify</u>	<u>Ending Balances</u>
Business-type Activities:					
Solid Waste:					
Capital Assets not Being Depreciated:					
Land	\$ 3,081,656	\$ -	\$ -	\$ -	\$ 3,081,656
Capital Assets Being Depreciated:					
Buildings	\$ 120,645	\$ -	\$ -	\$ -	\$ 120,645
Infrastructure	398,660	748,118	6,458	-	1,140,320
Furniture & equipment	2,132,808	-	-	(250)	2,132,558
Vehicles	309,203	-	-	250	309,453
Total	<u>\$ 2,961,316</u>	<u>\$ 748,118</u>	<u>\$ 6,458</u>	<u>\$ -</u>	<u>\$ 3,702,976</u>
Less Accumulated Depreciation for:					
Buildings	\$ 1,206	\$ 2,413	\$ -	\$ -	\$ 3,619
Infrastructure	6,526	16,493	-	-	23,019
Furniture & equipment	1,569,730	131,763	6,458	-	1,695,035
Vehicles	186,215	42,598	-	-	228,813
Total	<u>\$ 1,763,677</u>	<u>\$ 193,267</u>	<u>\$ 6,458</u>	<u>\$ -</u>	<u>\$ 1,950,486</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,197,639</u>				<u>\$ 1,752,490</u>
Solid Waste					
Capital Assets, Net	<u>\$ 4,279,295</u>				<u>\$ 4,834,146</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Capital Assets (continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassify</u>	<u>Ending Balances</u>
Business-type Activities (continued):					
Southeast Water District:					
Capital Assets not					
Being Depreciated:					
Land	\$ 48,389	\$ -	\$ -	\$ -	\$ 48,389
Capital Assets					
Being Depreciated:					
Plant and					
distribution system	\$ 9,416,962	\$ -	\$ -	\$ (1,872)	\$ 9,415,090
Office and maintenance					
equipment	1,458,734	-	-	3,240	1,461,974
Vehicles	68,240	-	27,029	-	41,211
Total	<u>\$ 10,943,936</u>	<u>\$ -</u>	<u>\$ 27,029</u>	<u>\$ 1,368</u>	<u>\$ 10,918,275</u>
Less Accumulated					
Depreciation for:					
Plant and					
distribution system	\$ 948,578	\$ 211,486	\$ -	\$ 228	\$ 1,160,292
Office and maintenance					
equipment	429,617	59,975	-	1,140	490,732
Vehicles	68,240	-	27,029	-	41,211
Total	<u>\$ 1,446,435</u>	<u>\$ 271,461</u>	<u>\$ 27,029</u>	<u>\$ 1,368</u>	<u>\$ 1,692,235</u>
Total Capital Assets					
Being Depreciated, Net	<u>\$ 9,497,501</u>				<u>\$ 9,226,040</u>
Southeast Water District					
Capital Assets, Net	<u>\$ 9,545,890</u>				<u>\$ 9,274,429</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Capital Assets (continued):

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassify</u>	<u>Ending Balances</u>
Business-type Activities (continued):					
Southwest Water District:					
Capital Assets not Being Depreciated:					
Land	\$ 78,669	\$ -	\$ -	\$ -	\$ 78,669
Capital Assets Being Depreciated:					
Plant and distribution system	\$ 14,557,321	\$ -	\$ -	\$ (982)	\$ 14,556,339
Office and maintenance equipment	652,803	-	-	2,351	655,154
Vehicles	36,815	-	1,951	-	34,864
Total	<u>\$ 15,246,939</u>	<u>\$ -</u>	<u>\$ 1,951</u>	<u>\$ 1,369</u>	<u>\$ 15,246,357</u>
Less Accumulated Depreciation for:					
Plant and distribution system	\$ 1,490,286	\$ 305,768	\$ -	\$ (35,108)	\$ 1,760,946
Office and maintenance equipment	119,844	25,003	-	36,477	181,324
Vehicles	36,815	-	1,951	-	34,864
Total	<u>\$ 1,646,945</u>	<u>\$ 330,771</u>	<u>\$ 1,951</u>	<u>\$ 1,369</u>	<u>\$ 1,977,134</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 13,599,994</u>				<u>\$ 13,269,223</u>
Southwest Water District					
Capital Assets, Net	<u>\$ 13,678,663</u>				<u>\$ 13,347,892</u>
Business-type Activities:					
Capital Assets, Net	<u>\$ 27,503,848</u>				<u>\$ 27,456,467</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Construction Commitments

The government has no active construction projects as of June 30, 2011.

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2011, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets not Being Depreciated:				
Land	\$ 319,449	\$ -	\$ -	\$ 319,449
Capital Assets Being Depreciated:				
Buildings	\$ 1,484,021	\$ -	\$ -	\$ 1,484,021
Furniture & equipment	472,247	4,469	-	476,716
Vehicles	46,876	23,500	46,876	23,500
Leasehold improvements	12,010	19,118	-	31,128
Total	<u>\$ 2,015,154</u>	<u>\$ 47,087</u>	<u>\$ 46,876</u>	<u>\$ 2,015,365</u>
Less Accumulated Depreciation for:				
Buildings	\$ 273,866	\$ 29,849	\$ -	\$ 303,715
Furniture & equipment	319,597	33,514	-	353,111
Vehicles	26,177	2,692	28,477	392
Leasehold improvements	6,974	1,196	-	8,170
Total	<u>\$ 626,614</u>	<u>\$ 67,251</u>	<u>\$ 28,477</u>	<u>\$ 665,388</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,388,540</u>			<u>\$ 1,349,977</u>
Capital Assets, Net	<u>\$ 1,707,989</u>			<u>\$ 1,669,426</u>

Depreciation expense was charged to functions as follows:

Warehouse and delivery	\$ 11,422
Administrative	12,347
Store expenses	43,482
Total Depreciation Expense	<u>\$ 67,251</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental				
Activities:				
General	\$ 2,817,993	\$ 140,492	\$ 310,236	\$ 3,268,721
Other governmental	321,135	638	-	321,773
Total	<u>\$ 3,139,128</u>	<u>\$ 141,130</u>	<u>\$ 310,236</u>	<u>\$ 3,590,494</u>
Business-type				
Activities:				
Solid Waste	\$ 138,769	\$ 48,095	\$ -	\$ 186,864
Water Distribution Funds:				
Southeast District	5,026	1,263	13,604	19,893
Southwest District	20,748	1,263	23,185	45,196
Total	<u>\$ 164,543</u>	<u>\$ 50,621</u>	<u>\$ 36,789</u>	<u>\$ 251,953</u>

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.43% and 6.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.35% and 6.27% respectively, of annual covered payroll. The contribution requirements of members and of Wilson County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were \$1,741,789, \$1,354,369, and \$1,328,028, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009, were \$65,720 \$64,039, and \$62,015 respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>92</u>
Total	<u>104</u> =====

A separate report was not issued for the plan.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Summary of Significant Accounting Policies

Basis of Accounting

The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments

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

Contributions

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

The annual required contribution for the current year was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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	\$	198,819
Interest on net pension obligation		28,584
Adjustment to annual required contribution		<u>(30,606)</u>
Annual pension cost	\$	196,797
Contributions made		<u>(175,034)</u>
Increase (decrease) in net pension obligation	\$	21,763
Net Pension obligation, beginning of year		571,680
Net Pension obligation, end of year	\$	<u><u>593,443</u></u>

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 149,905	63.53%	\$ 511,522
2010	170,529	64.72%	571,680
2011	196,797	88.94%	593,443

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,855,164. The covered payroll (annual payroll of active employees covered by the plan) was \$3,741,831, and the ratio of the UAAL to the covered payroll was 49.58%.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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, 2011 were \$222,459, which consisted of \$165,492 from the County and \$56,967 from the law enforcement officers.

Registers of Deeds' Supplemental Pension Fund

Plan Description

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011, the County's required and actual contributions were \$4,732.

Other Post-Employment Benefits

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

A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	72	17
Terminated plan members entitled to but not yet receiving benefits	0	0
Active plan members	649	92
Total	721	109
	=====	=====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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 9.90% of annual covered payroll. For the current year, the County contributed \$491,727 or 1.7% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$15,625.

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

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

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

Annual required contribution	\$ 2,808,685
Interest on net OPEB obligation	186,433
Adjustment to annual required contribution	<u>(178,102)</u>
Annual OPEB cost (expense)	\$ 2,817,016
Contributions made	<u>(491,727)</u>
Increase (decrease) in net OPEB obligation	\$ 2,325,289
Net OPEB obligation, beginning of year	4,660,834
Net OPEB obligation, end of year	<u><u>\$ 6,986,123</u></u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 2,707,166	13.0%	\$ 2,353,929
2010	2,707,166	14.8%	4,660,834
2011	2,817,016	17.5%	6,986,123

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$32,207,864. The covered payroll (annual payroll of active employees covered by the plan) was \$28,343,788, and the ratio of the UAAL to the covered payroll was 113.6 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

In the December 31, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.00 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 over a 8-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and would not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

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

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

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent postclosure costs based on remaining capacity at June 30, 2011, are \$3,002,660.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and postclosure care costs. At June 30, 2011, those funds are held in investments with a cost and market value of \$4,705,996. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred/Unearned Revenues

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

	Deferred Revenues	Unearned Revenues
Prepaid taxes not yet earned	\$ -	\$ 328,323
Taxes receivable (net) (General)	2,123,330	-
Taxes receivable (net) (Special Revenue)	61,469	-
Total	\$ 2,184,799	\$ 328,323

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in a self-funded risk-financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$81.1 million for any one occurrence, general liability coverage of \$2 million per occurrence. The pool is reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property coverage. The County is self-funded for Workers Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$400,000 for regular employees and \$500,000 for law enforcement and Emergency Management Technicians up to a limit of \$1 million per occurrence.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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

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

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 \$3,369,831 in claims were incurred for benefits during the year ended June 30, 2011. Changes in the fund's claims liability amount was as follows:

	Year Ended June 30, 2011
Unpaid claims, beginning of year	\$ -
Incurred claims (including IBNRs)	3,895,131
Claim payments	<u>3,369,831</u>
Unpaid claims, end of year	<u>\$ 525,300</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

6. Contingent Liabilities

At June 30, 2011, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

7. Long-Term Obligations

Capital Leases

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

1. Lease executed on March 17, 2006 for a multitasking copier requiring sixty monthly installments of \$515.
2. Lease executed on March 20, 2007 for 60 laptops requiring thirty-six monthly installments of \$3,361.
3. Lease executed on May 2, 2007 for software and equipment requiring five annual installments of \$88,907.
4. Lease executed on October 9, 2009 for 12 monitors/defibrillators requiring five annual installments of \$56,589.
5. 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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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

Classes of Property	2011
Equipment	\$ 820,015
Buildings	1,091,055
Total	\$ 1,911,070

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending June 30	General Long-Term Debt
2012	\$ 238,189
2013	152,423
2014	154,340
2015	156,295
2016	101,700
2017 - 2021	539,836
2022 - 2023	375,086
Total minimum lease payments	\$ 1,717,869
Less: amount representing interest	687,516
Present value of the minimum lease payments	\$ 1,030,353

General Obligation Indebtedness

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The County's general obligation bonds payable at June 30, 2011 is comprised of the following individual issues:

	Balance <u>6-30-11</u>
General Obligation Bonds:	
\$8,000,000 Detention Center Bond Issue - February 1, 1993; due in annual principal installments ranging from \$380,000 to \$450,000 through June 2014; interest at 2.0% to 3.25%; payable on June 1 and December 1	\$ 1,160,000
\$17,400,000 School Series 2004 - April 9, 2005; due in annual principal installments ranging from \$500,000 to \$2,000,000 through April 2012; interest at 4.0% to 5.0%; payable on October 1 and April 1	900,000
\$5,300,000 Library Bonds Series 2003 - February 2, 2003; due in annual principal installments of \$350,000 through February 2018; interest at 3.25% to 3.6%; payable on February 1 and August 1	2,500,000
\$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 1 and April 1	10,200,000
Total	<u>\$ 14,760,000</u> =====

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The County's financing debt at June 30, 2011 is comprised of the following notes payable:

	Balance <u>6-30-11</u>
Notes Payable:	
\$8,500,000 Financing Agreement - School Improvements December 19, 1996; Refinanced June 4, 2010 due in semi-annual principal payments of \$378,108 through January 3, 2012; interest at 2.43% payable on July 3 and January 3	\$ 742,654
\$5,600,000 Financing Agreement - School Improvements July 31, 2001; Refinanced June 4, 2010 due in semi- annual fixed principal and interest payments of \$192,322; interest at 2.73% through October 27, 2015, payable on October 27 and April 27	1,730,906
\$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	1,803,391
\$8,500,000 Financing Agreement - School Improvements January 15, 1997; Refinanced June 4, 2010 due in semi-annual principal payments of \$380,051 through January 3, 2012; interest at 2.43%; payable on July 3 and January 3	746,471
\$1,340,875 Notes Payable - Economic Development November 20, 1997; due in quarterly principal and interest payments of \$30,338 through December 2012; interest at 4.25%; payable March 1, June 1, September 1, and December 1; collateralized by a deed of trust on a building	175,444
\$5,000,000 Financing Agreement - School Improvements August 30, 1999; Refinanced June 4, 2010 due in semi-annual principal and interest payments of \$170,016 through August 31, 2014; interest at 2.73%; payable on February 28 and August 31	1,190,117

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

	Balance 6-30-11
Notes Payable: (continued)	
\$457,000 Financing Agreement - Economic Development March 31, 2006; Due in annual principal and interest payments of \$40,388 through March 2021; interest at 3.75%; collateralized by a deed of trust on the property	330,064
\$905,000 Financing Agreement - Energy Conservation September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.353%	573,885
\$100,000 Notes Payable - Economic Development March 26, 2007; due in annual principal and interest payments of \$7,440 through March 2021 and a final payment of \$39,967 due March 2022; interest at 4.125%	85,591
\$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%	249,342
\$18,000,000 Notes Payable - Certificates of Participation - School Facilities Project September 12, 2007; due in annual principal and interest payments beginning April 1, 2010 through April 1, 2028; variable interest from 3.5% to 5%	17,400,000
Installment Purchases:	
\$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing	469,651
Total	<u>\$ 25,497,516</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

	Balance 6-30-11
Notes Payable Water Department:	
Serviced by the Southwest Water District: 2005 USDA/Rural Development Water Bonds \$3,784,000 due in annual installments of \$41,000 to \$164,000 (beginning 2006) plus interest at 4.5% through June 1, 2043	\$ 3,508,000
Serviced by the Southeast Water District; 2003 USDA/Rural Development Water Bonds \$3,600,000 due in annual installments of \$38,500 to \$154,000 (beginning 2005) plus interest at 4.625% through June 1, 2042	3,293,000
Serviced by the Southwest Water District; 2007 USDA/Rural Development Water Bonds \$2,654,000 due in annual installments of \$35,000 to \$123,000 (beginning 2009) plus interest at 4.375% through June 1, 2046	2,546,000
Serviced by the Southwest Water District; 2009 USDA/Rural Development Water Bonds \$576,724 due in annual installments of \$28,837 (beginning 2009) plus interest at 2.100% through May 1, 2029	519,052
Serviced by the Southeast Water District; 2009 USDA/Rural Development Water Bonds \$481,507 due in annual installments of \$24,076 (beginning 2009) plus interest at 2.100% through May 1, 2029	433,357
Total	<u>\$ 10,299,409</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2011, including interest payments, are as follows:

June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,785,000	\$ 893,663	\$ 195,911	\$ 441,549	\$ 1,980,911	\$ 1,335,212
2013	2,880,000	369,313	202,412	433,986	3,082,412	803,299
2014	2,825,000	301,600	208,912	426,129	3,033,912	727,729
2015	2,415,000	214,150	215,911	417,978	2,630,911	632,128
2016	2,405,000	118,950	222,911	409,510	2,627,911	528,460
2017-2021	2,450,000	79,650	1,228,061	1,909,233	3,678,061	1,988,883
2022-2026	-	-	1,454,057	1,644,322	1,454,057	1,644,322
2027-2031	-	-	1,629,234	1,324,609	1,629,234	1,324,609
2032-2036	-	-	1,816,000	955,679	1,816,000	955,679
2037-2041	-	-	2,069,000	517,389	2,069,000	517,389
2042-2046	-	-	1,057,000	106,582	1,057,000	106,582
Total	\$ 14,760,000	\$ 1,977,326	\$ 10,299,409	\$ 8,586,966	\$ 25,059,409	\$ 10,564,292

The annual requirements to amortize notes payable outstanding as of June 30, 2011, including interest payments, are as follows:

June 30	Principal	Interest	Total
2012	\$ 3,133,395	\$ 1,000,767	\$ 4,134,162
2013	1,593,427	922,152	2,515,579
2014	1,939,084	874,233	2,813,317
2015	2,224,673	811,039	3,035,712
2016	1,868,179	736,568	2,604,747
2017-2021	6,622,333	2,733,451	9,355,784
2022-2026	5,816,425	1,332,547	7,148,972
2027-2031	2,300,000	150,938	2,450,938
Total	\$ 25,497,516	\$ 8,561,695	\$ 34,059,211

At June 30, 2011, the County had a legal debt margin of \$459,256,084.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Advance Refundings

On December 29, 2010, the County issued \$10,200,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$9,700,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$500,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the original debt issued. This advance refunding was undertaken to reduce total debt service payment over the next 7 years by \$437,822 and resulted in an economic gain of \$427,426.

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, 2011:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion of Balance
Governmental Activities:					
General					
obligation debt	\$ 15,910,000	\$ 10,200,000	\$ 11,350,000	\$ 14,760,000	\$ 1,785,000
Capitalized leases	1,239,344	-	208,991	1,030,353	205,429
Notes payable	28,611,276	-	3,113,760	25,497,516	3,160,342
Compensated					
absences	1,867,983	-	23,567	1,844,416	-
Unfunded Special					
Separation					
Allowance	571,680	196,797	175,034	593,443	-
Other postemployment					
benefits	4,530,866	2,718,155	458,811	6,790,210	-
Total Governmental Activities	\$ 52,731,149	\$ 13,114,952	\$ 15,330,163	\$ 50,515,938	\$ 5,150,771

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Long-Term Obligation Activity (continued)

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Current Portion of Balance
Business-type Activities:					
Water Districts:					
Notes payable	\$ 10,490,320	\$ -	\$ 190,911	\$ 10,299,409	\$ 195,911
Compensated absences	30,350	-	700	29,650	-
Other postemployment benefits	27,202	11,468	-	38,670	-
Total	<u>\$ 10,547,872</u>	<u>\$ 11,468</u>	<u>\$ 191,611</u>	<u>\$ 10,367,729</u>	<u>\$ 195,911</u>
Solid Waste:					
Accrued landfill closure & postclosure care costs	\$ 2,826,041	\$ 194,846	\$ 18,226	\$ 3,002,661	\$ -
Compensated absences	27,859	803	-	28,662	-
Other postemployment benefits	102,766	87,392	32,915	157,243	-
Total	<u>\$ 2,956,666</u>	<u>\$ 283,041</u>	<u>\$ 51,141</u>	<u>\$ 3,188,566</u>	<u>\$ -</u>
Total Business-type Activities	<u>\$ 13,504,538</u>	<u>\$ 294,509</u>	<u>\$ 242,752</u>	<u>\$ 13,556,295</u>	<u>\$ 195,911</u>
Discretely Presented Component Units					
Long-term Liabilities:					
Compensated absences	\$ 42,064	\$ -	\$ 800	\$ 41,264	\$ -
Accrued liabilities	91,209	43,213	-	134,422	-
Total Long-term Liabilities	<u>\$ 133,273</u>	<u>\$ 43,213</u>	<u>\$ 800</u>	<u>\$ 175,686</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 Fiscal Year Ended June 30, 2011

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2011, consist of the following:

From the General fund to the Emergency Telephone System fund to accumulate funds for the next real property revaluation	\$ 37,371
From the Capital Project fund to the General Fund to provide resources Emergency Capital Projects	1,785,501
From the New Elementary School Capital Project to the General Fund to provide resources payment of New Elementary School debt interest	84,431
From the Solid Waste fund to the General Fund to provide resources for IT Server	10,300
From the Water Districts fund to the General Fund to provide resources for IT Server	10,300
Total Other Government Fund Transfers	<u>\$ 1,927,903</u> =====

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	\$ 32,288,997
Less:	
Stabilization by State Statute	5,826,704
Appropriated Fund Balance in 2012 budget	5,638,789
Register of Deeds	196,185
Human Services	2,012,307
Tax Revaluation	429,733
Economic Development	287,850
Remaining Fund Balance	<u>\$ 17,897,429</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

IV. Related Organization

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

V. Joint Ventures

Wilson Economic Development Council

The County is a participant with the City of Wilson (the "City") in a joint venture to promote industrial and commercial development of the County and City. The Council is managed by a nine-member board composed of four appointees from the County, four appointees from the City, and a chairman from either the County or City based on election by the Board. The by-laws of the Council state that the County and City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$470,500 to the Council for the fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the Council can be obtained from the Council's administrative offices at 126 West Nash Street, Wilson, North Carolina 27893.

Rocky Mount-Wilson Airport Authority

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Edgecombe, and County of Nash, participates in the Rocky Mount-Wilson Airport Authority (the "Airport"). Each participating city appoints two members and each participating County appoints one member to the seven-member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated, under the intergovernmental agreement that created the Airport, to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$47,857 to the Airport during the fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Wilson Technical Community College

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$45,000 and \$1,714,497 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

The Beacon Center

The County, in conjunction with Edgecombe, Nash, and Greene Counties, participate in a joint venture to operate The Beacon Center, a local management entity of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Board of County Commissioners of each participating county appoints one county commissioner to the Beacon Center Board. The appointed commissioners then appoint the remaining sixteen members of the Beacon Center Board. Each participant in the joint venture makes an annual appropriation to the Beacon Center, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2011, the County contributed \$0 to the Beacon Center. None of the participating governments have an equity interest in the Beacon Center, so no equity interest has been reflected in the financial statements at June 30, 2011. Complete financial statements for the Beacon Center may be obtained from the Center's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

VI. Jointly Governed Organization

Upper Coastal Plain Council of Governments

The County, in conjunction with 5 other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$36,758 to the Council during the fiscal year ended June 30, 2011.

Wilson County Tourism Development Authority

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

VII Benefit Payments Issued by the State

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

	<u>Federal</u>	<u>State</u>
Medical Assistance Program		
Medicaid - Title XIX	\$ 80,343,584	\$ 31,903,057
Temporary Assistance for Needy Families	584,170	-
Low Income Home Energy		
Assistance Block Grant	552,980	-
Special Assistance for Adults	-	996,183
Food Stamp Program	23,440,885	-
CWS Adoption	485,642	391,968
	<u>\$ 105,407,261</u>	<u>\$ 33,291,208</u>
	=====	=====
Total		

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

XII Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

XIII Summary Disclosure of Subsequent Events

Issuance of Debt

Wilson County is in the process of bidding out loan services for an Economic Development Project. This loan will be backed by an inter-local agreement between the City of Wilson and Wilson County, each pledging to \$250,000 toward debt service until the loan is fully repaid.

Solid Waste Contracts

The county contracted with two local companies to do capital projects for the Wilson County Solid Waste Department. The anticipated cost of the projects is approximately \$575,000. The proposed completion date is March 30, 2012.

Required Supplemental Financial Data

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

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/94	\$ -	\$ 215,111	\$ 215,111	0.00%	\$ 1,326,932	16.21%
12/31/95	-	278,703	278,703	0.00%	1,359,862	20.49%
12/31/96	-	319,619	319,619	0.00%	1,502,886	21.27%
12/31/97	-	357,219	357,219	0.00%	1,636,804	21.82%
12/31/98	-	386,832	386,832	0.00%	1,703,087	22.71%
12/31/99	-	430,641	430,641	0.00%	1,865,945	23.08%
12/31/00	-	699,004	699,004	0.00%	1,951,257	35.82%
12/31/01	-	797,139	797,139	0.00%	2,070,144	38.51%
12/31/02	-	802,713	802,713	0.00%	2,075,538	38.67%
12/31/03	-	854,938	854,938	0.00%	2,238,943	38.18%
12/31/04	-	1,031,697	1,031,697	0.00%	2,453,246	42.05%
12/31/05	-	1,124,959	1,124,959	0.00%	2,779,417	40.47%
12/31/06	-	1,228,224	1,228,224	0.00%	2,944,282	41.72%
12/31/07	-	1,414,602	1,414,602	0.00%	3,362,573	42.07%
12/31/08	-	1,548,728	1,548,728	0.00%	3,862,507	40.10%
12/31/09	-	1,965,544	1,965,544	0.00%	3,795,700	51.78%
12/31/10	-	1,855,164	1,855,164	0.00%	3,741,831	49.58%

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

Exhibit A-2

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2000	\$ 53,230	49.40%
2001	59,626	54.46%
2002	81,236	46.17%
2003	88,384	44.76%
2004	90,553	58.17%
2005	109,217	63.36%
2006	116,674	59.93%
2007	125,341	77.77%
2008	145,656	80.82%
2009	165,667	63.53%
2010	198,819	64.72%
2011	188,734	88.94%

Notes to the Required Schedules:

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

Valuation date	12/31/10
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

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

Exhibit A-3

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	\$ -	\$ 31,148,581	\$ 31,148,581	0.00%	\$ 26,887,613	115.85%
12/31/10	-	32,207,864	32,207,864	0.00%	28,343,788	113.63%

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

Exhibit A-4

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 2,707,166	13.00%
2010	2,707,166	15.00%
2011	2,817,016	17.50%

Notes to the Required Schedules:

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

Valuation date	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	
Pre-Medicare trend rate	10.50% to 5.00%
Post-Medicare trend rate	8.50% to 5.00%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

Individual Fund Statements and Schedules

Major Governmental Funds

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 45,090,229	\$ 46,814,013	\$ 1,723,784
Penalties and interest	300,000	357,283	57,283
Total	\$ 45,390,229	\$ 47,171,296	\$ 1,781,067
Local Option Sales Taxes	\$ 11,074,507	\$ 9,964,439	\$ (1,110,068)
Other Taxes and Licenses:			
Franchise tax	\$ 75,000	\$ 82,552	\$ 7,552
Rental vehicle sales tax	29,000	40,040	11,040
Privilege and civil licenses	81,350	169,928	88,578
Beer and wine tax	36,000	107,507	71,507
Excise tax	300,000	287,295	(12,705)
Total	\$ 521,350	\$ 687,322	\$ 165,972
Unrestricted Intergovernmental:			
Housing Authority	\$ -	\$ -	\$ -
Wilson County ABC Board:			
Profit distribution	112,500	225,000	112,500
Total	\$ 112,500	\$ 225,000	\$ 112,500
Restricted Intergovernmental:			
General Fund	\$ 3,104,197	\$ 3,246,396	\$ 142,199
Library	151,000	151,451	451
Health Services	1,432,452	1,403,553	(28,899)
Social Services	14,420,317	15,120,369	700,052
Court facility fees	195,000	165,154	(29,846)
Total	\$ 19,302,966	\$ 20,086,923	\$ 783,957

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues (continued):			
Permits and Fees:			
Building permits and inspection fees	\$ 64,000	\$ 70,130	\$ 6,130
Register of deeds	298,300	313,987	15,687
Total	\$ 362,300	\$ 384,117	\$ 21,817
Sales and Services:			
Jail fees and Sheriff fees	\$ 941,097	\$ 882,364	\$ (58,733)
Rents, concessions, and fees	8,491,857	7,768,627	(723,230)
Ambulance service fees	1,200,000	2,133,875	933,875
Communication Center	900,000	1,047,491	147,491
Total	\$ 11,532,954	\$ 11,832,357	\$ 299,403
Investment Earnings	\$ 151,000	\$ 70,175	\$ (80,825)
Miscellaneous:			
Sale of fixed assets	\$ -	\$ 38,038	\$ 38,038
Other	52,500	33,730	(18,770)
Total	\$ 52,500	\$ 71,768	\$ 19,268
Total Revenues	\$ 88,500,306	\$ 90,493,397	\$ 1,993,091
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	\$ 60,986	\$ 60,607	\$ 379
Other operating expenditures	26,588	26,550	38
Total	\$ 87,574	\$ 87,157	\$ 417

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Administration:			
Salaries and employee benefits	\$ 400,699	\$ 400,358	\$ 341
Other operating expenditures	8,912	8,458	454
Total	\$ 409,611	\$ 408,816	\$ 795
Human Resources:			
Salaries and employee benefits	\$ 123,425	\$ 122,875	\$ 550
Other operating expenditures	34,460	31,386	3,074
Total	\$ 157,885	\$ 154,261	\$ 3,624
Board of Elections:			
Salaries and employee benefits	\$ 251,680	\$ 235,707	\$ 15,973
Other operating expenditures	98,005	25,989	72,016
Capital outlay	-	-	-
Total	\$ 349,685	\$ 261,696	\$ 87,989
Finance:			
Salaries and employee benefits	\$ 454,847	\$ 442,566	\$ 12,281
Other operating expenditures	34,015	24,429	9,586
Data Processing charges	-	-	-
Capital outlay	-	-	-
Total	\$ 488,862	\$ 466,995	\$ 21,867

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Office of Tax Supervisor:			
Salaries and employee benefits	\$ 946,814	\$ 845,996	\$ 100,818
Other operating expenditures	254,910	211,900	43,010
Data processing charges	83,790	80,904	2,886
Capital outlay	-	-	-
Total	\$ 1,285,514	\$ 1,138,800	\$ 146,714
Technology Services:			
Salaries and employee benefits	\$ 379,820	\$ 365,283	\$ 14,537
Data processing charges	59,420	55,787	3,633
Other operating expenditures	145,745	142,282	3,463
Capital outlay	58,100	57,633	467
Total	\$ 643,085	\$ 620,985	\$ 22,100
Register of Deeds:			
Salaries and employee benefits	\$ 347,852	\$ 344,895	\$ 2,957
Other operating expenditures	52,388	43,272	9,116
Capital outlay	10,000	9,244	756
Total	\$ 410,240	\$ 397,411	\$ 12,829
Public Buildings:			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other operating expenditures	764,751	706,931	57,820
Capital outlay	156,574	136,303	20,271
Total	\$ 921,325	\$ 843,234	\$ 78,091

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Court Facilities:			
Salaries and employee benefits	\$ 384,614	\$ 357,778	\$ 26,836
Other operating expenditures	209,984	192,638	17,346
Capital outlay	40,274	40,272	2
Total	\$ 634,872	\$ 590,688	\$ 44,184
Central Service:			
Other operating expenditures	\$ 1,341,015	\$ 1,201,624	\$ 139,391
Other:			
Upper Coastal Plain COG	\$ 47,829	\$ 47,829	\$ -
Block Grant Aging	582,236	581,466	770
Other area projects	1,569,616	1,489,732	79,884
Total	\$ 2,199,681	\$ 2,119,027	\$ 80,654
Total General Government	\$ 8,929,349	\$ 8,290,694	\$ 638,655
Public Safety:			
Sheriff:			
Salaries and employee benefits	\$ 4,738,448	\$ 4,625,445	\$ 113,003
Other operating expenditures	1,312,943	1,145,876	167,067
Capital outlay	52,335	47,686	4,649
Total	\$ 6,103,726	\$ 5,819,007	\$ 284,719

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Jail:			
Salaries and employee benefits	\$ 2,904,492	\$ 2,506,133	\$ 398,359
Other operating expenditures	988,012	975,040	12,972
Capital outlay	10,000	8,785	1,215
Total	\$ 3,902,504	\$ 3,489,958	\$ 412,546
Animal Control:			
Salaries and employee benefits	\$ 392,337	\$ 383,369	\$ 8,968
Other operating expenditures	109,476	106,982	2,494
Capital outlay	-	-	-
Total	\$ 501,813	\$ 490,351	\$ 11,462
Emergency Communications:			
Salaries and employee benefits	\$ 1,829,306	\$ 1,708,844	\$ 120,462
Other operating expenditures	225,615	185,098	40,517
Capital outlay	73,204	10,631	62,573
Total	\$ 2,128,125	\$ 1,904,573	\$ 223,552
Emergency Management:			
Salaries and employee benefits	\$ 149,402	\$ 147,496	\$ 1,906
Other operating expenditures	71,376	62,960	8,416
Capital outlay	36,531	7,479	29,052
Total	\$ 257,309	\$ 217,935	\$ 39,374

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Emergency Medical Servicing:			
Salaries and employee benefits	\$ 2,824,372	\$ 2,824,367	\$ 5
Other operating expenditures	703,756	664,793	38,963
Capital outlay	522,400	518,741	3,659
Total	\$ 4,050,528	\$ 4,007,901	\$ 42,627
Total Public Safety	\$ 16,944,005	\$ 15,929,725	\$ 1,014,280
Transportation:			
Rocky Mount/Wilson Airport	\$ 47,857	\$ 47,857	\$ -
Environmental Protection:			
Forestry Program:			
Other operating expenditures	\$ 87,108	\$ 67,167	\$ 19,941
Soil Conservation:			
Salaries and employee benefits	\$ 195,816	\$ 195,451	\$ 365
Other operating expenditures	22,015	19,075	2,940
Capital outlay	-	-	-
Total	\$ 217,831	\$ 214,526	\$ 3,305
Total Environmental Protection	\$ 304,939	\$ 281,693	\$ 23,246

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	\$ 424,767	\$ 388,717	\$ 36,050
Other operating expenditures	53,641	47,808	5,833
Capital outlay	20,065	19,956	109
Total	\$ 498,473	\$ 456,481	\$ 41,992
Planning and Zoning:			
Salaries and employee benefits	\$ 544,805	\$ 534,554	\$ 10,251
Other operating expenditures	65,457	42,972	22,485
Capital outlay	3,500	2,502	998
Total	\$ 613,762	\$ 580,028	\$ 33,734
Total Economic and Physical Development	\$ 1,112,235	\$ 1,036,509	\$ 75,726
Human Services:			
Mental Health	\$ 367,702	\$ -	\$ 367,702
Diversified Opportunities	\$ 43,650	\$ 43,650	\$ -
Senior Center:			
Salaries and employee benefits	\$ 56,600	\$ 56,583	\$ 17
Other operating expenditures	74,442	72,664	1,778
Capital outlay	-	-	-
Total	\$ 131,042	\$ 129,247	\$ 1,795

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Temporary Care Giver:			
Salaries and employee benefits	\$ 15,118	\$ 15,117	\$ 1
Other operating expenditures	41,913	35,220	6,693
Total	<u>\$ 57,031</u>	<u>\$ 50,337</u>	<u>\$ 6,694</u>
Health:			
Administration:			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other operating expenditures	627,500	629,103	(1,603)
Capital outlay	91,720	56,105	35,615
Total	<u>\$ 719,220</u>	<u>\$ 685,208</u>	<u>\$ 34,012</u>
Health Promotion:			
Salaries and employee benefits	\$ 30,426	\$ 28,231	\$ 2,195
Other operating expenditures	20,137	12,500	7,637
Total	<u>\$ 50,563</u>	<u>\$ 40,731</u>	<u>\$ 9,832</u>
Tuberculosis Control:			
Salaries and employee benefits	\$ 68,054	\$ 67,030	\$ 1,024
Other operating expenditures	38,623	23,693	14,930
Capital outlay	4,100	3,863	237
Total	<u>\$ 110,777</u>	<u>\$ 94,586</u>	<u>\$ 16,191</u>
Home Health:			
Salaries and employee benefits	\$ 3,723,460	\$ 3,510,448	\$ 213,012
Other operating expenditures	1,984,243	1,944,331	39,912
Capital outlay	214,300	180,496	33,804
Total	<u>\$ 5,922,003</u>	<u>\$ 5,635,275</u>	<u>\$ 286,728</u>

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Family Planning:			
Salaries and employee benefits	\$ 551,227	\$ 475,774	\$ 75,453
Other operating expenditures	244,655	172,786	71,869
Capital outlay	10,617	4,705	5,912
Total	\$ 806,499	\$ 653,265	\$ 153,234
Maternal Health:			
Salaries and employee benefits	\$ 205,068	\$ 188,229	\$ 16,839
Other operating expenditures	114,108	92,839	21,269
Capital outlay	26,050	21,244	4,806
Total	\$ 345,226	\$ 302,312	\$ 42,914
Environmental Health:			
Salaries and employee benefits	\$ 419,891	\$ 418,286	\$ 1,605
Other operating expenditures	26,612	22,552	4,060
Capital outlay	11,444	7,546	3,898
Total	\$ 457,947	\$ 448,384	\$ 9,563
Immunization:			
Salaries and employee benefits	\$ 71,057	\$ 20,806	\$ 50,251
Other operating expenditures	85,647	80,436	5,211
Capital outlay	1,495	1,492	3
Total	\$ 158,199	\$ 102,734	\$ 55,465

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Communicable Diseases:			
Salaries and employee benefits	\$ 343,043	\$ 290,787	\$ 52,256
Other operating expenditures	49,707	25,091	24,616
Capital outlay	-	-	-
Total	\$ 392,750	\$ 315,878	\$ 76,872
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	\$ 44,854	\$ 44,853	\$ 1
Other operating expenditures	8,111	8,109	2
Capital outlay	3,412	3,412	-
Total	\$ 56,377	\$ 56,374	\$ 3
Child Health:			
Salaries and employee benefits	\$ 718,744	\$ 713,019	\$ 5,725
Other operating expenditures	76,234	57,274	18,960
Total	\$ 794,978	\$ 770,293	\$ 24,685
Child Service Coordinator:			
Salaries and employee benefits	\$ 332,454	\$ 283,434	\$ 49,020
Other operating expenditures	49,275	15,349	33,926
Capital outlay	20,000	15,591	4,409
Total	\$ 401,729	\$ 314,374	\$ 87,355
WIC Clinic Administration:			
Salaries and employee benefits	\$ 84,710	\$ 84,707	\$ 3
Other operating expenditures	631	630	1
Capital outlay	-	-	-
Total	\$ 85,341	\$ 85,337	\$ 4

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
WIC Nutrition Education:			
Salaries and employee benefits	\$ 131,883	\$ 131,865	\$ 18
Other operating expenditures	3,457	3,456	1
Total	<u>\$ 135,340</u>	<u>\$ 135,321</u>	<u>\$ 19</u>
AIDS Control:			
Salaries and employee benefits	\$ 13,013	\$ 913	\$ 12,100
Other operating expenditures	2,030	1,811	219
Total	<u>\$ 15,043</u>	<u>\$ 2,724</u>	<u>\$ 12,319</u>
Bioterrorism:			
Salaries and employee benefits	\$ 46,342	\$ 21,606	\$ 24,736
Other operating expenditures	47,136	39,900	7,236
Capital outlay	38,231	21,331	16,900
Total	<u>\$ 131,709</u>	<u>\$ 82,837</u>	<u>\$ 48,872</u>
WIC Client Services:			
Salaries and employee benefits	\$ 436,188	\$ 436,186	\$ 2
Other operating expenditures	11,008	11,000	8
Capital outlay	-	-	-
Total	<u>\$ 447,196</u>	<u>\$ 447,186</u>	<u>\$ 10</u>
Maternal Child Care:			
Salaries and employee benefits	\$ 562,056	\$ 557,866	\$ 4,190
Other operating expenditures	84,278	69,130	15,148
Capital outlay	-	-	-
Total	<u>\$ 646,334</u>	<u>\$ 626,996</u>	<u>\$ 19,338</u>

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Breast and Cervical Cancer:			
Salaries and employee benefits	\$ 4,035	\$ 3,929	\$ 106
Other operating expenditures	16,541	11,066	5,475
Total	\$ 20,576	\$ 14,995	\$ 5,581
Adult Health:			
Salaries and employee benefits	\$ 246,418	\$ 246,418	\$ -
Other operating expenditures	9,906	8,402	1,504
Total	\$ 256,324	\$ 254,820	\$ 1,504
Lead:			
Other operating expenditures	\$ 2,400	\$ 1,789	\$ 611
Total Health	\$ 11,956,531	\$ 11,071,419	\$ 885,112
Social Services:			
Administration:			
Salaries and employee benefits	\$ 11,894,338	\$ 11,037,943	\$ 856,395
Other operating expenditures	2,033,578	1,732,997	300,581
Capital outlay	114,355	114,265	90
Total	\$ 14,042,271	\$ 12,885,205	\$ 1,157,066
4D Child Support:			
Salaries and employee benefits	\$ 109,060	\$ 106,927	\$ 2,133
Other operating expenditures	70,318	42,449	27,869
Total	\$ 179,378	\$ 149,376	\$ 30,002

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Social Services (continued):			
Income Maintenance Programs:			
AFDC program - County participation	\$ 100,000	\$ 15,300	\$ 84,700
AFDC Foster Care	598,800	272,844	325,956
Special assistance - Adults	1,009,768	997,871	11,897
Medicaid - County participation	1,461,527	529,979	931,548
Total	\$ 3,170,095	\$ 1,815,994	\$ 1,354,101
Other Services:			
Other operating expenditures	\$ 7,295,215	\$ 6,306,515	\$ 988,700
Homeless Prevention and Rapid Re-Housing:			
Salaries and employee benefits	\$ 260,247	\$ 79,430	\$ 180,817
Other operating expenditures	495,411	328,099	167,312
Total	\$ 755,658	\$ 407,529	\$ 348,129
Subsidized Employment Program:			
Other operating expenditures	\$ 545,663	\$ 220,523	\$ 325,140
Total Social Services	\$ 25,988,280	\$ 21,785,142	\$ 4,203,138
Veterans Affairs:			
Salaries and employee benefits	\$ 47,529	\$ 47,420	\$ 109
Other operating expenditures	200	95	105
Total	\$ 47,729	\$ 47,515	\$ 214
Total Human Services	\$ 38,591,965	\$ 33,127,310	\$ 5,464,655

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Cultural and Recreational:			
Recreation:			
Other operating expenditures	\$ 223,429	\$ 223,429	\$ -
Libraries:			
Salaries and employee benefits	\$ 1,118,578	\$ 1,107,149	\$ 11,429
Other operating expenditures	425,614	392,251	33,363
Capital outlay	23,871	22,277	1,594
Total	\$ 1,568,063	\$ 1,521,677	\$ 46,386
Total Cultural and Recreational	\$ 1,791,492	\$ 1,745,106	\$ 46,386
Education:			
Public schools - current	\$ 16,295,369	\$ 16,295,369	\$ -
Public schools - capital outlay	541,198	541,197	1
Public school bond fund	-	-	-
Community colleges - current	332,000	45,000	287,000
Community colleges - capital outlay	1,714,497	1,714,497	-
Total Education	\$ 18,883,064	\$ 18,596,063	\$ 287,001
Debt Service:			
Principal retirement	\$ 4,928,325	\$ 4,918,749	\$ 9,576
Interest and other charges	1,950,027	1,568,512	381,515
Bond issuance cost	148,404	144,909	3,495
Total Debt Service	\$ 7,026,756	\$ 6,632,170	\$ 394,586
Total Expenditures	\$ 93,631,662	\$ 85,687,127	\$ 7,944,535
Revenues Over Expenditures	\$ (5,131,356)	\$ 4,806,270	\$ 9,937,626

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
(continued):			
Other Financing Sources (Uses):			
Transfers to Other Funds:			-
Tax Revaluation Fund	(75,000)	(75,000)	-
Economic Development Fund	(1,604,000)	(1,604,000)	-
Emergency Telephone System Fund	(37,371)	(37,371)	-
Transfers from Other Funds:			
Capital Projects Fund	1,785,501	1,785,501	-
Solid Waste	10,300	10,300	-
Southeast Water District	5,150	5,150	-
Southwest Water District	5,150	5,150	-
New Elementary School Capital Project	84,431	84,431	-
Refunding bonds issued	10,200,000	10,200,000	-
Premium on refunding bonds	386,488	386,487	(1)
Payment to refunded bond escrow	(10,438,084)	(10,438,084)	-
Fund balance appropriated	4,808,791	-	(4,808,791)
Total Other Financing Sources (Uses)	<u>\$ 5,131,356</u>	<u>\$ 322,564</u>	<u>\$ (4,808,792)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 5,128,834</u>	<u>\$ 5,128,834</u>
Fund Balances:			
Beginning of year, July 1		26,442,580	
End of year, June 30		<u>\$ 31,571,414</u>	

Wilson County, North Carolina
Legally budgeted Tax Revaluation Fund and Economic Development
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011

Exhibit B-2

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
Revenues:			
Restricted Intergovernmental	\$ -	\$ 64,307	\$ 64,307
Investment earnings	956	-	956
Total Revenues	\$ 956	\$ 64,307	\$ 65,263
Expenditures:			
Current:			
General Government:			
Economic Incentives	-	1,541,912	1,541,912
Revenues Over (Under) Expenditures	\$ 956	\$ (1,477,605)	\$ (1,476,649)
Other Financing Sources:			
Transfer in:			
General Fund	75,000	1,604,000	1,679,000
Net Change in Fund Balance	\$ 75,956	\$ 126,395	\$ 202,351
Fund Balances:			
Beginning of year, July 1	353,777	161,455	515,232
End of year, June 30	\$ 429,733	\$ 287,850	\$ 717,583

Wilson County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit B-3

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment earnings	\$ 500	\$ 956	\$ 456
Expenditures:			
Current:			
General Government:			
Tax listing	75,500	-	75,500
Revenues Over (Under) Expenditures	\$ (75,000)	\$ 956	\$ 75,956
Other Financing Sources:			
Transfer in:			
General Fund	75,000	75,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 75,956	\$ 75,956
Fund Balances:			
Beginning of year, July 1		353,777	
End of year, June 30		\$ 429,733	

**Wilson County, North Carolina
Economic Development Reserve
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit B-4

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted intergovernmental	\$ -	\$ 64,307	\$ 64,307
Expenditures:			
Current:			
General Government:			
Economic incentives	1,604,000	1,541,912	62,088
Revenues Over (Under) Expenditures	\$ (1,604,000)	\$ (1,477,605)	\$ 126,395
Other Financing Sources:			
Transfer in:			
General Fund	1,604,000	1,604,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 126,395	\$ 126,395
Appropriated fund balance	-	-	-
Revenues, Other Financing Sources and Appropriated fund balance Over (Under) Expenditures	\$ -	\$ 126,395	\$ 126,395
Fund Balances:			
Beginning of year, July 1		161,455	
End of year, June 30		\$ 287,850	

Non-Major Governmental Funds

Wilson County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

Special Revenue Funds

	Fire Districts Fund	Emergency Telephone System Fund	Transportation Fund	Total Non-major Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 275,187	\$ 1,038,593	\$ 125,346	\$ 1,439,126
Restricted cash	-	-	-	-
Taxes receivable, net	61,469	-	-	61,469
Accounts receivable, net	-	45,193	79,346	124,539
Total Assets	\$ 336,656	\$ 1,083,786	\$ 204,692	\$ 1,625,134
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 275,187	\$ 1,343	\$ 29,002	\$ 305,532
Deferred revenue	61,469	-	-	61,469
Unearned revenue	-	-	-	-
Total Liabilities	\$ 336,656	\$ 1,343	\$ 29,002	\$ 367,001
Fund Balances:				
Restricted:				
Stabilization by State Statute	\$ -	\$ 45,193	\$ 79,346	\$ 124,539
School Capital	-	-	-	-
Public Safety	-	1,037,250	-	1,037,250
Assigned:				
Subsequent year's expenditures	-	-	20,985	20,985
Unassigned	-	-	75,359	75,359
Total Fund Balances	\$ -	\$ 1,082,443	\$ 175,690	\$ 1,258,133
Total Liabilities and Fund Balances	\$ 336,656	\$ 1,083,786	\$ 204,692	\$ 1,625,134

Exhibit C-1

Capital Projects Funds

Economic Development Reserve Fund	Public Buildings Fund	New Elementary Construction Fund	Grant Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 405,277	\$ -	\$ 6,287	\$ 411,564	\$ 1,850,690
-	-	432,212	-	432,212	432,212
-	-	-	-	-	61,469
-	-	-	19,464	19,464	144,003
<u>\$ -</u>	<u>\$ 405,277</u>	<u>\$ 432,212</u>	<u>\$ 25,751</u>	<u>\$ 863,240</u>	<u>\$ 2,488,374</u>
\$ -	\$ -	\$ -	\$ 16,241	\$ 16,241	\$ 321,773
-	-	-	-	-	61,469
-	-	-	9,510	9,510	9,510
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,751</u>	<u>\$ 25,751</u>	<u>\$ 392,752</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,539
-	-	432,212	-	432,212	432,212
-	-	-	-	-	1,037,250
-	405,277	-	-	405,277	426,262
-	-	-	-	-	75,359
<u>\$ -</u>	<u>\$ 405,277</u>	<u>\$ 432,212</u>	<u>\$ -</u>	<u>\$ 837,489</u>	<u>\$ 2,095,622</u>
<u>\$ -</u>	<u>\$ 405,277</u>	<u>\$ 432,212</u>	<u>\$ 25,751</u>	<u>\$ 863,240</u>	<u>\$ 2,488,374</u>

Wilson County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

Special Revenue Funds

	Fire District Fund	Emergency Telephone System Fund	Transportation Fund	Total Non-major Special Revenue Funds
Revenues				
Ad valorem taxes	\$ 1,165,812	\$ -	\$ -	\$ 1,165,812
Local option sales tax	271,859	-	-	271,859
Restricted intergovernmental	-	542,315	589,429	1,131,744
Sales and Services	-	-	51,861	51,861
Investment earnings	-	2,310	-	2,310
Miscellaneous	-	-	141,731	141,731
Total Revenues	\$ 1,437,671	\$ 544,625	\$ 783,021	\$ 2,765,317
Expenditures				
Public Safety	\$ 1,437,671	\$ 289,868	\$ 760,357	\$ 2,487,896
Capital Projects	-	-	-	-
Total Expenditures	\$ 1,437,671	\$ 289,868	\$ 760,357	\$ 2,487,896
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ 254,757	\$ 22,664	\$ 277,421
Other Financing Sources:				
Transfers to other funds	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	-	37,371	-	37,371
Total Other Financing Sources	\$ -	\$ 37,371	\$ -	\$ 37,371
Net Change in Fund Balances	\$ -	\$ 292,128	\$ 22,664	\$ 314,792
Fund Balances:				
Beginning of year, July 1	-	790,315	153,026	943,341
End of year, June 30	\$ -	\$ 1,082,443	\$ 175,690	\$ 1,258,133

Exhibit C-2

Capital Projects Funds

Economic Development Reserve Fund	Public Buildings Fund	New Elementary Construction Fund	Grant Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,165,812
-	-	-	-	-	271,859
38,604	1,181,965	-	382,990	1,603,559	2,735,303
-	-	-	-	-	51,861
-	-	-	-	-	2,310
-	-	-	-	-	141,731
<u>\$ 38,604</u>	<u>\$ 1,181,965</u>	<u>\$ -</u>	<u>\$ 382,990</u>	<u>\$ 1,603,559</u>	<u>\$ 4,368,876</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,487,896
38,604	-	-	382,990	421,594	421,594
<u>\$ 38,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,990</u>	<u>\$ 421,594</u>	<u>\$ 2,909,490</u>
\$ -	\$ 1,181,965	\$ -	\$ -	\$ 1,181,965	\$ 1,459,386
\$ -	\$ (1,785,501)	\$ (84,431)	\$ -	\$ (1,869,932)	\$ (1,869,932)
-	-	-	-	-	37,371
<u>\$ -</u>	<u>\$ (1,785,501)</u>	<u>\$ (84,431)</u>	<u>\$ -</u>	<u>\$ (1,869,932)</u>	<u>\$ (1,832,561)</u>
\$ -	\$ (603,536)	\$ (84,431)	\$ -	\$ (687,967)	\$ (373,175)
-	1,008,813	516,643	-	1,525,456	2,468,797
<u>\$ -</u>	<u>\$ 405,277</u>	<u>\$ 432,212</u>	<u>\$ -</u>	<u>\$ 837,489</u>	<u>\$ 2,095,622</u>

**Wilson County, North Carolina
Fire District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011**

Exhibit C-3

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 1,121,664	\$ 1,129,123	\$ 7,459
Prior year	45,350	36,689	(8,661)
Total Ad Valorem Taxes	\$ 1,167,014	\$ 1,165,812	\$ (1,202)
Other taxes	283,439	271,859	(11,580)
Total Revenues	\$ 1,450,453	\$ 1,437,671	\$ (12,782)
Expenditures:			
Public Safety	1,450,453	1,437,671	12,782
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Wilson County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit C-4

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted intergovernmental	\$ 955,106	\$ 542,315	\$ (412,791)
Investment earnings	750	2,310	1,560
Total Revenues	\$ 955,856	\$ 544,625	\$ (411,231)
Expenditures:			
Implemental functions	\$ 136,996	\$ 72,412	\$ 64,584
Telephone	146,100	130,008	16,092
Furniture	10,000	-	10,000
Software maintenance	70,274	51,600	18,674
Hardware maintenance	70,000	18,022	51,978
Training	8,000	1,150	6,850
Capital outlay	798,044	-	798,044
S.L.2010-158 Expenditures	33,392	16,676	16,716
Total Expenditures	\$ 1,272,806	\$ 289,868	\$ 982,938
Revenues Over (Under) Expenditures	\$ (316,950)	\$ 254,757	\$ 571,707
Other Financing Sources:			
Transfer in	\$ 37,371	\$ 37,371	\$ -
Fund balance appropriated	279,579		(279,579)
Total Other Financing Sources	\$ 316,950	\$ 37,371	\$ (279,579)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 292,128	\$ 292,128
Fund Balances:			
Beginning of year, July 1		790,315	
End of year, June 30		\$ 1,082,443	

Wilson County, North Carolina
Transportation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit C-5

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted Intergovernmental:			
Rural Operating Grant	\$ 227,245	227,245	\$ -
Capital Grant	268,338	276,004	7,666
Public Transportation Grant	93,900	86,180	(7,720)
Sales & Services	45,005	51,861	6,856
Miscellaneous	100,000	141,731	41,731
 Total Revenues	 \$ 734,488	 \$ 783,021	 \$ 48,533
Expenditures:			
Salaries and employee benefits	\$ 47,982	\$ 47,916	\$ 66
Operating expenses	464,807	446,303	18,504
Capital outlay	268,338	266,138	2,200
 Total Expenditures	 \$ 781,127	 \$ 760,357	 \$ 20,770
 Revenues Over (Under) Expenditures	 \$ (46,639)	 \$ 22,664	 \$ 69,303
Other Financing Sources (Uses):			
Fund balance appropriated	46,639	-	(46,639)
 Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	 \$ -	 \$ 22,664	 \$ 22,664
Fund Balances:			
Beginning of year, July 1		153,026	
End of year, June 30		<u>\$ 175,690</u>	

Wilson County, North Carolina
Economic Development Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit C-6

	2011		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Rural Economic Development Reuse and Restoration Grant	\$ 80,000	\$ 38,604	\$ (41,396)
Expenditures:			
Capital outlay	80,000	38,604	41,396
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
 Fund Balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Wilson County, North Carolina
Public Buildings Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2011

Exhibit C-7

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Anticipated Revenue	\$ 1,181,966	\$ 1,181,965	\$ (1)
Expenditures:			
Capital outlay	396,465	-	396,465
Revenues Over (Under) Expenditures	\$ 785,501	\$ 1,181,965	\$ 396,464
Other Financing Sources (Uses):			
Fund balance appropriated	\$ 1,000,000	\$ -	\$ (1,000,000)
Transfers out	(1,785,501)	(1,785,501)	-
Total Other Financing Sources (Uses)	\$ (785,501)	\$ (1,785,501)	\$ (1,000,000)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ (603,536)	\$ (603,536)
Fund Balances:			
Beginning of year, July 1		1,008,813	
End of year, June 30		\$ 405,277	

Wilson County, North Carolina
 New Elementary School Construction Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2011

Exhibit C-8

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Bond Proceeds	\$ 18,263,082	\$ 18,241,142	\$ -	\$ 18,241,142	\$ (21,940)
Investment earnings	-	515,133	-	515,133	515,133
Total Revenues	<u>\$ 18,263,082</u>	<u>\$ 18,756,275</u>	<u>\$ -</u>	<u>\$ 18,756,275</u>	<u>\$ 493,193</u>
Expenditures					
Land	\$ 1,024,800	\$ 1,008,564	\$ -	\$ 1,008,564	\$ 16,236
Capital outlay	17,238,282	17,231,068	-	17,231,068	7,214
Total Expenditures	<u>\$ 18,263,082</u>	<u>\$ 18,239,632</u>	<u>\$ -</u>	<u>\$ 18,239,632</u>	<u>\$ 23,450</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 516,643</u>	<u>\$ -</u>	<u>\$ 516,643</u>	<u>\$ 516,643</u>
Other Financing Sources (Uses):					
Transfer Out	\$ -	\$ -	\$ (84,431)	\$ (84,431)	\$ (84,431)
Fund balance appropriated	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,431)</u>	<u>\$ (84,431)</u>	<u>\$ (84,431)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 516,643</u>	<u>\$ (84,431)</u>	<u>\$ 432,212</u>	<u>\$ 432,212</u>
Fund Balances:					
Beginning of year, July 1			516,643		
End of year, June 30			<u>\$ 432,212</u>		

Wilson County, North Carolina
Grant Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2011

Exhibit C-9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Community Development					
Block Grants:					
Scattered Sites (#09-C-2011)	\$ 424,969	\$ 36,231	\$ 382,990	\$ 419,221	\$ (5,748)
Expenditures:					
Scattered Sites: (#09-C-2011)	<u>424,969</u>	<u>36,231</u>	<u>382,990</u>	<u>419,221</u>	<u>5,748</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	\$ -	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

Enterprise Funds

Wilson County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2011

Exhibit D-1

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 2,286,825	\$ 2,327,996	\$ 41,171
Expenditures:			
Operating expenses	\$ 9,045,090	\$ 2,035,930	\$ 7,009,160
Capital outlay	793,410	748,118	45,292
Total Expenditures	\$ 9,838,500	\$ 2,784,048	\$ 7,054,452
Revenues Over (Under) Expenditures	\$ (7,551,675)	\$ (456,052)	\$ 7,095,623
Other Financing Sources (Uses):			
Investment earnings	\$ 50,000	\$ 38,538	\$ (11,462)
Fund balance appropriated	6,162,703		(6,162,703)
Transfer (to)/ from other funds	1,338,972	(10,300)	(1,349,272)
Total Other Financing Sources (Uses)	\$ 7,551,675	\$ 28,238	\$ (7,523,437)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (427,814)	\$ (427,814)
 Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Capital outlays		\$ 748,118	
Depreciation		(193,267)	
Allowance for bad debts		(1,445)	
(Increase) Decrease in accrued landfill closure and costs		(176,620)	
(Increase) in accrued compensated absences		(803)	
Total Reconciling Items		\$ 375,983	
Change in Net Assets		\$ (51,831)	

Wilson County, North Carolina
Southeast Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2011

Exhibit D-2

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 682,932	\$ 711,201	\$ 28,269
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 274,636	\$ 216,675	\$ 57,961
Water purchases	170,000	154,137	15,863
Total Operating Expenditures	\$ 444,636	\$ 370,812	\$ 73,824
Debt Service:			
Interest	\$ 164,220	\$ 163,953	\$ 267
Principal	74,076	74,075	1
Total Debt Service	\$ 238,296	\$ 238,028	\$ 268
Total Expenditures	\$ 682,932	\$ 608,840	\$ 74,092
Revenues Over (Under) Expenditures	\$ -	\$ 102,361	\$ 102,361
Other Financing Sources (Uses):			
Transfers to other funds	\$ (5,150)	\$ (5,150)	\$ -
Fund balance appropriated	5,150	-	(5,150)
Total Other Financing Sources (Uses)	\$ -	\$ (5,150)	\$ (5,150)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 97,211	\$ 97,211
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Capital outlay		\$ -	
Principal paid on long-term debt		74,075	
Allowance for bad debt		(5,719)	
Depreciation		(271,461)	
Increase in accrued interest		267	
Increase in postemployment benefit		(5,734)	
Increase in accrued compensated absences		1,413	
Total Reconciling Items		\$ (207,159)	
Change in Net Assets		\$ (109,948)	

Wilson County, North Carolina
Southwest Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2011

Exhibit D-3

	2011		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 849,995	\$ 803,225	\$ (46,770)
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 272,519	\$ 197,743	\$ 74,776
Water purchases	173,816	171,661	2,155
Total Operating Expenditures	\$ 446,335	\$ 369,404	\$ 76,931
Debt Service:			
Interest	\$ 286,823	\$ 284,667	\$ 2,156
Principal	116,837	116,836	1
Total Debt Service	\$ 403,660	\$ 401,503	\$ 2,157
Total Expenditures	\$ 849,995	\$ 770,907	\$ 79,088
Revenues Over (Under) Expenditures	\$ -	\$ 32,318	\$ 32,318
Other Financing Sources (Uses):			
Transfers to other funds	\$ (5,150)	\$ (5,150)	\$ -
Fund balance appropriated	5,150	-	(5,150)
Total Other Financing Sources (Uses)	\$ -	\$ (5,150)	\$ (5,150)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 27,168	\$ 27,168
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Capital Outlay		\$ -	
Principal paid on long-term debt		116,836	
Depreciation		(6,565)	
Allowance for bad debts		(330,771)	
Decrease in accrued interest		409	
Increase in other postemployment benefit		(5,734)	
Increase in accrued compensated absences		(713)	
Total Reconciling Items		\$ (226,538)	
Change in Net Assets		\$ (199,370)	

Other Schedules/Statements

Wilson County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2011

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections And Credits	Uncollected Balance June 30, 2011
2010-2011	\$ -	\$ 47,031,339	\$ 45,454,664	\$ 1,576,675
2009-2010	1,454,616	-	1,102,821	351,795
2008-2009	380,139	-	168,753	211,386
2007-2008	205,356	-	58,564	146,792
2006-2007	177,340	-	38,739	138,601
2005-2006	123,133	-	10,081	113,052
2004-2005	147,947	-	8,831	139,116
2003-2004	108,503	-	5,273	103,230
2002-2003	103,883	-	4,493	99,390
2001-2002	84,682	-	3,732	80,950
2000-2001	76,151	-	76,151	-
	\$ 2,861,750	\$ 47,031,339	\$ 46,932,102	\$ 2,960,987
Less: Allowance for Uncollectible Accounts:				
General Fund				(837,657)
Ad Valorem Taxes Receivable - Net:				
General Fund				\$ 2,123,330
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 47,171,296
Reconciling Items:				
Interest collected				\$ (363,303)
Taxes written off				124,109
Total Reconciling Items				\$ (239,194)
Total Collections and Credits				\$ 46,932,102

**Wilson County, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2011**

Exhibit E-2

	<u>County - Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 6,099,804,650	0.73	\$ 44,580,183	\$ 42,223,739	\$ 2,356,444
Motor vehicles taxed at prior year's rate	203,794,919	0.73	1,517,047	-	1,517,047
Discoveries	112,274,676	0.73	1,846,707	1,846,707	-
Abatements:					
at current year's rate	(16,920,448)	0.73	(148,697)	(119,376)	(29,321)
at prior year's rate	<u>(13,411,855)</u>	0.73	<u>(763,901)</u>	<u>(722,680)</u>	<u>(41,221)</u>
Total Property Valuation	<u>\$ 6,385,541,942</u>				
Net Levy			\$ 47,031,339	\$ 43,228,390	\$ 3,802,949
Uncollected taxes at June 30, 2011			(1,576,675)	(1,022,517)	(554,158)
Current Year's Taxes Collected			<u>\$ 45,454,664</u>	<u>\$ 42,205,873</u>	<u>\$ 3,248,791</u>
Current Levy Collection Percentage			<u>96.65%</u>	<u>97.63%</u>	<u>85.43%</u>

Wilson County, North Carolina
 Agency Funds
 Statement of Changes in Assets and Liabilities
 For The Fiscal Year Ended June 30, 2011

Exhibit E-3

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 4,247	\$ 59,822	\$ 60,058	\$ 4,011
Liabilities:				
Miscellaneous liabilities	\$ 4,247	\$ 59,822	\$ 60,058	\$ 4,011
 Deed of Trust Fee Fund				
Assets:				
Cash and cash equivalents	\$ 980	\$ 8,835	\$ 9,010	\$ 805
Liabilities:				
Miscellaneous liabilities	\$ 980	\$ 8,835	\$ 9,010	\$ 805

Compliance Section

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

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprises Wilson County's basic financial statements, and have issued our report thereon dated November 4, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Wilson County ABC Board, as described in our report on Wilson County's financial 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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Wilson County, in a separate letter dated November 4, 2011.

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 4, 2011

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

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the Wilson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major federal programs for the year ended June 30, 2011. Wilson County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, and which are described in the accompanying Schedule of findings and Questioned costs as items 11-1 and 11-2.

Internal Control over Compliance

Management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance 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 the County's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 11-1 and 11-2. 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 than a material weakness in internal control over compliance, yet important enough to merit attention by those charged in governance.

Wilson County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on the response.

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 4, 2011

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

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited Wilson County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that are applicable to each of its major State programs for the year ended June 30, 2011. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, and which are described in the accompanying Schedule of findings and Questioned costs as items 11-3.

Internal Control over Compliance

Management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 11-3. 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.

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

Wilson County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on the response.

Flowers & Stanley, LLP

Tarboro, North Carolina
November 4, 2011

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no

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

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

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

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program
93.558	Temporary Assistance for Needy Families
93.714	ARRA-Temporary Assistance for Needy Families
	Subsidized Child Care Cluster:
93.575	Child Care and Development Block Grant
93.667	Social Services Block Grant
93.558	Temporary Assistance for Needy Families
93.596	Child Care Development Fund
93.713	ARRA - Childcare and Development Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs \$2,972,343

Auditee qualified as low-risk auditee yes no

State Awards

Internal control over major State programs:

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

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

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

Identification of major State programs:

<u>Program Name</u>	<u>CFDA #</u>
SC/SA Domiciliary Care	N/A
Public School Building Fund	N/A

Section II - Financial Statement Findings

NONE

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III - Federal Award Findings and Questioned Costs

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

Significant Deficiency - Eligibility
Finding 11-1

Criteria or Specific Requirement: All case records should contain the appropriate budget sheet and documentation of income verification.

Condition: One (1) instance was noted in which the case file did not contain the appropriate budget sheet and documentation of income verification.

Questioned Costs: None. The missing information did not result in an improper eligibility determination.

Context: Of the sixty (60) case files examined, one (1) of the case files on the County's paperless filing system did not contain required calculations and supporting documentation for eligibility determination.

Effect: Without proper calculations and supporting documentation, eligibility cannot be readily substantiated. Therefore, the risk of improper eligibility determination exists.

Cause: Poorly designed policies during the transition to a paperless filing system. Case files are filed under the name of the casehead, and there are situations where multiple cases fall under a single casehead. The use of the same file names caused the budget and income verification documents belonging to one case to be overwritten by the same documents of a second case.

Recommendation: Better filing procedures need to be implemented to prevent the deletion of required documents.

Views of Responsible Officials: We agree with the finding and have scheduled staff training in order to mitigate the risk of such an oversight occurring again.

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section III - Federal Award Findings and Questioned Costs

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

Significant Deficiency - Eligibility
Finding 11-2

Criteria or Specific Requirement: A completed application is required for all cases, per Chapter 4, Section III, B, of the NC DHHS manual.

Condition: Nine (9) instances were noted in which the application contained in the case file was incomplete.

Questioned Costs: None. The missing information did not result in an improper eligibility determination.

Context: Of the forty (40) case files examined, eight (8) files omitted the question regarding citizenship status and one (1) omitted the question regarding the reason child care was needed.

Effect: The questions on the Application (DCD-0456) directly address the various requirements in order to qualify for services. When questions are left unanswered, it is not clear if the particular requirements have been met. Therefore, clients who do not qualify could have their application approved and receive services that they should not receive.

Cause: Inconsistent and incomplete implementation of the procedures for completing the Application (DCD-0456).

Recommendation: Additional training should take place to stress the importance of the implementation of proper procedures.

Views of Responsible Officials: We agree with the finding and have scheduled staff training in order to mitigate the risk of such an oversight occurring again.

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Section IV- State Award Findings and Questioned Costs

N.C. Department of Health and Human Services
Division of Aging and Adult Services
Program Name: State/County Special Assistance for Adults

**Significant Deficiency - Eligibility
Finding 11-3**

Criteria or Specific Requirement: North Carolina Special Assistance Manual, Section SA-3320(II)(A), states that a valid FL-2 recommending the appropriate level of care must be in the eligibility file.

Condition: One (1) case file contained an improper FL-2.

Questioned Costs: None. The missing information did not result in an improper eligibility determination.

Context: Of the forty (40) case files examined, one (1) file contained a FL-2 without a recommended level of care of 'rest home' or 'domiciliary'.

Effect: Client could have received services for which they were not qualified.

Cause: Inconsistent implementation of procedures. The FL-2 received at review was incorrect, the caseworker requested a corrected FL-2. However, the caseworker did not review the 'corrected' FL-2 received.

Recommendation: Further training and more detailed review procedures.

Views of Responsible Officials: We agree with the finding and have scheduled staff training in order to mitigate the risk of such an oversight occurring again.

**Wilson County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2011**

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

Finding 11-1

Name of Contract Person: Carolyn McDuffie

Corrective Action: This file had more than one MIC case and the reviews were due on the MIC cases at different times. A review was completed on the first MIC case and then later when the review was done on the second MIC case, we feel that when the worker went to save the budget and income verifications in the paperless file system, she overrode the information from the first review causing it to be deleted. We have already changed the way we add our information to our secure files. Now we pull the secure file and save current information we are working on to that file. During the team staff meeting in November, the team leader will also remind staff to be very careful when naming information in the paperless file and when overwriting information that is already saved.

Proposed Completion: Immediately.

Finding 11-2

Name of Contract Person: Tracey Mooring

Corrective Action: Per the 7 cases with findings of Citizenship Status box not checked and the 1 case where the Reason CC Services are needed was unchecked, training will all staff will be reviewed in the next child care staff meeting.

Proposed Completion: July 1, 2011

**Wilson County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2011**

Section IV- State Award Findings and Questioned Costs

Finding 11-3

Name of Contract Person: Barbara Joyner

Corrective Action:

1. Special Assistance caseworkers, team coordinator and customer service representatives will receive refresher training in October 2011.
2. Team coordinator/team leader will pull random sample of Special Assistance cases monthly and ensure FL-2's are correct.
3. Team coordinator/team leader will review incoming FL-2's randomly each month to ensure compliance.
4. Team leader will require that caseworkers document on each FL-2 that it has been reviewed and is correct by inserting text box and date reviewed.

Proposed Completion: November 1, 2011

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

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

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>\$ 1,165,071</u>	<u>\$ -</u>	<u>\$ 1,149,279</u>
<u>\$ 591,488</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,233,238	\$ -	\$ -
-	-	-
<u>\$ 2,233,238</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,989,797</u>	<u>\$ -</u>	<u>\$ 1,149,279</u>
*		
\$ 631,271	\$ 60,157	\$ 463,626
521,074	116,418	116,418
143,549	39,107	51,610
<u>\$ 1,295,894</u>	<u>\$ 215,682</u>	<u>\$ 631,654</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Division of Social Services: (continued)	
Medical Assistance Program - Medicaid Title XIX	93.778
TANF ARRA	93.714
Low Income Energy Assistance/Crisis Intervention	93.568
NC Health Choice	93.767
Social Services Block Grant	93.667
Child Support Enforcement	93.563
Permanency Planning	93.645
Temporary Assistance for Needy Families	93.558
Family Preservation	93.556
LINKS	93.674
LINKS - Direct Benefit	93.674
TANF - Job Boost	93.558
Family Violence Prevention	93.671
Total Division of Social Services	
Division of Public Health:	
Tuberculosis Control Project - CDC	93.116
Promotion Program	93.991
Maternal and Child Health Services Block Grant	93.994
Temporary Assistance for Needy Families	93.558
Immunization Action Plan	93.268
Prevention Investigations and Technical Assistance	93.283
Public Health Emergency Preparedness	93.069
Environmental Public Health and Emergency Preparedness	93.070
Medical Assistance Program	93.778
Family Planning Services	93.217
Total Division of Public Health	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
1,768,123	110,953	1,618,392
270,157	-	-
493,913	-	-
78,488	3,993	21,690
417,765	36,689	145,898
948,477	35	488,574
21,663	-	7,310
2,255,321	-	1,260,496
6,501	-	-
12,055	3,014	-
23,904	-	-
68,342	-	-
3,140	-	-
<u>\$ 7,663,743</u>	<u>\$ 370,366</u>	<u>\$ 4,174,014</u>
\$ 20,488	\$ -	\$ -
15,063	-	-
138,225	103,681	-
10,316	-	-
27,189	-	-
97,684	35	-
7,466	-	-
3,417	-	-
125,106	48,267	-
135,695	-	-
<u>\$ 580,649</u>	<u>\$ 151,983</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Subsidized Child Care Cluster: (Note 2)	
Child Care Development Fund Cluster:	
Division of Social Services:	
Child Care Development Fund - Administration	93.596
Division of Child Development:	
Child Care Development Funds Discretionary	93.575
Child Care and Development Fund - Mandatory	93.596
Child Care and Development Fund - Match	93.596
ARRA - Child Care and Development Block Grant	93.713
Total Child Care Development Fund Cluster	
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
TANF - MOE	N/A
State Appropriations	N/A
ARRA - Temporary Assistance for Needy Families	93.714
Total Subsidized Child Care Cluster	
Aging Cluster:	
Title III - C1/Congregate Nutrition	93.045
ARRA - Aging Congregate Nutrition for States	93.707
Title III - C2/Home Delivered Meals	93.045
Title III - B/Access	93.044
Title III - B/In-Home Services	93.044
Title III - Family Caregiver	93.053
Total Aging Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 209,807	\$ -	\$ -
1,843,587	-	-
813,478	-	-
134,805	72,271	-
70,312	-	-
<u>\$ 3,071,989</u>	<u>\$ 72,271</u>	<u>\$ -</u>
23,076	-	-
623,590	-	-
-	117,320	-
-	344,199	-
350,941	-	-
<u>\$ 4,069,596</u>	<u>\$ 533,790</u>	<u>\$ -</u>
\$ 94,511	\$ 5,560	\$ -
7,426	437	\$ -
160,700	9,453	-
16,186	952	-
78,143	4,597	-
48,335	-	-
<u>\$ 405,301</u>	<u>\$ 20,999</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Social Service Block Grant (SSBG) - In-Home Services	93.667
Nutrition Services Incentive Program (NSIP) Supplement	93.053
Direct Benefit Payments:	
Medical Assistance Program	93.778
Temporary Assistance for Needy Families	93.558
Energy Assistance	93.568
Total Direct Benefit Payments	
Total U.S. Department of Health and Human Services	
U.S. Department of Commerce:	
Passed-through N.C. Department of Commerce:	
Small Cities Community Development Block Grant	14.228
U.S. Department of Transportation:	
Passed-through N.C. Department of Transportation:	
Formula Grant for Other than Urbanized Areas	20.509
U.S. Department of Homeland Security:	
Passed-through N.C. Department of Crime and Public Safety:	
FEMA Public Assistance Grant	97.036

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 43,816	\$ 1,252	\$ -
\$ 20,542	\$ 1,369	\$ -
\$ 79,994,422	\$ 33,264,734	\$ 37,587
581,343	(880)	(437)
542,431		
<u>\$ 81,118,196</u>	<u>\$ 33,263,854</u>	<u>\$ 37,150</u>
<u>\$ 93,901,843</u>	<u>\$ 34,343,613</u>	<u>\$ 4,211,164</u>
\$ 382,990	\$ -	\$ -
\$ 305,638	\$ 4,929	\$ -
\$ 23,420	\$ -	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Justice:	
Passed-through N.C. Department of Crime and Public Safety:	
2009 Earmark Gang Prevention Grant	16.541
ARRA - Assistance to Rural law Enforcement to Combat Crime and Drugs	16.810
Bulletproof Vest Partnership Program	16.607
Total U.S. Department of Justice	
Election Assistance Commission	
Passed-through N.C. Department of Crime and Public Safety:	
Help America Vote Act	90.401
U.S. Department of Housing and Urban Development:	
Passed-through N.C. Office of Economic Recovery and Investment:	
North Carolina's Homelessness Prevention and Rapid Re-housing Program	14.262
 STATE GRANTS:	
N.C. Department of Transportation:	
RGP	N/A
Rural Operating Assistance	N/A
ROA - Workfirst	N/A
Total N.C. Department of Transportation	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 3,643	\$ -	\$ -
132,315	-	-
4,575	-	-
<u>\$ 140,533</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,053</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 326,820</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 109,388	\$ -
-	97,619	-
-	20,238	-
<u>\$ -</u>	<u>\$ 227,245</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS:	
N.C. Department of Health and Human Services:	
Division of Social Services:	
Energy Assistance	N/A
County Funded Programs	N/A
CWS Adoption Subsidy - Direct Benefit	N/A
SC/SA Domiciliary Care - Direct Benefit	N/A
State Foster Home - Direct Benefit	N/A
SFHF Maximization - Direct Benefit	N/A
Foster Care Special Provision - Direct Benefit	N/A
TANF/AFDC Program Integrity	N/A
State Aid to Counties	N/A
State Adult Protective Service	N/A
F/C At Risk Maximization	N/A
SC/SA Administration	N/A
Total Division of Social Services	
Division of Health:	
General Health	N/A
Tuberculosis Control	N/A
AIDS Control Project	N/A
Risk Reduction/Health Promotion	N/A
Women's Preventative Health	N/A
Breast and Cervical Cancer Control	N/A
Total Division of Health	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 2,581	\$ -
-	188	891,106
-	320,568	24,482
-	996,183	997,574
-	68,859	68,858
-	132,687	132,686
-	492	-
-	6,474	-
-	-	310,553
-	46,840	-
-	1,174	629
-	-	74,604
<u>\$ -</u>	<u>\$ 1,576,046</u>	<u>\$ 2,500,492</u>
\$ -	\$ 167,323	\$ -
-	71,345	-
-	2,288	-
-	6,366	-
-	12,097	-
-	3,345	-
<u>\$ -</u>	<u>\$ 262,764</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Health and Human Services: (continued)	
Division of Aging and Adult Services:	
Access - 90% State Funds	N/A
In-Home Services - 90% State Funds	N/A
Caregiver Match - 90% State Funds	N/A
Home Delivered Meals - 90% State Funds	N/A
Senior Center Development	N/A
Total Division of Aging and Adult Services	
Total N.C. Department of Health and Human Services	
N.C. Department of Public Instruction:	
NC DPI Dropout Prevention Grant	N/A
Public School Building Fund	N/A
Total N.C. Department of Public Instruction	
N.C. Department of Environment and Natural Resources:	
Scrap Tire Program	N/A
N.C. Department of Cultural Resources:	
Aid to Public Libraries Fund	N/A
N.C. Department of Commerce:	
Rural Economic Development Building Reuse and Restoration	N/A

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 22,275	\$ -
-	98,694	-
-	5,885	-
-	67,349	-
-	11,831	-
<u>\$ -</u>	<u>\$ 206,034</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 2,044,844</u>	<u>\$ 2,500,492</u>
\$ -	\$ 173,450	\$ -
-	405,898	-
<u>\$ -</u>	<u>\$ 579,348</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 47,486</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 146,221</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 38,604</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Corrections:	
Communities in Schools of North Carolina	N/A
Criminal Justice Partnership Program	N/A
Total N.C. Department of Corrections	
N.C. Department of Juvenile Justice and Delinquency Prevention:	
Gang Intervention and Prevention Programs	N/A
Juvenile Crime Prevention Programs	N/A
Total N.C. Department of Juvenile Justice and Delinquency Prevention	
N.C. Department of Insurance:	
SHIIP	N/A
N.C. Department of Crime Control and Public Safety:	
Emergency Management Grants	N/A
Total Financial Assistance	

Note 1: The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Wilson County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

Note 2: The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: **Subsidized Child Care**.

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 5,200	\$ -
-	86,963	-
<u>\$ -</u>	<u>\$ 92,163</u>	<u>\$ -</u>
\$ -	\$ 191,970	\$ -
-	253,945	-
<u>\$ -</u>	<u>\$ 445,915</u>	<u>\$ -</u>
\$ -	\$ 3,336	\$ -
\$ -	\$ 38,087	\$ -
<u>\$ 99,078,094</u>	<u>\$ 38,011,791</u>	<u>\$ 7,860,935</u>