

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013***

***WILSON COUNTY  
NORTH CAROLINA***



FINANCE DEPARTMENT  
DONNA B. WOOD  
FINANCE DIRECTOR

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**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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# INTRODUCTORY SECTION

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# Letter of Transmittal



October 25, 2013

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

State laws along with policies and procedures of the North Carolina Local Government Commission require, that all general purpose local governments in the State publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of Wilson County for the fiscal year ended June 30, 2013.

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

Wilson County Government's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## PROFILE OF WILSON COUNTY

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

Wilson County is located in the east-central part of the State, amid the broad coastal plain which covers nearly half the State, from the Atlantic to the fall lines of the Roanoke, Tar, Neuse, and Cape Fear Rivers. The County, which measures approximately 30 miles from east to west and 20 miles from north to south, encompasses approximately 373 square miles. The principal waterways are the Contentnea Creek, Toisnot Swamp, Black Creek, and Town Creek. The 2010 Census reported Wilson County's population at 81,234. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,167 according to the 2010 Census, covers 28.5 square miles. Other municipalities located in the County include the towns of Elm City, Saratoga, Stantonsburg, Black Creek, Lucama, and Sims.

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

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

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

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

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

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

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

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

## FACTORS AFFECTING FINANCIAL CONDITION

### Local economy

Wilson County's economy has evolved over the last 30 years from a largely agriculture-based economy to a diverse mix of agriculture, manufacturing, commercial, and service sectors. However, the County is still a leading farm market in the state with \$179,890,450 in farm sales in 2012. Major industries located within the County include tire manufacturing, pharmaceuticals, glass containers, building components, aerospace fire protection equipment, and food processing among others. The State also has a significant presence in the County with a major long-term health care facility and a school for the deaf located in the City of Wilson.

The County has experienced the recession as has the rest of the United States. Unemployment remains high, 13.1% compared to 9.3% for the State. The average weekly wage for 2012 for Wilson County was \$884, the eighth highest average weekly wage in the State.

In 2012, Wilson County saw the location of two alternative energy facilities, Carolina Solar Energy and International Wood Fuels. Carolina Solar Energy located a solar panel farm on 50 acres in the County. Although there are no employees at the site, the company invested \$1.2 million in the construction of the solar farm which works in conjunction with Duke Energy Progress, the largest electric power holding company in the United States located in Charlotte, NC. International Wood Fuels will be building a facility to make a pellet product used primarily in Europe as an alternative fuel source. They will invest \$60 million and employ approximately 42 people.

Branch Banking & Trust Company, the nation's 12th largest financial holding company, continues to grow and currently employs approximately 2,000 people. Bridgestone Americas operates a plant in Wilson that employs approximately 2,000 people making radial tires for cars and light trucks. It continues its commitment to make new investment in its facility. Equipment upgrades and modernizations increase productivity and contribute, on average, \$35 million in new investment dollars annually with plans to continue through 2016. Other large employers include Wilson County Schools with approximately 1,500 employees; Wilson Medical Center with approximately 1,400 and Smithfield Packing Company with approximately 700 employees.

Retail sales in Wilson County was \$797,319,829 in 2012. There were 16 new restaurants and 53 new retail stores opened in 2012. Retail vacancies have remained the same as prior year with no significant increases or decreases.

### Long-term financial planning

In November 2012 the County entered into a Limited Obligation Refunding agreement to cash fund the defeasance for three Series of USDA general obligation bonds of \$9,377,999 within the two Water Districts. The County created a Water Fund that would report the investment in district bonds and the consolidated general obligation debt of \$9,190,000. The debt for each district remains with the districts for the duration of the debt (Southeast District and Southwest Water District are \$3,240,000 and \$5,950,000, respectively) but the districts will transfer money to the County Water Fund which in turn will pay the Districts principal and interest on the debt (the County Water Fund does not have other revenues or expenses, since the operations are reflected in each Water District, respectively).

The refunding bonds were issued at a premium, thereby reducing the amount of bonds needed to be issued. This current refunding was undertaken to reduce the average life from 18.817 years to 17.058 years and reduce total (gross) debt service payments over the next 30 years by \$2,222,932.30 and resulted in a (NPV) economic gain of \$1,199,704.08.



The Department of Emergency Medical Services received approval by the Board for a capital project to purchase land and construct two additional Emergency Medical Service Stations in the County to better serve the citizens of the County. The funds for the project were approved from General Government Fund Appropriations in the Fiscal Year 2014 Budget Ordinance. The project is anticipated to cost \$500,000.

The Department of Social Services received approval by the Board on July 8, 2014 to use Restricted Fund Balance for the construction of an additional building to manage the increasing functions of the Department of Social Services. The project is anticipated to cost approximately \$1,450,000

Over the past fifteen years, Wilson County has committed to the upgrade of the school facilities as well as county buildings and equipment. That commitment led to the issuance of various debt instruments and has provided the County with upgraded facilities that will be reflected well into the future. There are no additional capital projects planned by the County which would require the incurrence of County debt.

The County is in the process of developing a capital project fund (Capital Improvements Projects Fund) to record and plan for future building and equipment improvements. The CIP will address many of the capital improvements needed within the county and will be revised and updated annually to correspond with changing revenues and the current economic environment.

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Wilson, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### ACKNOWLEDGEMENTS

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

Respectfully submitted,

WILSON COUNTY, NORTH CAROLINA



Ellis Williford  
County Manager



Donna Wood  
Finance Director



Government Finance Officers Association

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

Presented to

**County of Wilson  
North Carolina**

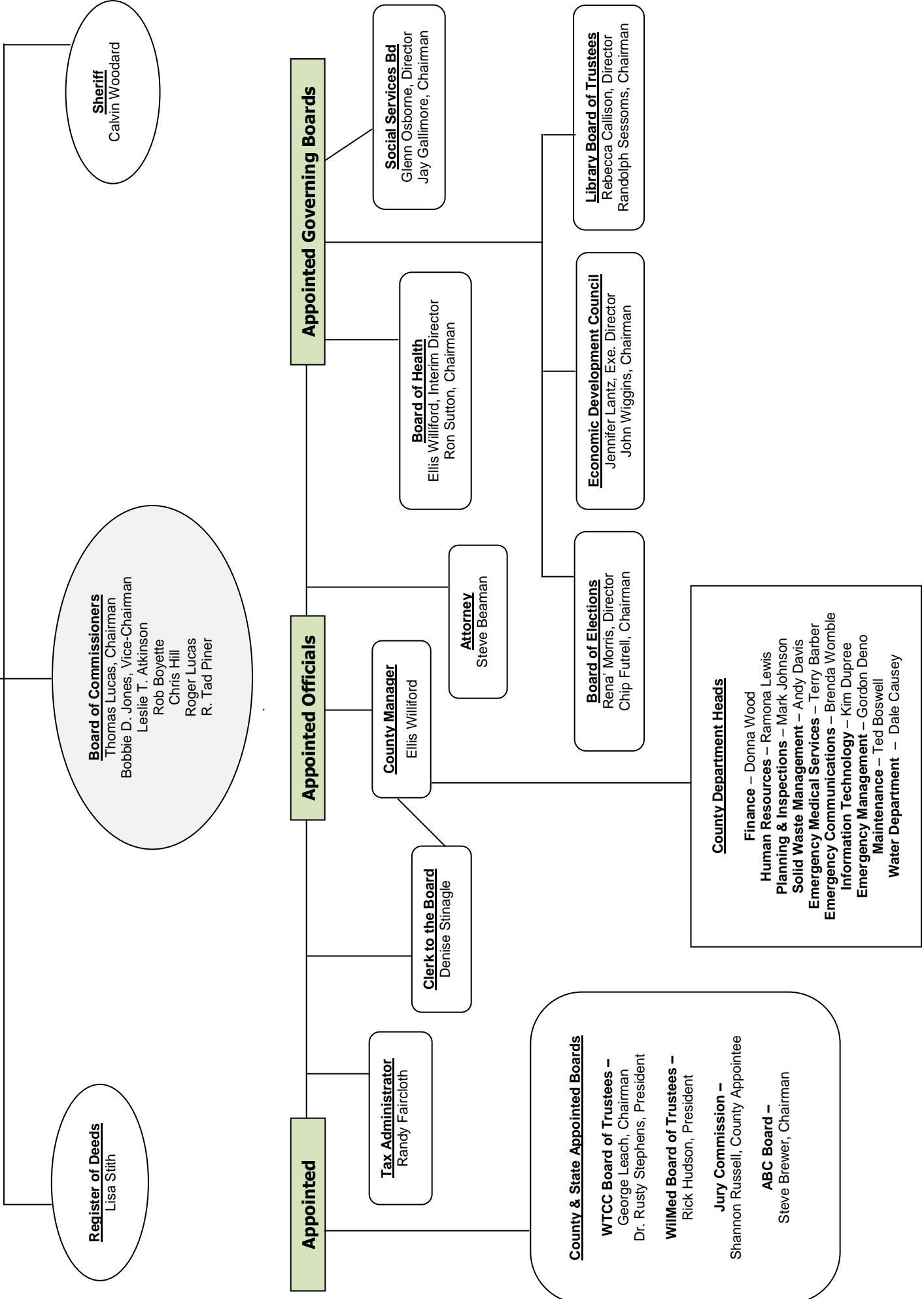
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



# Wilson County Elected Officials



**Wilson County  
List of Principal Officials  
June 30, 2013**

**Elected Officials**

|                   |            |                                |
|-------------------|------------|--------------------------------|
| Commissioner      | District 2 | Thomas Lucas, Chairman         |
| Commissioner      | District 3 | Bobbie D. Jones, Vice Chairman |
| Commissioner      | District 1 | Leslie T. Atkinson             |
| Commissioner      | District 4 | Roger Lucas                    |
| Commissioner      | District 5 | Rob Boyette                    |
| Commissioner      | District 6 | Chris Hill                     |
| Commissioner      | District 7 | Tad Piner                      |
| <br>              |            |                                |
| Sheriff           |            | Calvin Woodard                 |
| Register of Deeds |            | Lisa Stith                     |

**Administrative Officials**

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

# **FINANCIAL SECTION**

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Wilson County  
Wilson, North Carolina

### Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County's basic financial statements. The introductory information, combining and individual nonmajor fund financial statements, budgetary schedules and other schedules, statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2013 on our consideration of Wilson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
October 25, 2013

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## Management's Discussion and Analysis

As management of Wilson County, we offer readers of Wilson County's financial statements this narrative overview and analysis of the financial activities of Wilson County for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

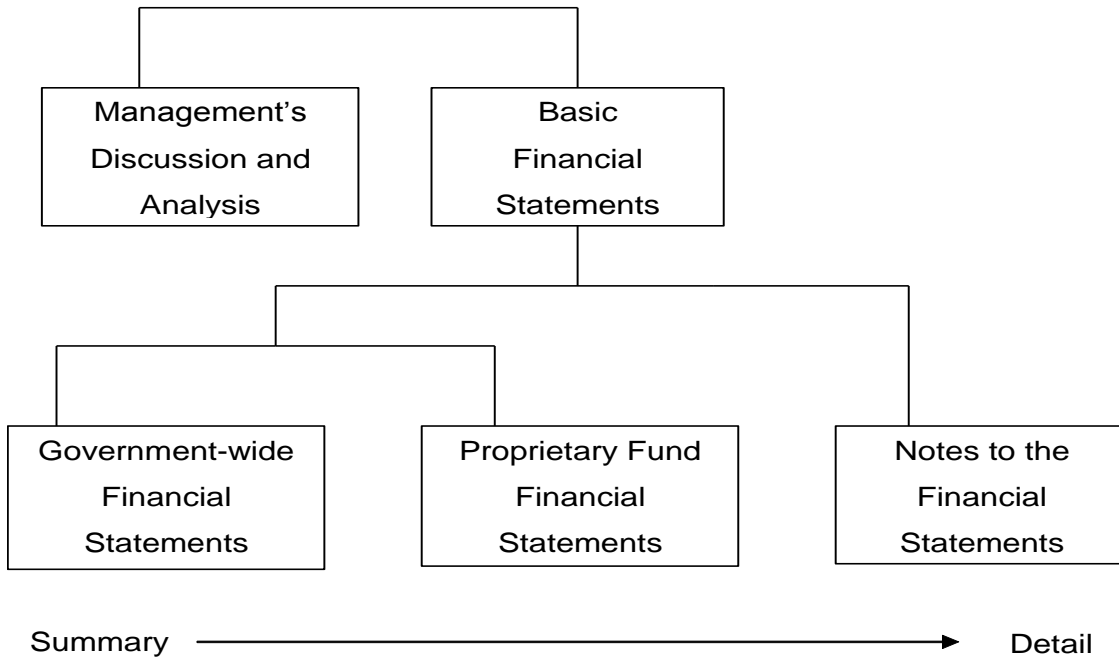
### Financial Highlights

- The assets and deferred outflows of resources of Wilson County activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$53,513,816.
- The government's total net position increased by \$5,058,159, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$41,349,271, after a net increase in fund balance of \$2,968,814. Approximately 25.69 percent of this total amount, or \$10,621,304, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,737,920, or 19.25 percent of total General Fund expenditures for the fiscal year.
- The County holds the following bond ratings:
  - Moody's Aa2
  - Fitch AA

### Overview of the Financial Statements

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

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



### **Basic Financial Statements**

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

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

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

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

## **Government-Wide Financial Statements**

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

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

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

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

## **Fund Financial Statements**

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

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

## 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.

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 31 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also includes certain required supplementary information concerning Wilson County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 of this report.

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

As noted earlier, net position over time may serve as a useful indicator of a government's financial condition. The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources by \$53,513,816 as of June 30, 2013.

Management Discussion and Analysis  
Wilson County

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

|                                      | <b>Governmental<br/>Activities</b> |                      | <b>Business-Type<br/>Activities</b> |                      | <b>Total</b>         |                      |
|--------------------------------------|------------------------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|
|                                      | <b>2013</b>                        | <b>2012</b>          | <b>2013</b>                         | <b>2012</b>          | <b>2013</b>          | <b>2012</b>          |
| <b>Assets:</b>                       |                                    |                      |                                     |                      |                      |                      |
| Current and other assets             | \$ 48,308,074                      | \$ 45,647,581        | \$ 18,494,327                       | \$ 18,468,200        | \$ 66,802,401        | \$ 64,115,781        |
| Restricted assets                    | 581,598                            | 505,656              | 154,808                             | -                    | 736,406              | 505,656              |
| Capital assets                       | 25,257,937                         | 24,954,913           | 27,314,716                          | 27,447,437           | 52,572,653           | 52,402,350           |
| Other assets                         | 2,094,050                          | 2,617,562            | 8,660,000                           | -                    | 10,754,050           | 2,617,562            |
| <b>Total assets</b>                  | <b>76,241,659</b>                  | <b>73,725,712</b>    | <b>54,623,851</b>                   | <b>45,915,637</b>    | <b>130,865,510</b>   | <b>119,641,349</b>   |
| Total deferred outflows of resources | 212,874                            | -                    | -                                   | -                    | 212,874              | -                    |
| <b>Liabilities:</b>                  |                                    |                      |                                     |                      |                      |                      |
| Long-term liabilities outstanding    | 50,524,083                         | 52,956,003           | 22,654,546                          | 13,596,847           | 73,178,629           | 66,552,850           |
| Other liabilities                    | 3,528,238                          | 3,808,504            | 430,828                             | 346,390              | 3,959,066            | 4,154,894            |
| <b>Total liabilities</b>             | <b>54,052,321</b>                  | <b>56,764,507</b>    | <b>23,085,374</b>                   | <b>13,943,237</b>    | <b>77,137,695</b>    | <b>70,707,744</b>    |
| Total deferred inflows of resources  | 426,873                            | 374,259              | -                                   | -                    | 426,873              | 374,259              |
| <b>Net Position:</b>                 |                                    |                      |                                     |                      |                      |                      |
| Net investment in capital assets     | 19,698,346                         | 18,731,886           | 17,618,131                          | 17,343,940           | 37,316,477           | 36,075,826           |
| Restricted                           | 10,621,304                         | 8,066,366            | -                                   | -                    | 10,621,304           | 8,066,366            |
| Unrestricted                         | (8,344,311)                        | (10,211,306)         | 13,920,346                          | 14,628,460           | 5,576,035            | 4,417,154            |
| <b>Total net position</b>            | <b>\$ 21,975,339</b>               | <b>\$ 16,586,946</b> | <b>\$ 31,538,477</b>                | <b>\$ 31,972,400</b> | <b>\$ 53,513,816</b> | <b>\$ 48,559,346</b> |

The County's net position increased by \$5,058,159 for the fiscal year ended June 30, 2013. One of the largest portions \$37,316,477 (69.7%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery and equipment). Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net position \$10,621,304 (19.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,576,035 (10.4%) is unrestricted.

Management Discussion and Analysis  
Wilson County

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

|   | <b>Governmental<br/>Activities</b> |                      | <b>Business-Type<br/>Activities</b> |                      | <b>Total</b>         |                      |
|---|------------------------------------|----------------------|-------------------------------------|----------------------|----------------------|----------------------|
|   | <b>2013</b>                        | <b>2012</b>          | <b>2013</b>                         | <b>2012</b>          | <b>2013</b>          | <b>2012</b>          |
| <b>Revenues:</b>                                |                                    |                      |                                     |                      |                      |                      |
| Programs revenues:                              |                                    |                      |                                     |                      |                      |                      |
| Charges for services                            | \$ 13,427,111                      | \$ 13,397,401        | \$ 4,255,318                        | \$ 4,182,771         | \$ 17,682,429        | \$ 17,580,172        |
| Intergovernmental                               | 17,364,048                         | 18,398,248           | -                                   | -                    | 17,364,048           | 18,398,248           |
| Grants & contributions:                         |                                    |                      |                                     |                      |                      |                      |
| Capital   | 1,457,437                          | 1,960,955            | -                                   | -                    | 1,457,437            | 1,960,955            |
| General revenues:                               |                                    |                      |                                     |                      |                      |                      |
| Property taxes                                  | 49,589,056                         | 48,652,157           | -                                   | -                    | 49,589,056           | 48,652,157           |
| Local option sales tax                          | 11,725,610                         | 11,202,801           | -                                   | -                    | 11,725,610           | 11,202,801           |
| Other taxes & licenses                          | 530,176                            | 499,644              | -                                   | -                    | 530,176              | 499,644              |
| Investment earnings                             | 62,458                             | 68,897               | 231,328                             | 30,207               | 293,786              | 99,104               |
| specific programs                               | 243,750                            | 250,345              | -                                   | -                    | 243,750              | 250,345              |
| Miscellaneous                                   | 108,558                            | 156,371              | -                                   | -                    | 108,558              | 156,371              |
| Total revenues                                  | <u>94,508,204</u>                  | <u>94,586,819</u>    | <u>4,486,646</u>                    | <u>4,212,978</u>     | <u>98,994,850</u>    | <u>98,799,797</u>    |
| <b>Expenses:</b>                                |                                    |                      |                                     |                      |                      |                      |
| General Government                              | 7,248,404                          | 7,651,150            | -                                   | -                    | 7,248,404            | 7,651,150            |
| Public Safety                                   | 20,830,220                         | 19,815,892           | -                                   | -                    | 20,830,220           | 19,815,892           |
| Transportation                                  | 50,246                             | 49,967               | -                                   | -                    | 50,246               | 49,967               |
| Environmental Protection                        | 290,665                            | 284,161              | -                                   | -                    | 290,665              | 284,161              |
| Economic & Physical                             |                                    |                      |                                     |                      |                      |                      |
| Development                                     | 3,427,689                          | 3,025,416            | -                                   | -                    | 3,427,689            | 3,025,416            |
| Human Services                                  | 35,039,483                         | 33,731,053           | -                                   | -                    | 35,039,483           | 33,731,053           |
| Culture & Recreational                          | 1,903,182                          | 1,813,114            | -                                   | -                    | 1,903,182            | 1,813,114            |
| Education                                       | 18,795,853                         | 18,847,287           | -                                   | -                    | 18,795,853           | 18,847,287           |
| Interest & other charges                        | 1,430,380                          | 1,539,092            | -                                   | -                    | 1,430,380            | 1,539,092            |
| Landfill  | -                                  | -                    | 2,632,369                           | 2,535,925            | 2,632,369            | 2,535,925            |
| Water   | -                                  | -                    | 2,288,200                           | 1,870,248            | 2,288,200            | 1,870,248            |
| Total expenses                                  | <u>89,016,122</u>                  | <u>86,757,132</u>    | <u>4,920,569</u>                    | <u>4,406,173</u>     | <u>93,936,691</u>    | <u>91,163,305</u>    |
| Change in net position                          | <u>5,492,082</u>                   | <u>7,829,687</u>     | <u>(433,923)</u>                    | <u>(193,195)</u>     | <u>5,058,159</u>     | <u>7,636,492</u>     |
| Net position, beginning,<br>previously reported | 16,586,946                         | 8,757,259            | 31,972,400                          | 32,165,595           | 48,559,346           | 40,922,854           |
| Restatement                                     | (103,689)                          | -                    | -                                   | -                    | (103,689)            | -                    |
| Net position, beginning,<br>restated            | <u>16,483,257</u>                  | <u>-</u>             | <u>31,972,400</u>                   | <u>-</u>             | <u>48,455,657</u>    | <u>-</u>             |
| Net position, ending                            | <u>\$ 21,975,339</u>               | <u>\$ 16,586,946</u> | <u>\$ 31,538,477</u>                | <u>\$ 31,972,400</u> | <u>\$ 53,513,816</u> | <u>\$ 48,559,346</u> |

## Management Discussion and Analysis Wilson County

**Governmental Activities.** Governmental activities increased the County's net position by \$5,492,082, thereby accounting for 100% of the total growth in the net position of Wilson County. Key elements of the increase are as follows:

- Continued diligence in the collection of property taxes with collection percentage of 96.49%
- Increase in County sales tax collection
- Management of expenditures through use of debt service planning and various operating budgets

**Business-Type Activities.** Business-type activities' net assets decreased Wilson County's net position by (\$433,923). Key elements of this decrease are as follows:

- Increased costs in operation of landfill and water department
- Increase in expenditures due to debt refunding for 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.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, Wilson County's fund balance available in the general fund was \$17,737,920, while total fund balance for the General Fund is \$40,166,634. The Governing Body of Wilson County has determined that the County should maintain an available fund balance of 18% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. The County currently has an available fund balance of 19.85% of General Fund expenditures, while total fund balance represents 44.95% of that same amount.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$41,349,271, an increase of \$2,968,814. 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, increase in sales tax collections and the management of operating budgets.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,475,021. This increase was primarily attributable to Restricted Intergovernmental Revenues.

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

Unrestricted net position of Solid Waste Fund at the end of the fiscal year amounted to \$13,430,645 and those for the Water Districts Funds equaled \$478,305. The total growth in net position for the Solid Waste fund was \$49,191 and the total decrease in net position for the water funds was \$476,266. Other factors concerning the finances of these funds have already been addressed in the discussion of Wilson County's business-type activities.

### **Capital Asset and Debt Administration**

**Capital Assets.** Wilson County's capital assets for its governmental and business-type activities as of June 30, 2013 amount to \$52,572,650 (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 Tax Department;
- Purchased new telephone switching equipment for Information Technology Department;
- Purchased new equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Constructed Recycling Building for Solid Waste Landfill;
- Purchased new vehicle and equipment for Solid Waste Landfill recycling;
- Purchased new vehicles and disposed of old vehicles for Water Districts



**Wilson County's Capital Assets**  
**(net of depreciation)**  
**Figure 4**

|                                 | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total Primary Government</u> |                      |
|---------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                                 | <u>2013</u>                    | <u>2012</u>          | <u>2013</u>                     | <u>2012</u>          | <u>2013</u>                     | <u>2012</u>          |
| Land                            | \$ 3,377,871                   | \$ 3,377,871         | \$ 3,208,714                    | \$ 3,208,714         | \$ 6,586,585                    | \$ 6,586,585         |
| Buildings and improvements      | 30,239,652                     | 29,647,876           | 2,345,883                       | 1,913,046            | 32,585,535                      | 31,560,922           |
| Equipment and plan distribution | 9,001,045                      | 8,576,638            | 28,392,027                      | 28,374,946           | 37,393,072                      | 36,951,584           |
| Vehicles                        | 4,600,634                      | 4,411,621            | 667,922                         | 486,311              | 5,268,556                       | 4,897,932            |
| Total                           | 47,219,202                     | 46,014,006           | 34,614,546                      | 33,983,017           | 81,833,748                      | 79,997,023           |
| Less: Accumulated depreciation  | <u>21,961,268</u>              | <u>21,059,093</u>    | <u>7,299,830</u>                | <u>6,535,580</u>     | <u>29,261,098</u>               | <u>27,594,673</u>    |
| Net assets                      | <u>\$ 25,257,934</u>           | <u>\$ 24,954,913</u> | <u>\$ 27,314,716</u>            | <u>\$ 27,447,437</u> | <u>\$ 52,572,650</u>            | <u>\$ 52,402,350</u> |

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

**Long-Term Debt.** As of June 30, 2013, Wilson County had total bonded debt outstanding of \$18,945,000 which is backed by the full faith and credit of the County.

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

|           | <u>Governmental Activities</u> |                      | <u>Business-Type Activities</u> |                     | <u>Total Primary Government</u> |                      |
|-----------|--------------------------------|----------------------|---------------------------------|---------------------|---------------------------------|----------------------|
|           | <u>2013</u>                    | <u>2012</u>          | <u>2013</u>                     | <u>2012</u>         | <u>2013</u>                     | <u>2012</u>          |
| All bonds | <u>\$ 10,095,000</u>           | <u>\$ 12,975,000</u> | <u>\$ 8,850,000</u>             | <u>\$ 9,468,555</u> | <u>\$ 18,945,000</u>            | <u>\$ 22,443,555</u> |

Wilson County has two legally separate water districts. During fiscal year 2012-2013 the County entered into a Limited Obligation Refunding agreement to defease the debt from three Series of USDA general obligation bonds of \$9,377,999 within the two districts. According to the interpretations of the Limited Obligation transactions it was determined that the previous debt had to remain with the districts for the duration of the debt (Southeast District and Southwest Water District are \$3,240,000 and \$5,950,000, respectively). The County created a Water Fund that would report the investment in district bonds and the consolidated general obligation debt of \$9,190,000. The districts would transfer money to the County Water Fund which in turn pays the Districts principal and interest on the debt (the County Water Fund does not have other revenues or expenses, since the operations are reflected in the Water Districts).

## Management Discussion and Analysis Wilson County

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$479,677,322. 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 7.25%, a slight increase from fiscal year 2012 ratio of 7.21%.

The County's general obligation debt per capita, at June 30, 2013 was \$124.05, while the County's \$45,495,162 gross debt per capita is \$559.05.

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 2013-2014**

**Governmental Activities.** The 2014 General Fund's adopted budget increased \$7,030,980 from the budget for the fiscal year ended June 30, 2013. The increase in the budget for 2014 is primarily due to budgeting for capital projects and cost of living adjustments for employees which had been delayed from prior years due to the economy.

### **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**

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WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2013

|  | Primary Government      |                          |                    | Component Unit          |
|--|-------------------------|--------------------------|--------------------|-------------------------|
|  | Governmental Activities | Business-Type Activities | Total              | Wilson County ABC Board |
| <b>Assets:</b>                                   |                         |                          |                    |                         |
| Cash and cash equivalents                        | \$ 36,748,641           | \$ 17,901,882            | \$ 54,650,523      | \$ 1,594,841            |
| Receivable (net)                                 | 5,318,669               | 333,514                  | 5,652,183          | 1,790                   |
| Due from other governments                       | 5,868,532               | 57,535                   | 5,926,067          | -                       |
| Due from component unit                          | 121,875                 | -                        | 121,875            | -                       |
| Internal balances                                | (11,396)                | 11,396                   | -                  | -                       |
| Inventories                                      | -                       | -                        | -                  | 612,052                 |
| Prepaid items                                    | -                       | -                        | -                  | 15,814                  |
| Restricted cash and cash equivalents             | 581,598                 | 154,808                  | 736,406            | -                       |
| Investment in water bonds - current portion      | -                       | 190,000                  | 190,000            | -                       |
| Capital lease receivable - current portion       | 261,756                 | -                        | 261,756            | -                       |
| Other assets:                                    |                         |                          |                    |                         |
| Investment in water bonds                        | -                       | 8,660,000                | 8,660,000          | -                       |
| Capital lease receivable                         | 2,094,050               | -                        | 2,094,050          | -                       |
| Capital assets:                                  |                         |                          |                    |                         |
| Land, improvements, and construction in progress | 3,377,871               | 3,208,714                | 6,586,585          | 315,849                 |
| Other capital assets, net of depreciation        | <u>21,880,063</u>       | <u>24,106,002</u>        | <u>45,986,065</u>  | <u>1,491,573</u>        |
| Total capital assets                             | <u>25,257,934</u>       | <u>27,314,716</u>        | <u>52,572,650</u>  | <u>1,807,422</u>        |
| Total assets                                     | <u>76,241,659</u>       | <u>54,623,851</u>        | <u>130,865,510</u> | <u>4,031,919</u>        |
| <b>Deferred Outflows of Resources</b>            | <u>212,874</u>          | <u>-</u>                 | <u>212,874</u>     | <u>-</u>                |
| <b>Liabilities:</b>                              |                         |                          |                    |                         |
| Accounts payable and accrued expenses            | 2,942,163               | 230,902                  | 3,173,065          | 375,873                 |
| Accrued interest payable                         | 268,918                 | 45,118                   | 314,036            | -                       |
| Due to other governments                         | 317,157                 | -                        | 317,157            | 40,625                  |
| Due to primary government                        | -                       | -                        | -                  | 121,875                 |
| Liabilities to be paid from restricted cash:     |                         |                          |                    |                         |
| Customer deposits                                | -                       | 154,808                  | 154,808            | -                       |
| Long-term liabilities:                           |                         |                          |                    |                         |
| Due within one year                              | 6,042,292               | 501,232                  | 6,543,524          | -                       |
| Due in more than one year                        | <u>44,481,791</u>       | <u>22,153,314</u>        | <u>66,635,105</u>  | <u>248,317</u>          |
| Total long-term liabilities                      | <u>50,524,083</u>       | <u>22,654,546</u>        | <u>73,178,629</u>  | <u>248,317</u>          |
| Total liabilities                                | <u>54,052,321</u>       | <u>23,085,374</u>        | <u>77,137,695</u>  | <u>786,690</u>          |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2013

|                                      | Primary Government      |                          |               | Component Unit          |
|--------------------------------------|-------------------------|--------------------------|---------------|-------------------------|
|                                      | Governmental Activities | Business-Type Activities | Total         | Wilson County ABC Board |
| <b>Deferred Inflows of Resources</b> | 426,873                 | -                        | 426,873       | -                       |
| <b>Net Position:</b>                 |                         |                          |               |                         |
| Net investment in capital assets     | 19,698,346              | 17,618,131               | 37,316,477    | 1,807,422               |
| Restricted for:                      |                         |                          |               |                         |
| Public safety                        | 752,615                 | -                        | 752,615       | -                       |
| Register of Deeds                    | 163,182                 | -                        | 163,182       | -                       |
| Health and human services            | 1,321,711               | -                        | 1,321,711     | -                       |
| Stabilization by State statute       | 8,383,796               | -                        | 8,383,796     | -                       |
| Working capital                      | -                       | -                        | -             | 201,240                 |
| Capital outlay                       | -                       | -                        | -             | 112,143                 |
| Unrestricted (deficit)               | (8,344,311)             | 13,920,346               | 5,576,035     | 1,124,424               |
| Total net position                   | \$ 21,975,339           | \$ 31,538,477            | \$ 53,513,816 | \$ 3,245,229            |

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

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**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

| <b>Functions/Programs</b>         | <b>Expenses</b>      | <b>Program Revenues</b>     |   |   |
|-----------------------------------|----------------------|-----------------------------|---|---|
|                                   |                      | <b>Charges for Services</b> | <b>Operating Grants and Contributions</b> | <b>Capital Grants and Contributions</b> |
| <b>Primary Government:</b>        |                      |                             |   |   |
| <b>Governmental Activities:</b>   |                      |                             |   |   |
| General government                | \$ 7,248,404         | \$ 807,579                  | \$ 11,137                                 | \$ -                                    |
| Public safety                     | 20,830,220           | 5,125,848                   | 545,226                                   | -                                       |
| Transportation                    | 50,246               | 205,362                     | 246,885                                   | -                                       |
| Environmental protection          | 290,665              | -                           | 54,642                                    | -                                       |
| Economic and physical development | 3,427,689            | 23,953                      | 26,098                                    | 380,000                                 |
| Human services                    | 35,039,483           | 7,207,332                   | 16,332,534                                | -                                       |
| Cultural and recreation           | 1,903,182            | 57,037                      | 147,526                                   | -                                       |
| Education                         | 18,795,853           | -                           | -   | 1,077,437                               |
| Interest on long-term debt        | 1,430,380            | -                           | -   | -                                       |
| Total governmental activities     | <u>89,016,122</u>    | <u>13,427,111</u>           | <u>17,364,048</u>                         | <u>1,457,437</u>                        |
| <b>Business-Type Activities:</b>  |                      |                             |   |   |
| Landfill                          | 2,632,369            | 2,649,072                   | -   | -                                       |
| Water                             | 2,288,200            | 1,606,246                   | -   | -                                       |
| Total business-type activities    | <u>4,920,569</u>     | <u>4,255,318</u>            | <u>-</u>                                  | <u>-</u>                                |
| Total primary government          | <u>\$ 93,936,691</u> | <u>\$ 17,682,429</u>        | <u>\$ 17,364,048</u>                      | <u>\$ 1,457,437</u>                     |
| <b>Component Unit:</b>            |                      |                             |   |   |
| ABC Board                         | <u>\$ 5,046,842</u>  | <u>\$ 5,108,978</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  
 Total general revenues

Change in net position

Net position - beginning, previously reported

Restatement

Net position - beginning, restated

Net position - ending

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



Exhibit B

**Net (Expense) Revenue and Changes in Net Position**

| <b>Primary Government</b>      |                                 |                      | <b>Component Unit</b>          |
|--------------------------------|---------------------------------|----------------------|--------------------------------|
| <b>Governmental Activities</b> | <b>Business-Type Activities</b> | <b>Total</b>         | <b>Wilson County ABC Board</b> |
| \$ (6,429,688)                 | \$ -                            | \$ (6,429,688)       |                                |
| (15,159,146)                   | -                               | (15,159,146)         |                                |
| 402,001                        | -                               | 402,001              |                                |
| (236,023)                      | -                               | (236,023)            |                                |
| (2,997,638)                    | -                               | (2,997,638)          |                                |
| (11,499,617)                   | -                               | (11,499,617)         |                                |
| (1,698,619)                    | -                               | (1,698,619)          |                                |
| (17,718,416)                   | -                               | (17,718,416)         |                                |
| (1,430,380)                    | -                               | (1,430,380)          |                                |
| <u>(56,767,526)</u>            | <u>-</u>                        | <u>(56,767,526)</u>  |                                |
| -                              | 16,703                          | 16,703               |                                |
| <u>-</u>                       | <u>(681,954)</u>                | <u>(681,954)</u>     |                                |
| <u>-</u>                       | <u>(665,251)</u>                | <u>(665,251)</u>     |                                |
| <u>(56,767,526)</u>            | <u>(665,251)</u>                | <u>(57,432,777)</u>  |                                |
|                                |                                 |                      | \$ <u>87,565</u>               |
| 49,589,056                     | -                               | 49,589,056           | -                              |
| 11,725,610                     | -                               | 11,725,610           | -                              |
| 530,176                        | -                               | 530,176              | -                              |
| 243,750                        | -                               | 243,750              | -                              |
| 62,458                         | 231,328                         | 293,786              | 6,030                          |
| 108,558                        | -                               | 108,558              | 24,691                         |
| <u>62,259,608</u>              | <u>231,328</u>                  | <u>62,490,936</u>    | <u>30,721</u>                  |
| <u>5,492,082</u>               | <u>(433,923)</u>                | <u>5,058,159</u>     | <u>118,286</u>                 |
| 16,586,946                     | 31,972,400                      | 48,559,346           | 3,126,943                      |
| (103,689)                      | -                               | (103,689)            | -                              |
| <u>16,483,257</u>              | <u>31,972,400</u>               | <u>48,455,657</u>    | <u>-</u>                       |
| <u>\$ 21,975,339</u>           | <u>\$ 31,538,477</u>            | <u>\$ 53,513,816</u> | <u>\$ 3,245,229</u>            |

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2013

|   | <u>Major Fund</u>    | <u>Nonmajor</u>     | <u>Total</u>         |
|---|----------------------|---------------------|----------------------|
|   | <u>General</u>       | <u>Governmental</u> | <u>Governmental</u>  |
|   | <u>Fund</u>          | <u>Funds</u>        | <u>Funds</u>         |
| <b>Assets</b>   |                      |                     |                      |
| Cash and cash equivalents   | \$ 33,831,534        | \$ 1,440,963        | \$ 35,272,497        |
| Restricted cash   | 581,598              | -                   | 581,598              |
| Taxes receivable, net   | 2,354,234            | 64,297              | 2,418,531            |
| Accounts and other receivables, net                                       | 2,013,389            | 380,000             | 2,393,389            |
| Due from other governments  | 5,775,349            | 93,183              | 5,868,532            |
| Due from other funds  | 380,000              | -                   | 380,000              |
| Due from component unit   | 121,875              | -                   | 121,875              |
|   | <u>45,057,979</u>    | <u>1,978,443</u>    | <u>47,036,422</u>    |
| Total assets  | <u>\$ 45,057,979</u> | <u>\$ 1,978,443</u> | <u>\$ 47,036,422</u> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |                      |                     |                      |
| <b>Liabilities:</b>   |                      |                     |                      |
| Accounts payable and accrued liabilities                                  | \$ 2,014,478         | \$ 20,347           | \$ 2,034,825         |
| Due to other governments  | 11,313               | 305,844             | 317,157              |
| Due to other funds  | -                    | 380,000             | 380,000              |
| Miscellaneous liabilities   | 84,450               | 25,318              | 109,768              |
| Total liabilities   | <u>2,110,241</u>     | <u>731,509</u>      | <u>2,841,750</u>     |
| <b>Deferred Inflows of Resources</b>                                      | <u>2,781,104</u>     | <u>64,297</u>       | <u>2,845,401</u>     |
| <b>Fund Balances:</b>   |                      |                     |                      |
| Restricted:   |                      |                     |                      |
| Stabilization by State statute  | 8,290,613            | 93,183              | 8,383,796            |
| Register of Deeds   | 163,182              | -                   | 163,182              |
| Public safety   | -                    | 752,615             | 752,615              |
| Human services  | 1,321,711            | -                   | 1,321,711            |
| Committed:  |                      |                     |                      |
| Tax revaluation   | 581,598              | -                   | 581,598              |
| Economic development  | 444,257              | -                   | 444,257              |
| Assigned:   |                      |                     |                      |
| Subsequent year's expenditures  | 9,761,261            | 94,628              | 9,855,889            |
| Health and human services   | 1,866,092            | -                   | 1,866,092            |
| Transportation  | -                    | 208,399             | 208,399              |
| Future capital  | -                    | 33,812              | 33,812               |
| Unassigned  | 17,737,920           | -                   | 17,737,920           |
| Total fund balances   | <u>40,166,634</u>    | <u>1,182,637</u>    | <u>41,349,271</u>    |
| Total liabilities, deferred inflows of<br>resources, and fund balances    | <u>\$ 45,057,979</u> | <u>\$ 1,978,443</u> | <u>\$ 47,036,422</u> |

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

**WILSON COUNTY, NORTH CAROLNA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2013**

Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:

|  |                      |
|--|----------------------|
| Total fund balance, governmental funds   | \$ 41,349,271        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 25,257,934           |
| The County has a long-term receivable from an interlocal agreement. This asset does not provide a current financial resource and, therefore, is not reported in the funds. | 2,355,806            |
| Charges related to refunding bond issue  | 44,074               |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.  | 1,173,927            |
| Deferred inflows of resources for taxes receivable   | 2,418,528            |
| Some liabilities, including bonds payable and other post-employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(50,624,201)</u>  |
| Net position of governmental activities  | <u>\$ 21,975,339</u> |

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

**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                   | <u>Major Fund</u> | <u>Nonmajor</u>     | <u>Total</u>        |
|-----------------------------------|-------------------|---------------------|---------------------|
|                                   | <u>General</u>    | <u>Governmental</u> | <u>Governmental</u> |
|                                   | <u>Fund</u>       | <u>Funds</u>        | <u>Funds</u>        |
| <b>Revenues:</b>                  |                   |                     |                     |
| Ad valorem taxes                  | \$ 48,242,116     | \$ 1,239,919        | \$ 49,482,035       |
| Local option sales taxes          | 11,431,555        | 294,055             | 11,725,610          |
| Other taxes and licenses          | 530,176           | -                   | 530,176             |
| Unrestricted intergovernmental    | 243,750           | -                   | 243,750             |
| Restricted intergovernmental      | 18,407,524        | 1,082,230           | 19,489,754          |
| Permits and fees                  | 447,437           | -                   | 447,437             |
| Sales and service                 | 12,106,043        | 205,362             | 12,311,405          |
| Investment earnings               | 61,084            | 1,374               | 62,458              |
| Miscellaneous                     | 472,439           | -                   | 472,439             |
| Total revenues                    | <u>91,942,124</u> | <u>2,822,940</u>    | <u>94,765,064</u>   |
| <b>Expenditures:</b>              |                   |                     |                     |
| Current:                          |                   |                     |                     |
| General government                | 7,221,725         | -                   | 7,221,725           |
| Public safety                     | 17,685,987        | 2,288,532           | 19,974,519          |
| Transportation                    | 47,857            | -                   | 47,857              |
| Environmental protection          | 279,338           | -                   | 279,338             |
| Economic and physical development | 3,426,655         | 21,500              | 3,448,155           |
| Human services                    | 33,651,603        | -                   | 33,651,603          |
| Cultural and recreational         | 1,759,841         | -                   | 1,759,841           |
| Intergovernmental:                |                   |                     |                     |
| Education                         | 18,795,853        | -                   | 18,795,853          |
| Capital projects                  | -                 | 472,641             | 472,641             |
| Debt service:                     |                   |                     |                     |
| Principal                         | 4,996,939         | -                   | 4,996,939           |
| Interest and other charges        | 1,484,592         | -                   | 1,484,592           |
| Total expenditures                | <u>89,350,390</u> | <u>2,782,673</u>    | <u>92,133,063</u>   |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Major Fund</u><br>General<br>Fund | <u>Nonmajor</u><br>Governmental<br>Funds | <u>Total</u><br>Governmental<br>Funds |
|---|--------------------------------------|--|---------------------------------------|
| Revenues over (under) expenditures      | <u>2,591,734</u>                     | <u>40,267</u>                            | <u>2,632,001</u>                      |
| <b>Other Financing Sources (Uses):</b>  |                                      |  |                                       |
| Transfers to other funds                | (532)                                | (239,675)                                | (240,207)                             |
| Transfers from other funds              | 239,675                              | 532                                      | 240,207                               |
| Installment purchase obligations issued | 300,000                              | -  | 300,000                               |
| Capital lease proceeds                  | <u>36,813</u>                        | <u>-</u>                                 | <u>36,813</u>                         |
| Total other financing sources (uses):   | <u>575,956</u>                       | <u>(239,143)</u>                         | <u>336,813</u>                        |
| Net change in fund balance              | 3,167,690                            | (198,876)                                | 2,968,814                             |
| <b>Fund Balances:</b>                   |                                      |  |                                       |
| Beginning of year, July 1               | <u>36,998,944</u>                    | <u>1,381,513</u>                         | <u>38,380,457</u>                     |
| End of year, June 30                    | <u>\$ 40,166,634</u>                 | <u>\$ 1,182,637</u>                      | <u>\$ 41,349,271</u>                  |

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

## WILSON COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

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

|   |                     |
|---|---------------------|
| Net changes in fund balances - total governmental funds   | \$ 2,968,814        |
| 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 reports as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.   | 326,048             |
| Cost of capital assets disposed of during the year, not recognized on modified accrual basis  | (23,027)            |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  | 107,021             |
| 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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items | 4,751,145           |
| 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.   | <u>(2,637,919)</u>  |
| Total changes in net position of governmental activities  | <u>\$ 5,492,082</u> |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

|                                   | General Fund       |                    |                   |                                      |
|-----------------------------------|--------------------|--------------------|-------------------|--------------------------------------|
|                                   | Original<br>Budget | Final<br>Budget    | Actual            | Variance<br>With Final<br>Over/Under |
| <b>Revenues:</b>                  |                    |                    |                   |                                      |
| Ad valorem taxes                  | \$ 46,954,500      | \$ 46,954,500      | \$ 48,242,116     | \$ 1,287,616                         |
| Local option sales tax            | 10,622,000         | 10,622,000         | 11,431,555        | 809,555                              |
| Other taxes and licenses          | 364,000            | 365,450            | 530,176           | 164,726                              |
| Unrestricted intergovernmental    | 250,345            | 250,345            | 243,750           | (6,595)                              |
| Restricted intergovernmental      | 16,854,175         | 18,262,639         | 18,407,524        | 144,885                              |
| Permits and fees                  | 363,600            | 363,600            | 447,437           | 83,837                               |
| Sales and services                | 10,712,203         | 10,776,790         | 12,106,043        | 1,329,253                            |
| Investment earnings               | 75,000             | 75,000             | 60,142            | (14,858)                             |
| Miscellaneous                     | 358,344            | 358,864            | 472,439           | 113,575                              |
| Total revenues                    | <u>86,554,167</u>  | <u>88,029,188</u>  | <u>91,941,182</u> | <u>3,911,994</u>                     |
| <b>Expenditures:</b>              |                    |                    |                   |                                      |
| Current:                          |                    |                    |                   |                                      |
| General government                | 7,577,080          | 8,266,309          | 7,221,725         | 1,044,584                            |
| Public safety                     | 17,974,294         | 19,306,998         | 17,685,987        | 1,621,011                            |
| Transportation                    | 47,857             | 47,857             | 47,857            | -                                    |
| Environmental protection          | 304,261            | 308,001            | 279,338           | 28,663                               |
| Economic and physical development | 1,383,074          | 1,459,006          | 1,407,693         | 51,313                               |
| Human services                    | 36,542,173         | 39,901,467         | 33,651,603        | 6,249,864                            |
| Cultural and recreational         | 1,767,296          | 1,857,390          | 1,759,841         | 97,549                               |
| Intergovernmental:                |                    |                    |                   |                                      |
| Education                         | 18,570,853         | 18,795,853         | 18,795,853        | -                                    |
| Debt service:                     |                    |                    |                   |                                      |
| Principal retirement              | 4,996,945          | 14,714,945         | 4,996,939         | 9,718,006                            |
| Interest and other charges        | 1,484,646          | 1,905,156          | 1,484,592         | 420,564                              |
| Total expenditures                | <u>90,648,479</u>  | <u>106,562,982</u> | <u>87,331,428</u> | <u>19,231,554</u>                    |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

|  | General Fund       |                     |                      | Variance<br>With Final<br>Over/Under |
|--|--------------------|---------------------|----------------------|--------------------------------------|
|  | Original<br>Budget | Final<br>Budget     | Actual               |                                      |
| Revenues over (under) expenditures   | <u>(4,094,312)</u> | <u>(18,533,794)</u> | <u>4,609,754</u>     | <u>23,143,548</u>                    |
| <b>Other Financing Sources (Uses):</b>   |                    |                     |                      |                                      |
| Transfers to other funds   | (2,079,000)        | (2,079,532)         | (2,079,532)          | -                                    |
| Transfers from other funds   | -                  | 239,675             | 239,675              | -                                    |
| Refunding limited obligation bonds   | -                  | 9,791,456           | -                    | (9,791,456)                          |
| Installment purchase obligations issued  | -                  | 300,000             | 300,000              | -                                    |
| Capital lease proceeds   | -                  | 143,685             | 36,813               | (106,872)                            |
| Fund balance appropriated  | <u>6,173,312</u>   | <u>10,138,510</u>   | <u>-</u>             | <u>(10,138,510)</u>                  |
| Total other financing sources (uses)   | <u>4,094,312</u>   | <u>18,533,794</u>   | <u>(1,503,044)</u>   | <u>(20,036,838)</u>                  |
| Net change in fund balance   | <u>\$ -</u>        | <u>\$ -</u>         | <u>3,106,710</u>     | <u>\$ 3,106,710</u>                  |
| <b>Fund Balances:</b>  |                    |                     |                      |                                      |
| Beginning of year, July 1  |                    |                     | <u>36,034,069</u>    |                                      |
| End of year, June 30   |                    |                     | <u>\$ 39,140,779</u> |                                      |
| Legally budgeted Tax Revaluation Fund and Economic Development<br>Fund is consolidated into the General Fund for reporting purposes: |                    |                     |                      |                                      |
| Investment earnings  |                    |                     | \$ 942               |                                      |
| Transfer in from General Fund  |                    |                     | 2,079,000            |                                      |
| Expenditures   |                    |                     | (2,018,962)          |                                      |
| Fund balance, beginning  |                    |                     | <u>964,875</u>       |                                      |
| Fund balance, ending (Exhibit D)   |                    |                     | <u>\$ 40,166,634</u> |                                      |

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



WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

|   | Major Enterprise Funds |  |  |                  | Governmental Activities |                       |
|---|------------------------|--|--|------------------|-------------------------|-----------------------|
|   | Solid Waste Fund       | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Water Fund       | Total                   | Internal Service Fund |
| <b>Assets:</b>  |                        |  |  |                  |                         |                       |
| Current assets:   |                        |  |  |                  |                         |                       |
| Cash and cash equivalents                               | \$ 17,060,975          | \$ 756,623                                 | \$ 84,284                                  | \$ -             | \$ 17,901,882           | \$ 1,476,144          |
| Receivables, net  | 134,129                | 93,232                                     | 106,153                                    | -                | 333,514                 | -                     |
| Current portion of investments                          | -                      | -  | -  | 190,000          | 190,000                 | -                     |
| Due from other funds                                    | -                      | -  | -  | 188,000          | 188,000                 | -                     |
| Due from other governments                              | 57,535                 | -  | -  | -                | 57,535                  | -                     |
| Total current assets                                    | <u>17,252,639</u>      | <u>849,855</u>                             | <u>190,437</u>                             | <u>378,000</u>   | <u>18,670,931</u>       | <u>1,476,144</u>      |
| Non-current assets:                                     |                        |  |  |                  |                         |                       |
| Restricted cash and cash equivalents                    | -                      | 74,190                                     | 80,618                                     | -                | 154,808                 | -                     |
| Capital assets:   |                        |  |  |                  |                         |                       |
| Land and construction in progress                       | 3,081,656              | 48,389                                     | 78,669                                     | -                | 3,208,714               | -                     |
| Other capital assets,<br>net of depreciation            | <u>2,786,393</u>       | <u>8,716,575</u>                           | <u>12,603,034</u>                          | <u>-</u>         | <u>24,106,002</u>       | <u>-</u>              |
| Capital assets, net                                     | 5,868,049              | 8,764,964                                  | 12,681,703                                 | -                | 27,314,716              | -                     |
| Investment in water distribution bonds                  | -                      | -  | -  | 8,660,000        | 8,660,000               | -                     |
| Total non-current assets                                | <u>5,868,049</u>       | <u>8,839,154</u>                           | <u>12,762,321</u>                          | <u>8,660,000</u> | <u>36,129,524</u>       | <u>-</u>              |
| Total assets  | <u>23,120,688</u>      | <u>9,689,009</u>                           | <u>12,952,758</u>                          | <u>9,038,000</u> | <u>54,800,455</u>       | <u>1,476,144</u>      |
| <b>Liabilities</b>                                      |                        |  |  |                  |                         |                       |
| Current liabilities:                                    |                        |  |  |                  |                         |                       |
| Accounts payable  | 207,632                | 5,267                                      | 18,003                                     | -                | 230,902                 | 797,570               |
| Due to other funds                                      | -                      | 63,833                                     | 124,167                                    | -                | 188,000                 | -                     |
| Current portion of compensated absences                 | 6,347                  | 4,433                                      | 4,433                                      | -                | 15,213                  | -                     |
| Current portion of debt                                 | 34,720                 | 89,075                                     | 153,836                                    | 208,388          | 486,019                 | -                     |
| Accrued interest  | -                      | 8,773                                      | 15,250                                     | 21,095           | 45,118                  | -                     |
| Total current liabilities                               | <u>248,699</u>         | <u>171,381</u>                             | <u>315,689</u>                             | <u>229,483</u>   | <u>965,252</u>          | <u>797,570</u>        |
| Non-current liabilities:                                |                        |  |  |                  |                         |                       |
| Liabilities payable from restricted assets:             |                        |  |  |                  |                         |                       |
| Customer deposits                                       | -                      | 74,190                                     | 80,618                                     | -                | 154,808                 | -                     |
| Accrued landfill closure and<br>post-closure care costs | 3,293,028              | -  | -  | -                | 3,293,028               | -                     |
| Compensated absences                                    | 29,116                 | 8,261                                      | 8,261                                      | -                | 45,638                  | -                     |
| Other post-employment benefits                          | 251,151                | 31,839                                     | 31,839                                     | -                | 314,829                 | -                     |
| Notes payable   | -                      | 361,130                                    | 432,544                                    | -                | 793,674                 | -                     |
| Limited obligation bond                                 | -                      | -  | -  | 8,660,000        | 8,660,000               | -                     |
| General Obligation bonds                                | -                      | 3,055,000                                  | 5,605,000                                  | -                | 8,660,000               | -                     |
| Unamortized bond premium                                | -                      | -  | -  | 386,145          | 386,145                 | -                     |
| Total non-current liabilities                           | <u>3,573,295</u>       | <u>3,530,420</u>                           | <u>6,158,262</u>                           | <u>9,046,145</u> | <u>22,308,122</u>       | <u>-</u>              |
| Total liabilities                                       | <u>3,821,994</u>       | <u>3,701,801</u>                           | <u>6,473,951</u>                           | <u>9,275,628</u> | <u>23,273,374</u>       | <u>797,570</u>        |

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

WILSON COUNTY, NORTH CAROLNA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

|   | Major Enterprise Funds |  |  |                     | Total                | Governmental          |
|---|------------------------|--|--|---------------------|----------------------|-----------------------|
|   | Solid Waste Fund       | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Water Fund          |                      | Internal Service Fund |
| <b>Net Position:</b>  |                        |  |  |                     |                      |                       |
| Net investment in capital assets  | 5,868,049              | 5,259,759                                  | 6,490,323                                  | -                   | 17,618,131           | -                     |
| Unrestricted  | 13,430,645             | 727,449                                    | (11,516)                                   | (237,628)           | 13,908,950           | 678,574               |
| Total net position  | <u>\$ 19,298,694</u>   | <u>\$ 5,987,208</u>                        | <u>\$ 6,478,807</u>                        | <u>\$ (237,628)</u> | 31,527,081           | <u>\$ 678,574</u>     |
| The assets and liabilities of the Internal Service Fund are not included in the fund financial statements, but are included in the business-type activities of the Statement of Net Position. |                        |  |  |                     | 11,396               |                       |
| Total net position - business-type activities   |                        |  |  |                     | <u>\$ 31,538,477</u> |                       |

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Major Enterprise Funds |  |  |              | Governmental Activities |                       |
|--|------------------------|--|--|--------------|-------------------------|-----------------------|
|  | Solid Waste Fund       | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Water Fund   | Total                   | Internal Service Fund |
| <b>Operating Revenues:</b>   |                        |  |  |              |                         |                       |
| Charges for services   | \$ 2,649,072           | \$ 748,703                                 | \$ 857,543                                 | \$ -         | \$ 4,255,318            | \$ 5,796,042          |
| <b>Operating Expenses:</b>   |                        |  |  |              |                         |                       |
| Salaries and employee benefits   | 1,011,518              | 130,125                                    | 130,124                                    | -            | 1,271,767               | -                     |
| Operating expense  | 1,263,583              | 109,910                                    | 115,383                                    | -            | 1,488,876               | 5,986,251             |
| Landfill closure   | 149,497                | -  | -  | -            | 149,497                 | -                     |
| Depreciation/amortization  | 203,935                | 278,413                                    | 356,891                                    | -            | 839,239                 | -                     |
| Water purchase   | -                      | 177,994                                    | 161,596                                    | -            | 339,590                 | -                     |
| Total operating expenses   | 2,628,533              | 696,442                                    | 763,994                                    | -            | 4,088,969               | 5,986,251             |
| Operating income (loss)  | 20,539                 | 52,261                                     | 93,549                                     | -            | 166,349                 | (190,209)             |
| <b>Non-Operating Revenues (Expenses):</b>  |                        |  |  |              |                         |                       |
| Interest/investment revenue  | 27,352                 | -  | -  | 203,976      | 231,328                 | -                     |
| Bad debt   | 1,300                  | (4,376)                                    | (4,470)                                    | -            | (7,546)                 | -                     |
| Interest expense and other charges   | -                      | (135,534)                                  | (240,068)                                  | (215,877)    | (591,479)               | -                     |
| Bond issuance cost   | -                      | -  | -  | (225,727)    | (225,727)               | -                     |
| Total non-operating revenues (expenses)  | 28,652                 | (139,910)                                  | (244,538)                                  | (237,628)    | (593,424)               | -                     |
| Change in net position   | 49,191                 | (87,649)                                   | (150,989)                                  | (237,628)    | (427,075)               | (190,209)             |
| Total net position - beginning   | 19,249,503             | 6,074,857                                  | 6,629,796                                  | -            | 31,954,156              | 868,783               |
| Total net position - ending  | \$ 19,298,694          | \$ 5,987,208                               | \$ 6,478,807                               | \$ (237,628) | \$ 31,527,081           | \$ 678,574            |
| Change in net position, per above  |                        |  |  |              | \$ (427,075)            |                       |
| Internal service funds are used by management to charge the cost of health insurance to individual funds.<br>A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities of the Statement of Activities. |                        |  |  |              | (6,848)                 |                       |
| Total change in net position - business-type activities  |                        |  |  |              | \$ (433,923)            |                       |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Business-Type Activities |  |  |             | Governmental Activities |                       |
|--|--------------------------|--|--|-------------|-------------------------|-----------------------|
|  | Solid Waste Fund         | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Water Fund  | Total                   | Internal Service Fund |
| <b>Cash Flows from Operating Activities:</b>                         |                          |  |  |             |                         |                       |
| Cash received from customers   | \$ 2,632,689             | \$ 742,252                                 | \$ 852,171                                 | \$ -        | \$ 4,227,112            | \$ 5,796,042          |
| Cash paid for goods and services                                     | (1,192,508)              | (299,732)                                  | (277,048)                                  | -           | (1,769,288)             | (5,964,451)           |
| Cash paid to employees for services                                  | (959,447)                | (125,870)                                  | (125,868)                                  | -           | (1,211,185)             | -                     |
| Customer deposits received   | -                        | 6,803                                      | 9,430                                      | -           | 16,233                  | -                     |
| Net cash provided (used) by operating activities                     | 480,734                  | 323,453                                    | 458,685                                    | -           | 1,262,872               | (168,409)             |
| <b>Cash Flows from Capital and Related Financing Activities:</b>     |                          |  |  |             |                         |                       |
| Acquisition and construction of capital assets                       | (624,930)                | (40,794)                                   | (40,794)                                   | -           | (706,518)               | -                     |
| Payments for refunding   | -                        | (3,241,000)                                | (5,963,000)                                | -           | (9,204,000)             | -                     |
| Purchase of district refunding bonds                                 | -                        | -  | -  | (9,378,000) | (9,378,000)             | -                     |
| General obligation bonds refunding issued                            | -                        | 3,240,000                                  | 5,950,000                                  | -           | 9,190,000               | -                     |
| Limited obligation bonds refunding issued                            | -                        | -  | -  | 9,190,000   | 9,190,000               | -                     |
| Principal paid on debt   | -                        | (144,075)                                  | (248,834)                                  | (340,000)   | (732,909)               | -                     |
| Interest paid on debt  | -                        | (76,258)                                   | (123,416)                                  | (194,782)   | (394,456)               | -                     |
| Premium on bond issue  | -                        | -  | -  | 413,727     | 413,727                 | -                     |
| Bond issue costs   | -                        | -  | -  | (225,727)   | (225,727)               | -                     |
| Net cash provided (used) by capital and related financing activities | (624,930)                | (262,127)                                  | (426,044)                                  | (534,782)   | (1,847,883)             | -                     |
| <b>Cash Flows from Investing Activities:</b>                         |                          |  |  |             |                         |                       |
| Interest on investments  | 27,352                   | -  | -  | 194,782     | 222,134                 | -                     |
| Principal received on investment in water distribution bonds         | -                        | -  | -  | 340,000     | 340,000                 | -                     |
| Net cash provided (used) by investing activities                     | 27,352                   | -  | -  | 534,782     | 562,134                 | -                     |
| Net increase (decrease) in cash and cash equivalents                 | (116,844)                | 61,326                                     | 32,641                                     | -           | (22,877)                | (168,409)             |
| <b>Cash and Cash Equivalents:</b>                                    |                          |  |  |             |                         |                       |
| Beginning of year, July 1  | 17,177,819               | 769,487                                    | 132,261                                    | -           | 18,079,567              | 1,644,553             |
| End of year, June 30   | \$ 17,060,975            | \$ 830,813                                 | \$ 164,902                                 | \$ -        | \$ 18,056,690           | \$ 1,476,144          |

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | Business-Type Activities |  |  |              | Total        | Governmental          |
|---|--------------------------|--|--|--------------|--------------|-----------------------|
|   | Solid Waste Fund         | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Water Fund   |              | Internal Service Fund |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                          |  |  |              |              |                       |
| Operating income (loss)   | \$ 20,539                | \$ 52,261                                  | \$ 93,549                                  | \$ -         | \$ 166,349   | \$ (190,209)          |
| Adjustments to reconcile operating income to net cash provided by operating activities:               |                          |  |  |              |              |                       |
| Depreciation/Amortization (net)   | 203,935                  | 278,413                                    | 356,891                                    | -            | 839,239      | -                     |
| Provision for uncollectible accounts  | 1,300                    | (4,376)                                    | (4,470)                                    | -            | (7,546)      | -                     |
| Changes in assets and liabilities:  |                          |  |  |              |              |                       |
| (Increase) decrease in accounts receivable/due from   | (17,683)                 | (2,075)                                    | (902)                                      | -            | (20,660)     | -                     |
| Increase in accrued landfill closure costs  | 149,497                  | -  | -  | -            | 149,497      | -                     |
| Increase in other post-employment benefits  | 48,046                   | 5,338                                      | 5,339                                      | -            | 58,723       | -                     |
| Increase (decrease) in accounts payable   | 71,075                   | (11,828)                                   | (69)                                       | -            | 59,178       | 21,800                |
| Increase in customer deposits   | -                        | 6,803                                      | 9,430                                      | -            | 16,233       | -                     |
| Increase (decrease) in accrued vacation pay   | 4,025                    | (1,083)                                    | (1,083)                                    | -            | 1,859        | -                     |
| Total adjustments   | 460,195                  | 271,192                                    | 365,136                                    | -            | 1,096,523    | 21,800                |
| Net cash provided (used) by operating activities  | \$ 480,734               | \$ 323,453                                 | \$ 458,685                                 | \$ -         | \$ 1,262,872 | \$ (168,409)          |
| <b>Supplemental Schedule of Non-Cash Financing Activities:</b>  |                          |  |  |              |              |                       |
| Limited Obligation Bonds issued for Purchase of General Obligation Bonds                              |                          |  |  | \$ 9,204,000 |              |                       |

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

**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013**

|                           | <u>Agency<br/>Fund</u> |
|---------------------------|------------------------|
| <b>Assets:</b>            |                        |
| Cash and cash equivalents | \$ <u>83,441</u>       |
| <b>Liabilities:</b>       |                        |
| Miscellaneous liabilities | \$ 41,438              |
| Intergovernmental payable | <u>42,003</u>          |
| Total liabilities         | <u>\$ 83,441</u>       |

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### I. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

| Component Unit  | Reporting Method | Criteria for Inclusion   | Separate Financial Statements                                     |
|---|------------------|--|---|
| Wilson County Southeast Water District                                      | Blended          | Under State Law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District.  | 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<br>P.O. Box 7290<br>Wilson, N.C.<br>27895 |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

##### Government-Wide Statements

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

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

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

##### Fund Financial Statements

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

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

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

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

The County reports the following fund types:

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

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

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

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

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

### **Governmental Fund Financial Statements**

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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

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

### **C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Fire District Fund, Emergency Telephone Service Fund, Economic Development Fund, Public Buildings Fund, Transportation Fund, Farmers Market Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Projects Fund.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

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

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

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

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 3. **Restricted Assets**

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected

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

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012.

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

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

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

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

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

### 7. **Capital Assets**

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Wilson County Board of Education.

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

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

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

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

### 8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – a charge on refunding that had previously been classified as an asset. In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category – prepaid taxes and taxes receivable.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 9. Long-Term Obligations

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

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

### 10. Compensated Absences

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

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

### 11. Net Position/Fund Balances

#### Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net 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.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

*Assigned for subsequent year's expenditures* - portion of fund balance that has been budgeted by the Board of Commissioners for 2013-2014 expenditures.



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

*Assigned for Health and Human Services* – portion of fund balance that has been budgeted by the Board of Commissioners for Social Services expenditures.

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

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

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

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

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

### **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 Position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The net adjustment of \$(19,373,932) consists of several elements as follows:

|   |                        |
|---|------------------------|
| 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).                   | \$ 47,219,202          |
| Less accumulated depreciation   | <u>(21,961,268)</u>    |
| Net capital assets  | 25,257,934             |
| Deferred charges related to refunding bond issued - included on government-wide Statement of Position, but are not current financial resources.   | 212,874                |
| Long-term assets in capital lease receivable recorded on the government-wide Statement of Net Position, but not fund statements because it is not a current financial source of funds.  | 2,355,806              |
| Internal Service Fund used by management to charge the cost of health insurance to individual funds. The assets and liabilities of internal service are included in the governmental activities in the Statement of Net Position. | 667,178                |
| Accrued interest receivable, less the amount claimed or unearned revenue included in the government-wide statements, as these funds are unavailable in the fund statement.  | 506,749                |
| Deferred Inflows related to Unavailable Revenues and Bond Premium   | 2,249,728              |
| Bonds, leases, and installment financing  | (36,645,162)           |
| Compensated absences  | (2,033,002)            |
| Accrued interest payable  | (268,918)              |
| Unfunded separation allowance   | (549,944)              |
| Other post-employment benefits  | <u>(11,127,175)</u>    |
| Total adjustment  | <u>\$ (19,373,932)</u> |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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 position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$2,523,268 as follows:

|  |              |
|--|--------------|
| Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the Statement of Activities  | \$ 2,161,419 |
| Cost of disposed capital asset not recorded in fund statements.  | (23,027)     |
| 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.  | (1,835,371)  |
| 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 Position. | (336,813)    |
| Principal payments on debt owed are recorded as a use of funds on the fund statements, but again affect only the Statement of Net Position in the government-wide statements.                              | 5,130,335    |
| Internal Service Fund used by management to charge the cost of health insurance to individual funds. The net revenue (expense) of the Internal Revenue Fund is reported with governmental activities.      | (183,361)    |
| Expenses reported on fund statements that are capitalized on government-wide statements for bond issuance are refunding.   | (50,132)     |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  |                     |
|--|---------------------|
| Expenses reported on 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). | 7,755               |
| Compensated absences   | (80,053)            |
| Other pension costs  | 19,964              |
| Other post-employment benefits   | (2,132,713)         |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements - capital lease receivable.  | (261,756)           |
| Increase in deferred inflows of resources taxes receivable at end of year  | <u>107,021</u>      |
| Total adjustment   | <u>\$ 2,523,268</u> |

**II. Stewardship, Compliance, and Accountability**

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

**Stewardship, Compliance and Accountability**

North Carolina General Statute G.S. 159-26(b) requires that a separate fund be established for each utility. During fiscal year ended June 30, 2013, the County failed to establish a Water Fund to account for the issuance of limited obligation bonds to purchase district fund general obligation bonds. On September 9, 2013, the County Board established a Water Fund.

**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 agent or the ABC Board's agent in these units' names. Under the Pooling

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

At June 30, 2013, the County's deposits had a carrying amount of \$32,181,871 and a bank balance of \$33,248,052. Of the bank balance, \$530,024 was covered by Federal depository insurance, \$13,324,240 in non-interest-bearing deposits, and \$19,393,788 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2013, Wilson County had \$4,360 cash on hand.

At June 30, 2013, the carrying amount of deposits for Wilson County ABC Board was \$1,589,741 and the bank balance was \$1,527,703. Of the bank balance, \$331,794 was covered by Federal depository insurance, and \$1,195,909 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2013, Wilson County ABC Board had \$5,100 cash on hand.

### **2. Investments**

The Water Fund owns General Obligation Bonds which were issued in the current year from the Water Districts. These bonds are considered to be investments and should be included in the County's investments.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

As of June 30, 2013, the County had the following investments and maturities.

| <u>Investment Type</u>             | <u>Fair Value</u>    | <u>Less Than 6 Months</u> | <u>6-12 Months</u> | <u>Over 1 Year</u>  |
|------------------------------------|----------------------|---------------------------|--------------------|---------------------|
| NC Capital Management Trust:       |                      |                           |                    |                     |
| Cash Portfolio                     | \$ 17,271,184        | N/A                       | N/A                | N/A                 |
| Term Portfolio                     | 6,012,955            | N/A                       | N/A                | N/A                 |
| Investment in Water District Funds |                      |                           |                    |                     |
| general obligation bonds           | <u>8,850,000</u>     | N/A                       | <u>\$ 190,000</u>  | <u>\$ 8,660,000</u> |
| Total                              | <u>\$ 32,134,139</u> |                           | <u>\$ 190,000</u>  | <u>\$ 8,660,000</u> |

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of September 30, 2012. 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. The County's Water Fund investments in Water Districts General Obligation Refunding Bonds, Series 12 are rated Aa3 by Moody's Investors Service.

*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, 2013, the ABC Board had no investments.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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>        |
|--------------------|---------------------|-------------------|---------------------|
| 2010               | \$ 1,580,515        | \$ 375,383        | \$ 1,955,898        |
| 2011               | 1,577,587           | 232,701           | 1,810,288           |
| 2012               | 1,589,606           | 91,406            | 1,681,012           |
| 2013               | 1,609,995           | -                 | 1,609,995           |
| Total              | <u>\$ 6,357,703</u> | <u>\$ 699,490</u> | <u>\$ 7,057,193</u> |

### 4. Receivables

Receivables at the government-wide level at June 30, 2013 were as follows:

|                                    | <u>Accounts</u>     | <u>Taxes and<br/>Related Accrued<br/>Interest</u> | <u>Due from<br/>Other<br/>Governments</u> | <u>Total</u>         |
|------------------------------------|---------------------|---|---|----------------------|
| <b>Governmental Activities:</b>    |                     |   |   |                      |
| General                            | \$ 2,013,389        | \$ 3,742,674                                      | \$ 5,775,349                              | \$ 11,531,412        |
| Other governmental                 | 380,000             | 103,206   | 93,183                                    | 576,389              |
| Total receivables                  | 2,393,389           | 3,845,880   | 5,868,532                                 | 12,107,801           |
| Allowance for<br>doubtful accounts | -                   | (920,600)   | -   | (920,600)            |
| Total governmental<br>activities   | <u>\$ 2,393,389</u> | <u>\$ 2,925,280</u>                               | <u>\$ 5,868,532</u>                       | <u>\$ 11,187,201</u> |
| <b>Business-Type Activities:</b>   |                     |   |   |                      |
| Landfill                           | \$ 152,082          | -   | \$ 57,535                                 | \$ 209,617           |
| Water and Sewer                    | 321,046             | -   | -   | 321,046              |
| Total receivables                  | 473,128             | -   | 57,535                                    | 530,663              |
| Allowance for<br>doubtful accounts | (139,614)           | -   | -   | (139,614)            |
| Total business-type<br>activities  | <u>\$ 333,514</u>   | <u>\$ -</u>                                       | <u>\$ 57,535</u>                          | <u>\$ 391,049</u>    |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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

|  | <b>General<br/>Fund</b> | <b>Enterprise<br/>Fund</b> |
|--|-------------------------|----------------------------|
| Local option sales tax                                   | \$ 2,007,175            | \$ -                       |
| White goods disposal tax                                 | -                       | 6,330                      |
| Scrap tire tax   | -                       | 26,901                     |
| North Carolina administrative<br>reimbursement and other | 3,768,174               | 24,304                     |
| Transportation   | 20,876                  | -                          |
| Emergency telephone                                      | 72,307                  | -                          |
| <b>Total</b>   | <b>\$ 5,868,532</b>     | <b>\$ 57,535</b>           |

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

The future minimum lease payments receivable as of June 30, 2013 were as follows:

| <b>Year Ending<br/>June 30</b> | <b>Amount</b>       |
|--------------------------------|---------------------|
| 2014                           | \$ 261,756          |
| 2015                           | 261,756             |
| 2016                           | 261,756             |
| 2017                           | 261,756             |
| 2018                           | 261,756             |
| Thereafter                     | 1,047,026           |
| <b>Total</b>                   | <b>\$ 2,355,806</b> |



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 5. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

|  | <b>Beginning<br/>Balances</b> | <b>Increases</b> | <b>Decreases</b> | <b>Reclassify</b> | <b>Ending<br/>Balances</b> |
|--|-------------------------------|------------------|------------------|-------------------|----------------------------|
| <b>Governmental Activities:</b>                |                               |                  |                  |                   |                            |
| <b>Non-Depreciable Capital Assets:</b>         |                               |                  |                  |                   |                            |
| Land   | \$ 3,377,871                  | \$ -             | \$ -             | \$ -              | \$ 3,377,871               |
| <b>Depreciable Capital Assets:</b>             |                               |                  |                  |                   |                            |
| Buildings                                      | \$ 22,953,686                 | \$ 383,968       | \$ 9,950         | \$ (24,056)       | \$ 23,303,648              |
| Other improvements                             | 6,694,190                     | 241,814          | -                | -                 | 6,936,004                  |
| Furniture and equipment                        | 8,576,638                     | 843,272          | 421,334          | 2,469             | 9,001,045                  |
| Vehicles                                       | 4,411,621                     | 692,365          | 524,939          | 21,587            | 4,600,634                  |
| Total depreciable assets                       | 42,636,135                    | 2,161,419        | 956,223          | -                 | 43,841,331                 |
| <b>Less Accumulated Depreciation:</b>          |                               |                  |                  |                   |                            |
| Buildings                                      | \$ 9,869,132                  | \$ 428,893       | \$ 9,950         | \$ (3,473)        | \$ 10,284,602              |
| Other improvements                             | 1,836,430                     | 213,321          | -                | -                 | 2,049,751                  |
| Furniture and equipment                        | 6,145,388                     | 672,268          | 403,844          | 955               | 6,414,767                  |
| Vehicles                                       | 3,208,143                     | 520,889          | 519,402          | 2,518             | 3,212,148                  |
| Total accumulated depreciation                 | 21,059,093                    | \$ 1,835,371     | \$ 933,196       | \$ -              | 21,961,268                 |
| Total depreciable capital assets, net          | 21,577,042                    |                  |                  |                   | 21,880,063                 |
| Governmental activities<br>capital assets, net | \$ 24,954,913                 |                  |                  |                   | \$ 25,257,934              |

### Primary Government

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

|                                   |              |
|-----------------------------------|--------------|
| General government                | \$ 397,660   |
| Public safety                     | 1,082,266    |
| Economic and physical development | 11,745       |
| Human services                    | 191,986      |
| Cultural and recreational         | 148,136      |
| Environmental protection          | 3,578        |
| Total                             | \$ 1,835,371 |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Capital Assets (continued)

|   | <b>Beginning<br/>Balances</b> | <b>Increases</b> | <b>Decreases</b> | <b>Ending<br/>Balances</b> |
|---|-------------------------------|------------------|------------------|----------------------------|
| <b>Business-Type Activities:</b>          |                               |                  |                  |                            |
| <b>Solid Waste:</b>                       |                               |                  |                  |                            |
| <b>Non-Depreciable Capital Assets:</b>    |                               |                  |                  |                            |
| Land                                      | \$ 3,081,656                  | \$ -             | \$ -             | \$ 3,081,656               |
| <br><b>Depreciable Capital Assets:</b>    |                               |                  |                  |                            |
| Buildings                                 | 766,268                       | 432,837          | -                | 1,199,105                  |
| Infrastructure                            | 1,146,778                     | -                | -                | 1,146,778                  |
| Furniture and equipment                   | 2,288,214                     | 35,737           | 18,656           | 2,305,295                  |
| Vehicles                                  | 410,236                       | 156,356          | -                | 566,592                    |
| Total depreciable assets                  | 4,611,496                     | 624,930          | 18,656           | 5,217,770                  |
| <br><b>Less Accumulated Depreciation:</b> |                               |                  |                  |                            |
| Buildings                                 | 9,260                         | 18,932           | -                | 28,192                     |
| Infrastructure                            | 48,237                        | 25,218           | -                | 73,455                     |
| Furniture and equipment                   | 1,822,315                     | 113,031          | 18,656           | 1,916,690                  |
| Vehicles                                  | 366,286                       | 46,754           | -                | 413,040                    |
| Total accumulated depreciation            | 2,246,098                     | \$ 203,935       | \$ 18,656        | 2,431,377                  |
| Total depreciable capital assets, net     | 2,365,398                     |                  |                  | 2,786,393                  |
| <br><b>Solid Waste</b>                    |                               |                  |                  |                            |
| <b>Capital Assets, Net</b>                | 5,447,054                     |                  |                  | 5,868,049                  |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Capital Assets (continued)**

|  | <u>Beginning<br/>Balances</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balances</u> |
|--|-------------------------------|-------------------|------------------|----------------------------|
| <b>Business-Type Activities (continued):</b> |                               |                   |                  |                            |
| <b>Southeast Water District:</b>             |                               |                   |                  |                            |
| <b>Non-Depreciable Capital Assets:</b>       |                               |                   |                  |                            |
| Land   | <u>48,389</u>                 | \$ -              | \$ -             | <u>48,389</u>              |
| <br><b>Depreciable Capital Assets:</b>       |                               |                   |                  |                            |
| Plant and distribution system                | 10,864,951                    | -                 | -                | 10,864,951                 |
| Office and maintenance equipment             | 10,288                        | -                 | -                | 10,288                     |
| Vehicles                                     | <u>41,211</u>                 | <u>40,794</u>     | <u>41,211</u>    | <u>40,794</u>              |
| Total depreciable assets                     | <u>10,916,450</u>             | <u>40,794</u>     | <u>41,211</u>    | <u>10,916,033</u>          |
| <br><b>Less Accumulated Depreciation:</b>    |                               |                   |                  |                            |
| Plant and distribution system                | 1,911,245                     | 271,435           | -                | 2,182,680                  |
| Office and maintenance equipment             | 9,800                         | 179               | -                | 9,979                      |
| Vehicles                                     | <u>41,211</u>                 | <u>6,799</u>      | <u>41,211</u>    | <u>6,799</u>               |
| Total accumulated depreciation               | <u>1,962,256</u>              | <u>\$ 278,413</u> | <u>\$ 41,211</u> | <u>2,199,458</u>           |
| <br>Total depreciable capital assets, net    | <br><u>8,954,194</u>          |                   |                  | <br><u>8,716,575</u>       |
| <br><b>Southeast Water District</b>          |                               |                   |                  |                            |
| <b>Capital Assets, Net</b>                   | <u>9,002,583</u>              |                   |                  | <u>8,764,964</u>           |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Capital Assets (continued):**

|  | <u>Beginning<br/>Balances</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balances</u> |
|--|-------------------------------|-------------------|------------------|----------------------------|
| <b>Business-Type Activities (continued):</b> |                               |                   |                  |                            |
| <b>Southwest Water District:</b>             |                               |                   |                  |                            |
| <b>Non-Depreciable Capital Assets:</b>       |                               |                   |                  |                            |
| Land   | 78,669                        | \$ -              | \$ -             | 78,669                     |
| <br>   |                               |                   |                  |                            |
| <b>Depreciable Capital Assets:</b>           |                               |                   |                  |                            |
| Plant and distribution system                | 15,204,365                    | -                 | -                | 15,204,365                 |
| Office and maintenance equipment             | 7,128                         | -                 | -                | 7,128                      |
| Vehicles                                     | 34,864                        | 40,794            | 15,122           | 60,536                     |
| Total depreciable assets                     | <u>15,246,357</u>             | <u>40,794</u>     | <u>15,122</u>    | <u>15,272,029</u>          |
| <br>   |                               |                   |                  |                            |
| <b>Less Accumulated Depreciation:</b>        |                               |                   |                  |                            |
| Plant and distribution system                | 2,285,234                     | 350,092           | -                | 2,635,326                  |
| Office and maintenance equipment             | 7,128                         | -                 | -                | 7,128                      |
| Vehicles                                     | 34,864                        | 6,799             | 15,122           | 26,541                     |
| Total  | <u>2,327,226</u>              | <u>\$ 356,891</u> | <u>\$ 15,122</u> | <u>2,668,995</u>           |
| <br>   |                               |                   |                  |                            |
| Total depreciable capital assets, net        | <u>12,919,131</u>             |                   |                  | <u>12,603,034</u>          |
| <br>   |                               |                   |                  |                            |
| <b>Southwest Water District</b>              |                               |                   |                  |                            |
| <b>Capital Assets, Net</b>                   | <u>12,997,800</u>             |                   |                  | <u>12,681,703</u>          |
| <br>   |                               |                   |                  |                            |
| <b>Business-Type Activities:</b>             |                               |                   |                  |                            |
| <b>Capital Assets, Net</b>                   | <u>\$ 27,106,375</u>          |                   |                  | <u>\$ 27,314,716</u>       |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### Construction Commitments

The government has no active construction projects as of June 30, 2013.

### Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2013, was as follows:

|  | Beginning<br>Balances | Increases | Decreases | Ending<br>Balances |
|--|-----------------------|-----------|-----------|--------------------|
| <b>Non-Depreciable Capital Assets:</b> |                       |           |           |                    |
| Land                                   | \$ 319,449            | \$ -      | \$ 3,600  | \$ 315,849         |
| <b>Depreciable Capital Assets:</b>     |                       |           |           |                    |
| Buildings                              | 1,487,624             | 255,756   | 48,067    | 1,695,313          |
| Furniture and equipment                | 480,437               | 7,815     | 153,434   | 334,818            |
| Vehicles                               | 23,500                | 25,521    | -         | 49,021             |
| Leasehold improvements                 | 36,653                | 15,610    | 12,905    | 39,358             |
| Total depreciable assets               | 2,028,214             | 304,702   | 214,406   | 2,118,510          |
| <b>Less Accumulated Depreciation:</b>  |                       |           |           |                    |
| Buildings                              | 333,566               | 30,466    | 25,401    | 338,631            |
| Furniture and equipment                | 386,607               | 33,592    | 153,065   | 267,134            |
| Vehicles                               | 5,092                 | 7,252     | -         | 12,344             |
| Leasehold improvements                 | 11,974                | 4,220     | 7,366     | 8,828              |
| Total accumulated depreciation         | 737,239               | 75,530    | 185,832   | 626,937            |
| Total depreciable capital assets, net  | 1,290,975             |           |           | 1,491,573          |
| Capital assets, net                    | \$ 1,610,424          |           |           | \$ 1,807,422       |

Depreciation expense was charged to functions as follows:

|                            |           |
|----------------------------|-----------|
| Warehouse and delivery     | \$ 15,282 |
| Administrative             | 16,826    |
| Store expenses             | 43,422    |
| Total depreciation expense | \$ 75,530 |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2013, were as follows:

|                                  | <u>Vendors</u>      | <u>Salaries and<br/>Benefits</u> | <u>Accrued<br/>Interest</u> | <u>Due to<br/>Other<br/>Governments</u> | <u>Total</u>        |
|----------------------------------|---------------------|----------------------------------|-----------------------------|---|---------------------|
| <b>Governmental Activities:</b>  |                     |                                  |                             |   |                     |
| General                          | \$ 2,719,496        | \$ 177,002                       | \$ 268,918                  | \$ 11,313                               | \$ 3,176,729        |
| Other governmental               | <u>45,167</u>       | <u>498</u>                       | <u>-</u>                    | <u>305,844</u>                          | <u>351,509</u>      |
| Total governmental activities    | <u>\$ 2,764,663</u> | <u>\$ 177,500</u>                | <u>\$ 268,918</u>           | <u>\$ 317,157</u>                       | <u>\$ 3,528,238</u> |
| <b>Business-Type Activities:</b> |                     |                                  |                             |   |                     |
| Solid Waste                      | \$ 104,257          | \$ 103,375                       | \$ -                        | \$ -                                    | \$ 207,632          |
| <b>Water Distribution Funds:</b> |                     |                                  |                             |   |                     |
| Water Fund                       | -                   | -                                | 21,095                      | -                                       | 21,095              |
| Southeast District               | 4,865               | 402                              | 8,773                       | -                                       | 14,040              |
| Southwest District               | <u>17,601</u>       | <u>402</u>                       | <u>15,250</u>               | <u>-</u>                                | <u>33,253</u>       |
| Total business-type activities   | <u>\$ 126,723</u>   | <u>\$ 104,179</u>                | <u>\$ 45,118</u>            | <u>\$ -</u>                             | <u>\$ 276,020</u>   |

**2. Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

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

**Funding Policy.** Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, respectively,

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77% 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, 2013, 2012, and 2011 were \$1,898,632, \$1,886,775, and \$1,741,789, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011, were \$70,915, \$71,424, and \$65,720, 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, 2012, the Separation Allowance's membership consisted of:

|   |                  |
|---|------------------|
| Retirees receiving benefits   | 15               |
| Terminated plan members entitled to,<br>but not yet receiving, benefits | -                |
| Active plan members   | <u>84</u>        |
| Total   | <u><u>99</u></u> |

A separate report was not issued for the plan.

### Summary of Significant Accounting Policies

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

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

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**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, 2012 actuarial valuation using the projected unit credit actuarial cost method and an 18 year level percent of pay closed amortization period and method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

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

|   |                          |
|---|--------------------------|
| Annual required contribution                  | \$ 187,337               |
| Interest on net pension obligation            | 28,495                   |
| Adjustment to annual required contribution    | <u>(35,466)</u>          |
| Annual pension cost                           | 180,366                  |
| Contributions made                            | <u>(200,330)</u>         |
| Increase (decrease) in net pension obligation | (19,964)                 |
| Net pension obligation, beginning of year     | <u>569,908</u>           |
| Net pension obligation, end of year           | <u><u>\$ 549,944</u></u> |

**Three-Year Trend Information**

| <b>For Year<br/>Ended<br/>June 30</b> | <b>Annual<br/>Pension<br/>Cost (APC)</b> | <b>Percentage<br/>of APC<br/>Contributed</b> | <b>Net<br/>Pension<br/>Obligation</b> |
|---------------------------------------|--|--|---------------------------------------|
| 2011                                  | \$ 196,797                               | 88.94%                                       | \$ 593,443                            |
| 2012                                  | 183,004                                  | 112.86%                                      | 569,908                               |
| 2013                                  | 180,366                                  | 111.07%                                      | 549,944                               |



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**Funded Status and Funding Progress.** As of December 31, 2012, 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 \$1,904,864. The covered payroll (annual payroll of active employees covered by the plan) was \$3,534,571, and the ratio of the UAAL to the covered payroll was 53.89%.

The schedule of funding progress, presented as required supplementary information following the Notes to the Financial Statements, present multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### **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, 2013 were \$220,547, which consisted of \$179,566 from the County and \$40,981 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 non-contributory, 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 YEAR ENDED JUNE 30, 2013

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, 2013, the County's required and actual contributions were \$4,447.

### Other Post-Employment Benefits

**Plan Description.** Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This Plan provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least fifteen years of creditable service with the County with at least ten years being continuous and uninterrupted immediately prior to retirement. In addition to the fifteen 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, 2012, the date of the latest actuarial valuation:

|   | <b>General</b>    | <b>Law</b>         |
|---|-------------------|--------------------|
|   | <b>Employees</b>  | <b>Enforcement</b> |
|   | <u>Employees</u>  | <u>Officers</u>    |
| Retirees and dependents receiving benefits                              | 99                | 22                 |
| Terminated plan members entitled to,<br>but not yet receiving, benefits | -                 | -                  |
| Active plan members   | <u>609</u>        | <u>88</u>          |
| Total   | <u><u>708</u></u> | <u><u>110</u></u>  |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

**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 9.36% of annual covered payroll. For the current year, the County contributed \$716,781 or 2.7% 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 \$24,366.

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

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 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               | \$ 2,891,680         |
| Interest on net OPEB obligation            | 370,023              |
| Adjustment to annual required contribution | <u>(353,487)</u>     |
| Annual OPEB cost (expense)                 | 2,908,216            |
| Contributions made                         | <u>(716,781)</u>     |
| Increase (decrease) in net OPEB obligation | 2,191,435            |
| Net OPEB obligation, beginning of year     | <u>9,250,569</u>     |
| Net OPEB obligation, end of year           | <u>\$ 11,442,004</u> |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

| <b>For Year<br/>Ended<br/>June 30</b> | <b>Annual<br/>OPEB<br/>Cost</b> | <b>Percentage<br/>of Annual<br/>OPEB Cost<br/>Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|---------------------------------------|---------------------------------|---|------------------------------------|
| 2011                                  | \$ 2,817,016                    | 17.5%   | \$ 6,986,123                       |
| 2012                                  | 2,817,016                       | 18.6%   | 9,250,569                          |
| 2013                                  | 2,908,216                       | 24.6%   | 11,442,004                         |

**Funded Status and Funding Progress.** As of December 31, 2012, the most recent actuarial the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$30,661,034. The covered payroll (annual payroll of active employees covered by the plan) was \$26,485,900, and the ratio of the UAAL to the covered payroll was 115.8 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used and a 30-year level of percentage pay, open amortization period and method. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 8.50 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 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 post-closure costs based on remaining capacity at June 30, 2013 are \$3,327,748.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and post-closure care costs. At June 30, 2012, those funds are held in investments with a cost and market value of \$4,669,689. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**4. Deferred Outflows and Inflows of Resources**

The amount of deferred outflows of resources is a charge on the refunding of debt of \$212,874.

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

|   | <u>Unavailable<br/>Revenue</u> | <u>Unearned<br/>Revenues</u> |
|---|--------------------------------|------------------------------|
| Prepaid taxes not yet earned            | \$ -                           | \$ 426,870                   |
| Taxes receivable, net (General Fund)    | 2,354,234                      | -                            |
| Taxes receivable, net (Special Revenue) | <u>64,297</u>                  | <u>-</u>                     |
| Total                                   | <u>\$ 2,418,531</u>            | <u>\$ 426,870</u>            |

**5. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in 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 \$101.5 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pool is reinsured through multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$1,000,000 of aggregate annual losses in excess of \$250,000 per occurrence for property, auto physical, and crime 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 \$500,000 for employees up to a limit of \$1 million per occurrence.

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 \$4,738,683 in claims was incurred for benefits during the year ended June 30, 2013. Changes in the fund's claims liability amount were as follows:

|                                   | <u>June 30, 2013</u> |
|-----------------------------------|----------------------|
| Unpaid claims, beginning of year  | \$ 775,770           |
| Incurred claims (including IBNRs) | 4,738,683            |
| Claim payments                    | <u>(4,716,883)</u>   |
| Unpaid claims, end of year        | <u>\$ 797,570</u>    |

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 6. Contingent Liabilities

At June 30, 2013, 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 October 9, 2009 for 12 monitors/defibrillators requiring five annual installments of \$56,589.
2. 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.
3. Lease executed on August 11, 2011 for multitasking copier requiring sixty monthly installments of \$488.
4. Lease executed on August 11, 2011 for multitasking copier requiring sixty monthly installments of \$488.
5. Lease executed on October 1, 2012 for an IBM Server requiring sixty monthly installments of \$652.

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

| <u>Classes of Property:</u> | <u>Amount</u>       |
|-----------------------------|---------------------|
| Equipment                   | \$ 335,322          |
| Buildings                   | 1,091,055           |
| Total                       | <u>\$ 1,426,377</u> |



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

| <b>Year Ending<br/>June 30</b>              | <b>General<br/>Long-Term<br/>Debt</b> |
|---|---------------------------------------|
| 2014  | \$ 173,872                            |
| 2015  | 175,827                               |
| 2016  | 121,232                               |
| 2017  | 112,530                               |
| 2018  | 107,764                               |
| 2019-2023                                   | <u>712,535</u>                        |
| Total minimum lease payments                | 1,403,760                             |
| Less: amount representing interest          | <u>(635,904)</u>                      |
| Present value of the minimum lease payments | <u>\$ 767,856</u>                     |

### General Obligation Indebtedness

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

During the year, the Water Districts issued General Obligation Bonds in order to refund the existing General Obligation Bonds. Accordingly, the newly issued GO Bonds should be included in the Water Department General Obligations.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

The County's general obligation bonds payable at June 30, 2013 are comprised of the following individual issues:

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

|   |                      |
|---|----------------------|
| \$8,000,000 Detention Center Bond Issue -<br>February 1, 1993; due in annual principal installments<br>ranging from \$380,000 to \$450,000 through June 2014;<br>interest at 2.0% to 3.25%; payable on June 1 and<br>December 1 | \$ 380,000           |
| \$5,300,000 Library Bonds Series 2003 -<br>February 2, 2003; due in annual principal installments<br>of \$350,000 through February 2018; interest at 3.25%<br>to 3.6%; payable on February 1 and August 1                       | 1,800,000            |
| \$10,200,000 Advance Refunding Bonds 2010 -<br>December 29, 2010; due in annual principal installments<br>ranging from \$140,000 to \$2,145,000 through April 2017;<br>interest at 2.0% to 4.0%; payable on October and April 1 | <u>7,915,000</u>     |
| Total   | <u>\$ 10,095,000</u> |

**Serviced by the County's Water and Sewer Districts:**

|   |                     |
|---|---------------------|
| Serviced by the Southwest Water District:<br>\$5,950,000 2012 Refunding Bonds, Series;<br>due in annual installments of \$125,000 to<br>\$275,000 (beginning 2013); plus interest at 2.0% to<br>4.5% through June 1, 2042 | \$ 5,730,000        |
| Serviced by the Southeast Water District:<br>\$3,240,000 2012 Refunding Bonds, Series;<br>due in annual installments of \$65,000 to<br>\$145,000 (beginning 2013); plus interest at 2.0%<br>to 4.5% through June 1, 2042  | <u>3,120,000</u>    |
| Total   | <u>\$ 8,850,000</u> |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2013, including interest payments, are as follows:

| Year Ending<br>June 30 | Governmental Activities |                   | Business-Type Activities |                     | Total                |                     |
|------------------------|-------------------------|-------------------|--------------------------|---------------------|----------------------|---------------------|
|                        | Principal               | Interest          | Principal                | Interest            | Principal            | Interest            |
| 2014                   | \$ 2,825,000            | \$ 301,600        | \$ 190,000               | \$ 327,112          | \$ 3,015,000         | \$ 628,712          |
| 2015                   | 2,415,000               | 214,150           | 190,000                  | 321,412             | 2,605,000            | 535,562             |
| 2016                   | 2,405,000               | 118,950           | 195,000                  | 315,712             | 2,600,000            | 434,662             |
| 2017                   | 2,050,000               | 65,250            | 200,000                  | 307,912             | 2,250,000            | 373,162             |
| 2018                   | 400,000                 | 14,400            | 210,000                  | 299,912             | 610,000              | 314,312             |
| 2019-2023              |                         |                   | 1,180,000                | 1,371,963           | 1,180,000            | 1,371,963           |
| 2024-2028              | -                       | -                 | 1,415,000                | 1,117,763           | 1,415,000            | 1,117,763           |
| 2029-2033              | -                       | -                 | 1,675,000                | 857,213             | 1,675,000            | 857,213             |
| 2034-2038              | -                       | -                 | 1,970,000                | 510,669             | 1,970,000            | 510,669             |
| 2039-2043              | -                       | -                 | 1,625,000                | 141,925             | 1,625,000            | 141,925             |
| Total                  | <u>\$ 10,095,000</u>    | <u>\$ 714,350</u> | <u>\$ 8,850,000</u>      | <u>\$ 5,571,593</u> | <u>\$ 18,945,000</u> | <u>\$ 6,285,943</u> |

The new Water Fund is responsible for accounting for the Limited Obligation Bonds which should be accounted for as Limited Obligations in the Water Department.

**Water Department Limited Obligations:**

Serviced by the County's Water Fund:

\$9,190,000 2012 Limited Obligation Water Bonds;  
due in annual installments of \$190,000 to \$410,000;  
plus interest at 2.0% to 4.5% through June 1, 2042

\$ 8,850,000

| Year Ending<br>June 30 | Business-Type Activities |                     |
|------------------------|--------------------------|---------------------|
|                        | Principal                | Interest            |
| 2014                   | \$ 190,000               | \$ 327,112          |
| 2015                   | 190,000                  | 321,412             |
| 2016                   | 195,000                  | 315,712             |
| 2017                   | 200,000                  | 307,912             |
| 2018                   | 210,000                  | 299,912             |
| 2019-2023              | 1,180,000                | 1,371,963           |
| 2024-2028              | 1,415,000                | 1,117,763           |
| 2029-2033              | 1,675,000                | 857,213             |
| 2034-2038              | 1,970,000                | 510,669             |
| 2039-2043              | 1,625,000                | 141,925             |
| Total                  | <u>\$ 8,850,000</u>      | <u>\$ 5,571,593</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 YEAR ENDED JUNE 30, 2013

The County's financing debt at June 30, 2013 is comprised of the following notes payable:

|   | <u>Balance</u><br><u>June 30, 2013</u> |
|---|--|
| <b>Notes Payable:</b>   |  |
| \$5,600,000 Financing Agreement - School Improvements - July 31, 2001; refinanced June 4, 2010; due in semi-annual fixed principal and interest payments of \$192,322; interest at 2.73% through October 27, 2015, payable on October 27 and April 27 | \$ 961,614                             |
| \$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         | 1,147,613                              |
| \$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    | 510,050                                |
| \$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                             | 272,993                                |
| \$905,000 Financing Agreement - Energy Conservation - September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.35%   | 426,985                                |
| \$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%                                      | 77,611                                 |
| \$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%   | 212,594                                |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <b>Balance</b>              |
|---|-----------------------------|
|   | <b><u>June 30, 2013</u></b> |
| <b>Certificate of Participation:</b>  |                             |
| \$18,000,000 Notes Payable - Certificates of Participation - School Facilities Project - September 12, 2007; due in annual principal and interest payments beginning April 1, 2010 through April 1, 2028; variable interest from 3.5% to 5.0%   | 16,800,000                  |
| <b>Installment Purchases:</b>   |                             |
| \$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing   | 361,233                     |
| \$5,235,125 Economic Development Park - backed by an Inter-local agreement between the County of Wilson and the City of Wilson, each sharing one-half the amount of annual debt service; annual principal and interest payments of \$523,513, beginning June 8, 2013 through June 8, 2022; interest rate of 3.69% | 4,711,613                   |
| \$300,000 Switch Infrastructure Project - annual principal and interest payments beginning September 20, 2013 through September 20, 2015; interest rate of 1.44%  | <u>300,000</u>              |
| Total   | <u>\$ 25,782,306</u>        |
| <b>Notes Payable Water Department:</b>  |                             |
| Serviced by the Southwest Water District; 2009 DENR Drinking Water Revolving Loan; \$576,724 due in annual installments of \$28,837; beginning 2009; plus interest at 2.10% through May 1, 2029   | \$ 461,380                  |
| Serviced by the Southeast Water District; 2009 DENR Drinking Water Revolving Loan; \$481,507 due in annual installments of \$24,076; beginning 2009; plus interest at 2.10% through May 1, 2029   | <u>385,205</u>              |
| Total   | <u>\$ 846,585</u>           |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2013, including interest payments, are as follows:

| Year Ending<br>June 30 | Governmental Activities |                     | Business-Type Activities |                   | Total                |                     |
|------------------------|-------------------------|---------------------|--------------------------|-------------------|----------------------|---------------------|
|                        | Principal               | Interest            | Principal                | Interest          | Principal            | Interest            |
| 2014                   | \$ 2,561,170            | \$ 1,052,411        | \$ 52,911                | \$ 17,778         | \$ 2,614,081         | \$ 1,070,189        |
| 2015                   | 3,100,996               | 968,480             | 52,911                   | 16,667            | 3,153,907            | 985,147             |
| 2016                   | 2,438,916               | 873,252             | 52,911                   | 15,556            | 2,491,827            | 888,808             |
| 2017                   | 1,987,310               | 787,950             | 52,912                   | 14,445            | 2,040,222            | 802,395             |
| 2018                   | 1,829,719               | 702,328             | 52,912                   | 13,334            | 1,882,631            | 715,662             |
| 2019-2023              | 8,114,195               | 2,356,078           | 264,558                  | 50,001            | 8,378,753            | 2,406,079           |
| 2024-2028              | 5,750,000               | 776,250             | 264,558                  | 22,223            | 6,014,558            | 798,473             |
| 2029-2033              | -                       | -                   | 52,912                   | 1,111             | 52,912               | 1,111               |
| Total                  | <u>\$ 25,782,306</u>    | <u>\$ 7,516,749</u> | <u>\$ 846,585</u>        | <u>\$ 151,115</u> | <u>\$ 26,628,891</u> | <u>\$ 7,667,864</u> |

At June 30, 2013, the County had a legal debt margin of \$479,677,322.

### Current Refundings

On November 1, 2012, the County issued \$9,190,000 of limited obligation refunding bonds to provide resources to cash fund the defeasance of \$9,377,999 for three Series of USDA general obligation bonds. As a result, the refunded bonds have been defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price was less than the net carrying amount of the old debt by 188,000. This is because the refunding bonds were issued at a premium, thereby reducing the amount of bonds needing to be issued. This current refunding was undertaken to reduce the average life from 18.817 years to 17.058 years and reduce total (gross) debt service payments over the next 30 years by \$2,222,932 and resulted in a (NPV) economic gain of \$1,199,704.

**Debt Related to Capital Activities** – Of the total Governmental Activities debt listed, only \$5,603,663 relates to assets the County holds title.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### 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, 2013:

|                                  | <u>Balance<br/>July 1, 2012</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Balance<br/>June 30, 2013</u> | <u>Current<br/>Portion<br/>of Balance</u> |
|----------------------------------|---------------------------------|---------------------|---------------------|----------------------------------|---|
| <b>Governmental Activities:</b>  |                                 |                     |                     |                                  |   |
| General                          |                                 |                     |                     |                                  |   |
| obligation debt                  | \$ 12,975,000                   | \$ -                | \$ 2,880,000        | \$ 10,095,000                    | \$ 2,825,000                              |
| Capitalized leases               | 864,438                         | 36,813              | 133,395             | 767,856                          | 135,814                                   |
| Notes payable                    | 27,599,246                      | 300,000             | 2,116,940           | 25,782,306                       | 2,561,170                                 |
| Bond premium                     | 180,857                         | -                   | 12,057              | 168,800                          | 12,057                                    |
| Compensated absences             | 1,952,949                       | 759,619             | 679,566             | 2,033,002                        | 508,251                                   |
| Unfunded Special                 |                                 |                     |                     |                                  |   |
| Separation Allowance             | 569,908                         | 180,366             | 200,330             | 549,944                          | -   |
| Other post-employment benefits   | 8,994,462                       | 2,830,287           | 697,574             | 11,127,175                       | -   |
| Total governmental activities    | <u>\$ 53,136,860</u>            | <u>\$ 4,107,085</u> | <u>\$ 6,719,862</u> | <u>\$ 50,524,083</u>             | <u>\$ 6,042,292</u>                       |
| <b>Business-Type Activities:</b> |                                 |                     |                     |                                  |   |
| <b>Water Districts:</b>          |                                 |                     |                     |                                  |   |
| General obligation debt          | \$ 9,204,000                    | \$ 9,190,000        | \$ 9,544,000        | \$ 8,850,000                     | \$ 190,000                                |
| Limited obligation debt          | -                               | 9,190,000           | 340,000             | 8,850,000                        | 190,000                                   |
| Notes payable                    | 899,494                         | -                   | 52,909              | 846,585                          | 52,911                                    |
| Bond premium                     | -                               | 422,921             | 18,388              | 404,533                          | 18,388                                    |
| Compensated absences             | 27,554                          | 11,980              | 14,146              | 25,388                           | 8,866                                     |
| Other post-employment benefits   | 53,002                          | 14,168              | 3,492               | 63,678                           | -   |
| Total Water Districts            | <u>10,184,050</u>               | <u>18,829,069</u>   | <u>9,972,935</u>    | <u>19,040,184</u>                | <u>460,165</u>                            |

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Balance</u><br><u>July 1, 2012</u> | <u>Increases</u>         | <u>Decreases</u>         | <u>Balance</u><br><u>June 30, 2013</u> | <u>Current</u><br><u>Portion</u><br><u>of Balance</u> |
|--|---------------------------------------|--------------------------|--------------------------|--|---|
| <b>Solid Waste:</b>  |                                       |                          |                          |  |   |
| Accrued landfill closure<br>and post-closure<br>care costs | 3,178,251                             | 187,023                  | 37,526                   | 3,327,748                              | 34,720  |
| Compensated absences                                       | 31,438                                | 15,211                   | 11,186                   | 35,463                                 | 6,347   |
| Other post-employment<br>benefits                          | <u>203,105</u>                        | <u>63,761</u>            | <u>15,715</u>            | <u>251,151</u>                         | <u>-</u>  |
| Total Solid Waste  | <u>3,412,794</u>                      | <u>265,995</u>           | <u>64,427</u>            | <u>3,614,362</u>                       | <u>41,067</u>   |
| <br>Total business-type<br>activities                      | <br><u>\$ 13,596,844</u>              | <br><u>\$ 19,095,064</u> | <br><u>\$ 10,037,362</u> | <br><u>\$ 22,654,546</u>               | <br><u>\$ 501,232</u>                                 |
| <br><b>Discretely Presented<br/>Component Unit:</b>        |                                       |                          |                          |  |   |
| <b>Long-Term Liabilities:</b>                              |                                       |                          |                          |  |   |
| Compensated absences                                       | \$ 42,788                             | \$ -                     | \$ 7,050                 | \$ 35,738                              | \$ -  |
| Accrued liabilities  | <u>172,752</u>                        | <u>77,656</u>            | <u>37,829</u>            | <u>212,579</u>                         | <u>-</u>  |
| Total long-term liabilities                                | <u>\$ 215,540</u>                     | <u>\$ 77,656</u>         | <u>\$ 44,879</u>         | <u>\$ 248,317</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.

**Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2013, consist of the following:

|   |                          |
|---|--------------------------|
| From the Capital Project Fund to the General Fund<br>to provide resources Emergency Capital Projects      | \$ 239,675               |
| From the General Fund to the Emergency Telephone<br>Fund to reimburse the fund for unallowed expenditures | <u>532</u>               |
| Total   | <u><u>\$ 240,207</u></u> |



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The General Fund has a due from the Farmers Market Fund at June 30, 2013 in the amount of \$380,000 for the advance payment for the project to be reimbursed through grant funds from Golden Leaf Foundation.

The Enterprise Funds have a due to/from other funds at June 30, 2013 in the amount of \$188,000. The amount is due from the Southeast Water District and Southwest Water District of \$63,833 and \$124,167, respectively, to the Water Fund for the payoff amount at closing of the current refunding of the USDA General Obligation Bonds.

### 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        | \$ 40,166,634        |
| Less:                                    |                      |
| Stabilization by State Statute           | 8,290,613            |
| Appropriated fund balance in 2014 budget | 9,761,261            |
| Register of Deeds                        | 163,182              |
| Human Services                           | 3,187,803            |
| Tax revaluation                          | 581,598              |
| Economic development                     | 444,257              |
| Remaining fund balance                   | <u>\$ 17,737,920</u> |

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

### 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 \$195,500 to the Council for the fiscal year ended June 30, 2013. The participating governments do

## **WILSON COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2013. 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, 2013. 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, 2013. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

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

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,714,497 and \$128,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2013. 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, 2013. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

#### **Eastpoint**

Wilson County, in conjunction with Bladen, Columbus, Duplin, Edgecombe, Nash, Lenoir, Robeson, Sampson, Scotland, Wayne, and Greene counties, participate in a joint venture to operate Eastpoint, a Local Management Entity (LME) and Managed Care Organization (MCO) of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. Each of the counties will have either (2) or (3) representatives based on population as published by the NC Department of Health and Human Services. Wilson County has two representatives on the Board.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

majority of its funding comes from other sources. During the fiscal year ended June 30, 2013, Wilson County contributed \$367,702 to the Eastpoint. None of the participating governments have an equity interest in Eastpoint, so no equity interest has been reflected in the financial statements at June 30, 2013. Complete financial statements for the Eastpointe may be obtained from the Eastpoint's corporate office at 514 East Main Street, PO Box 369, Beulaville, NC 28518.

### VI. Jointly Governed Organizations

#### Upper Coastal Plain Council of Governments

The County, in conjunction with 5 other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$37,605 to the Council during the fiscal year ended June 30, 2013.

#### 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 -<br>Title XIX | \$ 79,616,899         | \$ 44,796,905        |
| Temporary Assistance for Needy Families            | 605,937               | (62)                 |
| Low Income Home Energy Assistance<br>Block Grant   | 272,900               | -                    |
| Special Assistance for Adults                      | -                     | 973,145              |
| Food Stamp Program                                 | 24,959,215            | -                    |
| CWS Adoption                                       | 443,574               | 410,445              |
| Total  | <u>\$ 105,898,525</u> | <u>\$ 46,180,433</u> |

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### VIII. 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.

### IX. Summary Disclosure of Subsequent Events

#### Conduit Debt Obligations

The Board of Commissioners for the County of Wilson, North Carolina (the "Board") has created a political subdivision and body corporate of the State of North Carolina known as "The Wilson County Industrial Facilities and Pollution Control Financing Authority" (the "Authority"); and on August 5, 2013 the Authority was authorized by the Board to issue bonds for the purposes of financing solid waste facilities; and; whereas, the Authority has evidenced its intent to issue not exceeding \$75,000,000 in aggregate principal amount of its Solid Waste Facility Revenue Bonds (WoodFuels North Carolina, LLC Project), Series 2013 (the "Bonds"), the proceeds of which Bonds are to be loaned by the Authority to WoodFuels North Carolina, LLC (the "Borrower") and used by the Borrower to finance the following:: (a) pay or reimburse the costs of the acquisition, construction and equipping of financing all or a portion of the costs of the land, buildings and structures together with equipment, therefore, and appurtenant facilities to be used by the Borrower as a facility for the processing of wood waste products for the production of wood pellets and related products (collectively, the "Project"), such activities to constitute the operation of a "solid waste disposal facility" pursuant to Section 142(b) of the Internal Revenue Code, as amended (the "Code"); (b) pay interest on the Bonds and certain other fees and expenses related to the Bonds during construction of the Project; (c) fund a debt service reserve fund in connection with Bonds; and (d) pay certain costs incurred in connection with the authorization and issuance of the Bonds. All of the facilities and equipment to be financed or reimbursed with the proceeds of the Bonds are or will be owned and operated by the Borrower and are or will be located at 5813 US Hwy. Alt., Sims, Wilson County, North Carolina 27880.

### X. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures. Previously deferred bond issuance costs totaling \$103,689 were recognized as an expenditure in the current year. As a result, the beginning net position decreased from \$16,586,946 to \$16,483,257.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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

Schedule of Employer Contributions for the Law Enforcement Officers'  
Special Separation Allowance

Schedule of Funding Progress for Other Postemployment Benefits

Schedule of Employer Contributions for Other Postemployment Benefits

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## WILSON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013

## Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>- Projected<br>Unit Credit<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL<br>as a % of<br>Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 12/31/1994                     | \$ -                                   | \$ 215,111  | \$ 215,111                         | 0.00%                    | \$ 1,326,932              | 16.21%   |
| 12/31/1995                     | -                                      | 278,703   | 278,703                            | 0.00%                    | 1,359,862                 | 20.49%   |
| 12/31/1996                     | -                                      | 319,619   | 319,619                            | 0.00%                    | 1,502,886                 | 21.27%   |
| 12/31/1997                     | -                                      | 357,219   | 357,219                            | 0.00%                    | 1,636,804                 | 21.82%   |
| 12/31/1998                     | -                                      | 386,832   | 386,832                            | 0.00%                    | 1,703,087                 | 22.71%   |
| 12/31/1999                     | -                                      | 430,641   | 430,641                            | 0.00%                    | 1,865,945                 | 23.08%   |
| 12/31/2000                     | -                                      | 699,004   | 699,004                            | 0.00%                    | 1,951,257                 | 35.82%   |
| 12/31/2001                     | -                                      | 797,139   | 797,139                            | 0.00%                    | 2,070,144                 | 38.51%   |
| 12/31/2002                     | -                                      | 802,713   | 802,713                            | 0.00%                    | 2,075,538                 | 38.67%   |
| 12/31/2003                     | -                                      | 854,938   | 854,938                            | 0.00%                    | 2,238,943                 | 38.18%   |
| 12/31/2004                     | -                                      | 1,031,697   | 1,031,697                          | 0.00%                    | 2,453,246                 | 42.05%   |
| 12/31/2005                     | -                                      | 1,124,959   | 1,124,959                          | 0.00%                    | 2,779,417                 | 40.47%   |
| 12/31/2006                     | -                                      | 1,228,224   | 1,228,224                          | 0.00%                    | 2,944,282                 | 41.72%   |
| 12/31/2007                     | -                                      | 1,414,602   | 1,414,602                          | 0.00%                    | 3,362,573                 | 42.07%   |
| 12/31/2008                     | -                                      | 1,548,728   | 1,548,728                          | 0.00%                    | 3,862,507                 | 40.10%   |
| 12/31/2009                     | -                                      | 1,965,544   | 1,965,544                          | 0.00%                    | 3,795,700                 | 51.78%   |
| 12/31/2010                     | -                                      | 1,855,164   | 1,855,164                          | 0.00%                    | 3,741,831                 | 49.58%   |
| 12/31/2011                     | -                                      | 1,876,003   | 1,876,003                          | 0.00%                    | 3,425,288                 | 54.77%   |
| 12/31/2012                     | -                                      | 1,904,864   | 1,904,864                          | 0.00%                    | 3,534,571                 | 53.89%   |

**WILSON COUNTY, NORTH CAROLINA**

**LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

| <b>Schedule of Employer Contributions</b> |   |                                   |
|---|---|-----------------------------------|
| <b>Year Ended<br/>June 30</b>             | <b>Annual<br/>Required<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
| 2001                                      | \$ 53,230                                   | 49.40%                            |
| 2002                                      | 59,626                                      | 54.46%                            |
| 2003                                      | 81,236                                      | 46.17%                            |
| 2004                                      | 88,384                                      | 44.76%                            |
| 2005                                      | 90,553                                      | 58.17%                            |
| 2006                                      | 109,217                                     | 63.36%                            |
| 2007                                      | 116,674                                     | 59.93%                            |
| 2008                                      | 125,341                                     | 83.90%                            |
| 2009                                      | 145,656                                     | 65.39%                            |
| 2010                                      | 165,667                                     | 66.62%                            |
| 2011                                      | 198,819                                     | 88.04%                            |
| 2012                                      | 188,734                                     | 109.43%                           |
| 2013                                      | 187,337                                     | 106.94%                           |

**Notes to the Required Schedules:**

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

|                               |                             |
|-------------------------------|-----------------------------|
| Valuation date                | 12/31/12                    |
| Actuarial cost method         | Projected unit credit       |
| Amortization method           | Level percent of pay closed |
| Remaining amortization period | 18 years                    |
| Asset valuation method        | Market value                |
| Actuarial assumptions:        |                             |
|                               | 5.00%                       |
|                               | 4.25 to 7.85%               |
| *Includes inflation at        | 3.00%                       |
| Cost-of-living adjustments    | N/A                         |



**OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule of Funding Progress**

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

## WILSON COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

| <b>Schedule of Employer Contributions</b> |   |                                   |
|---|---|-----------------------------------|
| <b>Year Ended<br/>June 30</b>             | <b>Annual<br/>Required<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
| 2009                                      | \$ 2,707,166                                | 13.00%                            |
| 2010                                      | 2,707,166                                   | 15.00%                            |
| 2011                                      | 2,808,685                                   | 17.51%                            |
| 2012                                      | 2,808,685                                   | 19.62%                            |
| 2013                                      | 2,891,680                                   | 24.79%                            |

**Notes to the Required Schedules:**

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

|                               |                            |
|-------------------------------|----------------------------|
| Valuation date                | 12/31/2012                 |
| Actuarial cost method         | Projected unit credit      |
| Amortization method           | Level percent of pay, open |
| Remaining amortization period | 30 years                   |
| Amortization Factor           | 26.1695                    |
| Asset valuation method        | Market value               |
| Actuarial assumptions:        |                            |
| Investment rate of return*    | 4.00%                      |
| Medical cost trend            |                            |
| Pre-Medicare trend rate       | 8.50% to 5.00%             |
| Post-Medicare trend rate      | 6.25% to 5.00%             |
| Year of Ultimate trend rate   | 2018                       |
| *Includes inflation at        | 3.00%                      |
| Cost-of-living adjustments    | N/A                        |

**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

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## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--|-------------------|-------------------|--------------------------------|
| <b>Revenues:</b>                       |                   |                   |                                |
| <b>Ad Valorem Taxes:</b>               |                   |                   |                                |
| Taxes                                  | \$ 46,610,000     | \$ 47,688,700     | \$ 1,078,700                   |
| Interest                               | 344,500           | 553,416           | 208,916                        |
| Total                                  | <u>46,954,500</u> | <u>48,242,116</u> | <u>1,287,616</u>               |
| Local option sales taxes               | <u>10,622,000</u> | <u>11,431,555</u> | <u>809,555</u>                 |
| <b>Other Taxes and Licenses:</b>       |                   |                   |                                |
| Franchise tax                          | 75,000            | 93,218            | 18,218                         |
| Rental vehicle sales tax               | 35,000            | 31,803            | (3,197)                        |
| Privilege and civil licenses           | 3,000             | 8,852             | 5,852                          |
| Beer and wine tax                      | 36,000            | 113,971           | 77,971                         |
| Excise tax                             | 216,450           | 282,332           | 65,882                         |
| Total                                  | <u>365,450</u>    | <u>530,176</u>    | <u>164,726</u>                 |
| <b>Unrestricted Intergovernmental:</b> |                   |                   |                                |
| Housing Authority                      | 6,595             | -                 | (6,595)                        |
| Wilson County ABC Board:               |                   |                   |                                |
| Profit distribution                    | 243,750           | 243,750           | -                              |
| Total                                  | <u>250,345</u>    | <u>243,750</u>    | <u>(6,595)</u>                 |
| <b>Restricted Intergovernmental:</b>   |                   |                   |                                |
| General Fund                           | 2,831,860         | 2,668,100         | (163,760)                      |
| Library                                | 147,624           | 147,526           | (98)                           |
| Health services                        | 1,666,376         | 1,638,040         | (28,336)                       |
| Social services                        | 13,496,329        | 13,849,149        | 352,820                        |
| Court facility fees                    | 120,450           | 104,709           | (15,741)                       |
| Total                                  | <u>18,262,639</u> | <u>18,407,524</u> | <u>144,885</u>                 |
| <b>Permits and Fees:</b>               |                   |                   |                                |
| Building permits and inspection fees   | 65,000            | 84,977            | 19,977                         |
| Register of Deeds                      | 298,600           | 362,460           | 63,860                         |
| Total                                  | <u>363,600</u>    | <u>447,437</u>    | <u>83,837</u>                  |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--------------------------------|-------------------|-------------------|--------------------------------|
| <b>Sales and Services:</b>     |                   |                   |                                |
| Jail fees and Sheriff fees     | 757,593           | 1,221,303         | 463,710                        |
| Rents, concessions, and fees   | 7,619,197         | 7,381,910         | (237,287)                      |
| Ambulance service fees         | 1,500,000         | 2,404,141         | 904,141                        |
| Communication center           | 900,000           | 1,098,689         | 198,689                        |
| Total                          | <u>10,776,790</u> | <u>12,106,043</u> | <u>1,329,253</u>               |
| Investment earnings            | <u>75,000</u>     | <u>60,142</u>     | <u>(14,858)</u>                |
| <b>Miscellaneous:</b>          |                   |                   |                                |
| Sale of materials              | -                 | 66,558            | 66,558                         |
| Other                          | 358,864           | 405,881           | 47,017                         |
| Total                          | <u>358,864</u>    | <u>472,439</u>    | <u>113,575</u>                 |
| Total revenues                 | <u>88,029,188</u> | <u>91,941,182</u> | <u>3,911,994</u>               |
| <b>Expenditures:</b>           |                   |                   |                                |
| <b>General Government:</b>     |                   |                   |                                |
| <b>Board of Commissioners:</b> |                   |                   |                                |
| Salaries and employee benefits | 61,369            | 61,045            | 324                            |
| Other operating expenditures   | 31,150            | 23,138            | 8,012                          |
| Capital outlay                 | 9,350             | 8,963             | 387                            |
| Total                          | <u>101,869</u>    | <u>93,146</u>     | <u>8,723</u>                   |
| <b>Administration:</b>         |                   |                   |                                |
| Salaries and employee benefits | 426,358           | 414,869           | 11,489                         |
| Other operating expenditures   | 14,901            | 14,145            | 756                            |
| Capital outlay                 | 2,492             | 2,456             | 36                             |
| Total                          | <u>443,751</u>    | <u>431,470</u>    | <u>12,281</u>                  |
| <b>Human Resources:</b>        |                   |                   |                                |
| Salaries and employee benefits | 156,760           | 145,636           | 11,124                         |
| Other operating expenditures   | 39,666            | 32,100            | 7,566                          |
| Total                          | <u>196,426</u>    | <u>177,736</u>    | <u>18,690</u>                  |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                  | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|----------------------------------|------------------|------------------|--------------------------------|
| <b>Board of Elections:</b>       |                  |                  |                                |
| Salaries and employee benefits   | 265,995          | 265,932          | 63                             |
| Other operating expenditures     | 128,075          | 110,374          | 17,701                         |
| Total                            | <u>394,070</u>   | <u>376,306</u>   | <u>17,764</u>                  |
| <b>Finance:</b>                  |                  |                  |                                |
| Salaries and employee benefits   | 434,660          | 358,103          | 76,557                         |
| Other operating expenditures     | 29,350           | 23,639           | 5,711                          |
| Capital outlay                   | 1,315            | 1,228            | 87                             |
| Total                            | <u>465,325</u>   | <u>382,970</u>   | <u>82,355</u>                  |
| <b>Office of Tax Supervisor:</b> |                  |                  |                                |
| Salaries and employee benefits   | 870,828          | 847,583          | 23,245                         |
| Other operating expenditures     | 360,434          | 340,366          | 20,068                         |
| Data processing charges          | 167,500          | 167,095          | 405                            |
| Capital outlay                   | 86,175           | 75,076           | 11,099                         |
| Total                            | <u>1,484,937</u> | <u>1,430,120</u> | <u>54,817</u>                  |
| <b>Technology Services:</b>      |                  |                  |                                |
| Salaries and employee benefits   | 452,818          | 405,616          | 47,202                         |
| Data processing charges          | 188,970          | 176,704          | 12,266                         |
| Other operating expenditures     | 38,076           | 35,504           | 2,572                          |
| Capital outlay                   | 353,424          | 303,287          | 50,137                         |
| Total                            | <u>1,033,288</u> | <u>921,111</u>   | <u>112,177</u>                 |
| <b>Register of Deeds:</b>        |                  |                  |                                |
| Salaries and employee benefits   | 356,236          | 335,704          | 20,532                         |
| Other operating expenditures     | 67,780           | 61,271           | 6,509                          |
| Total                            | <u>424,016</u>   | <u>396,975</u>   | <u>27,041</u>                  |
| <b>Public Buildings:</b>         |                  |                  |                                |
| Other operating expenditures     | 882,973          | 776,971          | 106,002                        |
| Capital outlay                   | 219,511          | 194,147          | 25,364                         |
| Total                            | <u>1,102,484</u> | <u>971,118</u>   | <u>131,366</u>                 |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|--------------------------------|------------------|------------------|--------------------------------|
| <b>Court Facilities:</b>       |                  |                  |                                |
| Salaries and employee benefits | 429,799          | 419,210          | 10,589                         |
| Other operating expenditures   | 276,798          | 220,999          | 55,799                         |
| Capital outlay                 | 23,023           | 22,915           | 108                            |
| Total                          | <u>729,620</u>   | <u>663,124</u>   | <u>66,496</u>                  |
| <b>Central Service:</b>        |                  |                  |                                |
| Employee benefits              | 140,757          | 140,757          | -                              |
| Other operating expenditures   | 1,641,443        | 1,128,708        | 512,735                        |
| Total                          | <u>1,782,200</u> | <u>1,269,465</u> | <u>512,735</u>                 |
| <b>Other:</b>                  |                  |                  |                                |
| Upper Coastal Plain COG        | 47,829           | 47,829           | -                              |
| Other area projects            | 60,494           | 60,355           | 139                            |
| Total                          | <u>108,323</u>   | <u>108,184</u>   | <u>139</u>                     |
| Total general government       | <u>8,266,309</u> | <u>7,221,725</u> | <u>1,044,584</u>               |
| <b>Public Safety:</b>          |                  |                  |                                |
| <b>Sheriff:</b>                |                  |                  |                                |
| Salaries and employee benefits | 5,347,665        | 5,234,081        | 113,584                        |
| Other operating expenditures   | 1,237,490        | 1,132,625        | 104,865                        |
| Capital outlay                 | 521,020          | 477,189          | 43,831                         |
| Total                          | <u>7,106,175</u> | <u>6,843,895</u> | <u>262,280</u>                 |
| <b>Jail:</b>                   |                  |                  |                                |
| Salaries and employee benefits | 2,384,385        | 2,144,599        | 239,786                        |
| Other operating expenditures   | 1,069,247        | 933,857          | 135,390                        |
| Capital outlay                 | 169,269          | 159,714          | 9,555                          |
| Total                          | <u>3,622,901</u> | <u>3,238,170</u> | <u>384,731</u>                 |
| <b>Animal Control:</b>         |                  |                  |                                |
| Salaries and employee benefits | 429,643          | 429,392          | 251                            |
| Other operating expenditures   | 118,236          | 117,187          | 1,049                          |
| Total                          | <u>547,879</u>   | <u>546,579</u>   | <u>1,300</u>                   |



WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                     | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|-------------------------------------|-------------------|-------------------|--------------------------------|
| <b>Emergency Communications:</b>    |                   |                   |                                |
| Salaries and employee benefits      | 1,820,811         | 1,801,181         | 19,630                         |
| Other operating expenditures        | 232,466           | 209,010           | 23,456                         |
| Capital outlay                      | 21,828            | 21,794            | 34                             |
| Total                               | <u>2,075,105</u>  | <u>2,031,985</u>  | <u>43,120</u>                  |
| <b>Emergency Management:</b>        |                   |                   |                                |
| Salaries and employee benefits      | 151,941           | 151,859           | 82                             |
| Other operating expenditures        | 92,299            | 70,038            | 22,261                         |
| Capital outlay                      | 38,598            | 38,337            | 261                            |
| Total                               | <u>282,838</u>    | <u>260,234</u>    | <u>22,604</u>                  |
| <b>Emergency Medical Servicing:</b> |                   |                   |                                |
| Salaries and employee benefits      | 3,801,203         | 3,596,303         | 204,900                        |
| Other operating expenditures        | 910,758           | 642,479           | 268,279                        |
| Capital outlay                      | 960,139           | 526,342           | 433,797                        |
| Total                               | <u>5,672,100</u>  | <u>4,765,124</u>  | <u>906,976</u>                 |
| Total public safety                 | <u>19,306,998</u> | <u>17,685,987</u> | <u>1,621,011</u>               |
| <b>Transportation:</b>              |                   |                   |                                |
| Rocky Mount/Wilson Airport          | <u>47,857</u>     | <u>47,857</u>     | <u>-</u>                       |
| <b>Environmental Protection:</b>    |                   |                   |                                |
| <b>Forestry Program:</b>            |                   |                   |                                |
| Other operating expenditures        | <u>87,108</u>     | <u>87,108</u>     | <u>-</u>                       |
| <b>Soil Conservation:</b>           |                   |                   |                                |
| Salaries and employee benefits      | 199,803           | 175,463           | 24,340                         |
| Other operating expenditures        | 21,090            | 16,767            | 4,323                          |
| Total                               | <u>220,893</u>    | <u>192,230</u>    | <u>28,663</u>                  |
| Total environmental protection      | <u>308,001</u>    | <u>279,338</u>    | <u>28,663</u>                  |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|---|------------------|------------------|--------------------------------|
| <b>Economic and Physical Development:</b>   |                  |                  |                                |
| <b>Agricultural Extension and 4-H:</b>      |                  |                  |                                |
| Salaries and employee benefits              | 466,848          | 449,713          | 17,135                         |
| Other operating expenditures                | 58,432           | 49,321           | 9,111                          |
| Capital outlay                              | 88,260           | 88,131           | 129                            |
| Total                                       | <u>613,540</u>   | <u>587,165</u>   | <u>26,375</u>                  |
| <b>Planning and Zoning:</b>                 |                  |                  |                                |
| Salaries and employee benefits              | 558,816          | 548,938          | 9,878                          |
| Other operating expenditures                | 64,330           | 49,825           | 14,505                         |
| Capital outlay                              | 11,820           | 11,265           | 555                            |
| Total                                       | <u>634,966</u>   | <u>610,028</u>   | <u>24,938</u>                  |
| <b>Other:</b>                               |                  |                  |                                |
| Economic development operating              | 210,500          | 210,500          | -                              |
| Total economic and physical development     | <u>1,459,006</u> | <u>1,407,693</u> | <u>51,313</u>                  |
| <b>Human Services:</b>                      |                  |                  |                                |
| Mental health                               | 367,702          | 367,702          | -                              |
| <b>Diversified Opportunities</b>            | <u>29,250</u>    | <u>29,250</u>    | <u>-</u>                       |
| <b>Senior Center:</b>                       |                  |                  |                                |
| Salaries and employee benefits              | 93,428           | 89,646           | 3,782                          |
| Other operating expenditures                | 76,523           | 67,518           | 9,005                          |
| Total                                       | <u>169,951</u>   | <u>157,164</u>   | <u>12,787</u>                  |
| <b>Home and Community Care Block Grant:</b> |                  |                  |                                |
| Operating expenses                          | 638,140          | 444,092          | 194,048                        |
| Total                                       | <u>638,140</u>   | <u>444,092</u>   | <u>194,048</u>                 |
| <b>Other Services</b>                       | <u>445,941</u>   | <u>455,939</u>   | <u>(9,998)</u>                 |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|--------------------------------|------------------|------------------|--------------------------------|
| <b>Temporary Care Giver:</b>   |                  |                  |                                |
| Salaries and employee benefits | 15,311           | 15,308           | 3                              |
| Other operating expenditures   | 37,620           | 37,617           | 3                              |
| Total                          | <u>52,931</u>    | <u>52,925</u>    | <u>6</u>                       |
| <b>Health:</b>                 |                  |                  |                                |
| <b>Administration:</b>         |                  |                  |                                |
| Salaries and employee benefits | 5,575            | 2,207            | 3,368                          |
| Other operating expenditures   | 494,125          | 390,739          | 103,386                        |
| Capital outlay                 | 105,300          | -                | 105,300                        |
| Total                          | <u>605,000</u>   | <u>392,946</u>   | <u>212,054</u>                 |
| <b>Health Promotion:</b>       |                  |                  |                                |
| Salaries and employee benefits | 88,597           | 67,692           | 20,905                         |
| Other operating expenditures   | 46,961           | 39,689           | 7,272                          |
| Capital outlay                 | 2,640            | 2,617            | 23                             |
| Total                          | <u>138,198</u>   | <u>109,998</u>   | <u>28,200</u>                  |
| <b>Tuberculosis Control:</b>   |                  |                  |                                |
| Salaries and employee benefits | 50,973           | 45,614           | 5,359                          |
| Other operating expenditures   | 36,828           | 24,658           | 12,170                         |
| Total                          | <u>87,801</u>    | <u>70,272</u>    | <u>17,529</u>                  |
| <b>Home Health:</b>            |                  |                  |                                |
| Salaries and employee benefits | 3,766,423        | 3,722,650        | 43,773                         |
| Other operating expenditures   | 2,387,439        | 2,324,805        | 62,634                         |
| Capital outlay                 | 114,772          | 7,885            | 106,887                        |
| Total                          | <u>6,268,634</u> | <u>6,055,340</u> | <u>213,294</u>                 |
| <b>Family Planning:</b>        |                  |                  |                                |
| Salaries and employee benefits | 573,314          | 512,819          | 60,495                         |
| Other operating expenditures   | 239,340          | 206,175          | 33,165                         |
| Capital outlay                 | 1,818            | -                | 1,818                          |
| Total                          | <u>814,472</u>   | <u>718,994</u>   | <u>95,478</u>                  |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|  | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Over/Under</u> |
|--|----------------|----------------|--------------------------------|
| <b>Maternal Health:</b>                        |                |                |                                |
| Salaries and employee benefits                 | 226,420        | 166,757        | 59,663                         |
| Other operating expenditures                   | 30,409         | 18,009         | 12,400                         |
| Total  | <u>256,829</u> | <u>184,766</u> | <u>72,063</u>                  |
| <b>Environmental Health:</b>                   |                |                |                                |
| Salaries and employee benefits                 | 440,155        | 420,966        | 19,189                         |
| Other operating expenditures                   | 44,405         | 29,778         | 14,627                         |
| Capital outlay                                 | 1,080          | 1,080          | -                              |
| Total  | <u>485,640</u> | <u>451,824</u> | <u>33,816</u>                  |
| <b>Immunization:</b>                           |                |                |                                |
| Salaries and employee benefits                 | 48,288         | 47,804         | 484                            |
| Other operating expenditures                   | 95,820         | 88,088         | 7,732                          |
| Total  | <u>144,108</u> | <u>135,892</u> | <u>8,216</u>                   |
| <b>Communicable Diseases:</b>                  |                |                |                                |
| Salaries and employee benefits                 | 337,636        | 253,499        | 84,137                         |
| Other operating expenditures                   | 35,810         | 22,581         | 13,229                         |
| Total  | <u>373,446</u> | <u>276,080</u> | <u>97,366</u>                  |
| <b>Comprehensive Breast Cancer Prevention:</b> |                |                |                                |
| Salaries and employee benefits                 | 55,444         | 54,985         | 459                            |
| Other operating expenditures                   | 7,400          | 6,249          | 1,151                          |
| Total  | <u>62,844</u>  | <u>61,234</u>  | <u>1,610</u>                   |
| <b>Child Health:</b>                           |                |                |                                |
| Salaries and employee benefits                 | 698,333        | 503,533        | 194,800                        |
| Other operating expenditures                   | 88,830         | 49,892         | 38,938                         |
| Total  | <u>787,163</u> | <u>553,425</u> | <u>233,738</u>                 |
| <b>Child Service Coordinator:</b>              |                |                |                                |
| Salaries and employee benefits                 | 353,154        | 267,262        | 85,892                         |
| Other operating expenditures                   | 45,918         | 18,167         | 27,751                         |
| Capital outlay                                 | 1,000          | -              | 1,000                          |
| Total  | <u>400,072</u> | <u>285,429</u> | <u>114,643</u>                 |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                   | <u>Budget</u>  | <u>Actual</u>  | <u>Variance<br/>Over/Under</u> |
|-----------------------------------|----------------|----------------|--------------------------------|
| <b>WIC Clinic Administration:</b> |                |                |                                |
| Salaries and employee benefits    | 109,434        | 107,267        | 2,167                          |
| Other operating expenditures      | 695            | 276            | 419                            |
| Total                             | <u>110,129</u> | <u>107,543</u> | <u>2,586</u>                   |
| <b>WIC Nutrition Education:</b>   |                |                |                                |
| Salaries and employee benefits    | 144,328        | 144,176        | 152                            |
| Other operating expenditures      | 3,700          | 3,550          | 150                            |
| Total                             | <u>148,028</u> | <u>147,726</u> | <u>302</u>                     |
| <b>AIDS Control:</b>              |                |                |                                |
| Salaries and employee benefits    | 16,628         | 16,242         | 386                            |
| Other operating expenditures      | 1,750          | 1,224          | 526                            |
| Total                             | <u>18,378</u>  | <u>17,466</u>  | <u>912</u>                     |
| <b>Bioterrorism:</b>              |                |                |                                |
| Salaries and employee benefits    | 30,296         | 27,057         | 3,239                          |
| Other operating expenditures      | 11,803         | 6,403          | 5,400                          |
| Capital outlay                    | 7,547          | 7,547          | -                              |
| Total                             | <u>49,646</u>  | <u>41,007</u>  | <u>8,639</u>                   |
| <b>WIC Client Services:</b>       |                |                |                                |
| Salaries and employee benefits    | 500,979        | 500,471        | 508                            |
| Other operating expenditures      | 17,520         | 14,095         | 3,425                          |
| Total                             | <u>518,499</u> | <u>514,566</u> | <u>3,933</u>                   |
| <b>Maternal Child Care:</b>       |                |                |                                |
| Salaries and employee benefits    | 582,612        | 540,187        | 42,425                         |
| Other operating expenditures      | 114,562        | 94,660         | 19,902                         |
| Capital outlay                    | 11,000         | 10,932         | 68                             |
| Total                             | <u>708,174</u> | <u>645,779</u> | <u>62,395</u>                  |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|                                     | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|-------------------------------------|-------------------|-------------------|--------------------------------|
| <b>Breast and Cervical Cancer:</b>  |                   |                   |                                |
| Salaries and employee benefits      | 8,919             | 8,683             | 236                            |
| Other operating expenditures        | 18,867            | 12,434            | 6,433                          |
| Total                               | <u>27,786</u>     | <u>21,117</u>     | <u>6,669</u>                   |
| <b>Adult Health:</b>                |                   |                   |                                |
| Salaries and employee benefits      | 275,602           | 261,944           | 13,658                         |
| Other operating expenditures        | 14,954            | 11,871            | 3,083                          |
| Total                               | <u>290,556</u>    | <u>273,815</u>    | <u>16,741</u>                  |
| Total health                        | <u>12,295,403</u> | <u>11,065,219</u> | <u>1,230,184</u>               |
| <b>Social Services:</b>             |                   |                   |                                |
| <b>Administration:</b>              |                   |                   |                                |
| Salaries and employee benefits      | 12,368,186        | 11,802,190        | 565,996                        |
| Other operating expenditures        | 2,009,354         | 1,648,919         | 360,435                        |
| Capital outlay                      | 1,499,367         | 151,551           | 1,347,816                      |
| Total                               | <u>15,876,907</u> | <u>13,602,660</u> | <u>2,274,247</u>               |
| <b>4D Child Support:</b>            |                   |                   |                                |
| Salaries and employee benefits      | 105,604           | 103,725           | 1,879                          |
| Other operating expenditures        | 113,201           | 66,940            | 46,261                         |
| Total                               | <u>218,805</u>    | <u>170,665</u>    | <u>48,140</u>                  |
| <b>Income Maintenance Programs:</b> |                   |                   |                                |
| AFDC program - County participation | 100,000           |                   | 100,000                        |
| AFDC Fostercare                     | 538,800           | 268,644           | 270,156                        |
| Special assistance - adults         | 993,048           | 973,145           | 19,903                         |
| Medicaid - County participation     | 1,500,000         | 523,525           | 976,475                        |
| Total                               | <u>3,131,848</u>  | <u>1,765,314</u>  | <u>1,366,534</u>               |
| <b>Other Services:</b>              |                   |                   |                                |
| Other operating expenditures        | <u>6,516,700</u>  | <u>5,409,212</u>  | <u>1,107,488</u>               |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|---|-------------------|-------------------|--------------------------------|
| <b>Homeless Prevention and Rapid Re-Housing:</b>  |                   |                   |                                |
| Other operating expenditures                      | 7,062             | 6,484             | 578                            |
| Total   | <u>7,062</u>      | <u>6,484</u>      | <u>578</u>                     |
| <b>Emergency Solutions Programs:</b>              |                   |                   |                                |
| Other operating expenditures                      | 99,106            | 73,334            | 25,772                         |
| Total social services                             | <u>25,850,428</u> | <u>21,027,669</u> | <u>4,822,759</u>               |
| <b>Veterans Affairs:</b>                          |                   |                   |                                |
| Salaries and employee benefits                    | 51,516            | 51,461            | 55                             |
| Other operating expenditures                      | 205               | 182               | 23                             |
| Total   | <u>51,721</u>     | <u>51,643</u>     | <u>78</u>                      |
| Total human services                              | <u>39,901,467</u> | <u>33,651,603</u> | <u>6,249,864</u>               |
| <b>Cultural and Recreational:<br/>Recreation:</b> |                   |                   |                                |
| Other operating expenditures                      | 168,320           | 168,320           | -                              |
| <b>Libraries:</b>                                 |                   |                   |                                |
| Salaries and employee benefits                    | 1,146,866         | 1,076,344         | 70,522                         |
| Other operating expenditures                      | 496,666           | 471,944           | 24,722                         |
| Capital outlay                                    | 45,538            | 43,233            | 2,305                          |
| Total   | <u>1,689,070</u>  | <u>1,591,521</u>  | <u>97,549</u>                  |
| Total cultural and recreational                   | <u>1,857,390</u>  | <u>1,759,841</u>  | <u>97,549</u>                  |
| <b>Education:</b>                                 |                   |                   |                                |
| Public schools - current                          | 16,338,356        | 16,338,356        | -                              |
| Public schools - capital outlay                   | 615,000           | 615,000           | -                              |
| Community colleges - current                      | 1,714,497         | 1,714,497         | -                              |
| Community colleges - capital outlay               | 128,000           | 128,000           | -                              |
| Total education                                   | <u>18,795,853</u> | <u>18,795,853</u> | <u>-</u>                       |

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Budget</u>       | <u>Actual</u>        | <u>Variance<br/>Over/Under</u> |
|---|---------------------|----------------------|--------------------------------|
| <b>Debt Service:</b>                    |                     |                      |                                |
| Principal retirement                    | 14,714,945          | 4,996,939            | 9,718,006                      |
| Interest and other charges              | 1,679,429           | 1,484,592            | 194,837                        |
| Bond issuance cost                      | <u>225,727</u>      | -                    | <u>225,727</u>                 |
| Total debt service                      | <u>16,620,101</u>   | <u>6,481,531</u>     | <u>10,138,570</u>              |
| <br>                                    |                     |                      |                                |
| Total expenditures                      | <u>106,562,982</u>  | <u>87,331,428</u>    | <u>19,231,554</u>              |
| <br>                                    |                     |                      |                                |
| Revenues over (under) expenditures      | <u>(18,533,794)</u> | <u>4,609,754</u>     | <u>23,143,548</u>              |
| <br>                                    |                     |                      |                                |
| <b>Other Financing Sources (Uses):</b>  |                     |                      |                                |
| Transfers to other funds:               |                     |                      |                                |
| Tax Revaluation Fund                    | (75,000)            | (75,000)             | -                              |
| Economic Development Fund               | (2,004,000)         | (2,004,000)          | -                              |
| Emergency Telephone Fund                | (532)               | (532)                | -                              |
| Transfers from other funds:             |                     |                      |                                |
| Capital Projects Fund                   | 239,675             | 239,675              | -                              |
| Refunding limited obligation bonds      | 9,791,456           | -                    | (9,791,456)                    |
| Installment purchase obligations issued | 300,000             | 300,000              | -                              |
| Capital lease obligations issued        | 143,685             | 36,813               | (106,872)                      |
| Fund balance appropriated               | <u>10,138,510</u>   | -                    | <u>(10,138,510)</u>            |
| Total other financing sources (uses)    | <u>18,533,794</u>   | <u>(1,503,044)</u>   | <u>(20,036,838)</u>            |
| <br>                                    |                     |                      |                                |
| Net change in fund balance              | <u>\$ -</u>         | <u>3,106,710</u>     | <u>\$ 3,106,710</u>            |
| <br>                                    |                     |                      |                                |
| <b>Fund Balances:</b>                   |                     |                      |                                |
| Beginning of year, July 1               |                     | <u>36,034,069</u>    |                                |
| <br>                                    |                     |                      |                                |
| End of year, June 30                    |                     | <u>\$ 39,140,779</u> |                                |



## WILSON COUNTY, NORTH CAROLINA

**LEGALLY BUDGETED TAX REVALUATION AND ECONOMIC DEVELOPMENT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Revaluation<br/>Fund</u> | <u>Economic<br/>Development</u> | <u>Total<br/>Combined<br/>Funds</u> |
|--|-----------------------------|---------------------------------|-------------------------------------|
| <b>Revenues:</b>                       |                             |                                 |                                     |
| Investment earnings                    | \$ 942                      | \$ -                            | \$ 942                              |
| <b>Expenditures:</b>                   |                             |                                 |                                     |
| Current:                               |                             |                                 |                                     |
| General government:                    |                             |                                 |                                     |
| Economic incentives                    | -                           | 2,018,962                       | 2,018,962                           |
| Revenues over (under) expenditures     | 942                         | (2,018,962)                     | (2,018,020)                         |
| <b>Other Financing Sources (Uses):</b> |                             |                                 |                                     |
| Transfer in:                           |                             |                                 |                                     |
| General Fund                           | 75,000                      | 2,004,000                       | 2,079,000                           |
| Net change in fund balance             | 75,942                      | (14,962)                        | 60,980                              |
| <b>Fund Balances:</b>                  |                             |                                 |                                     |
| Beginning of year, July 1              | 505,656                     | 459,219                         | 964,875                             |
| End of year, June 30                   | <u>\$ 581,598</u>           | <u>\$ 444,257</u>               | <u>\$ 1,025,855</u>                 |

**WILSON COUNTY, NORTH CAROLINA**

**REVALUATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--|---------------|-------------------|--------------------------------|
| <b>Revenues:</b>                       |               |                   |                                |
| Investment earnings                    | \$ 700        | \$ 942            | \$ 242                         |
| <b>Expenditures:</b>                   |               |                   |                                |
| Current:                               |               |                   |                                |
| General government                     |               |                   |                                |
| Tax listing                            | <u>75,700</u> | <u>-</u>          | <u>75,700</u>                  |
| Revenues over (under) expenditures     | (75,000)      | 942               | 75,942                         |
| <b>Other Financing Sources (Uses):</b> |               |                   |                                |
| Transfer In:                           |               |                   |                                |
| General Fund                           | <u>75,000</u> | <u>75,000</u>     | <u>-</u>                       |
| Net change in fund balance             | <u>\$ -</u>   | 75,942            | <u>\$ 75,942</u>               |
| <b>Fund Balances:</b>                  |               |                   |                                |
| Beginning of year, July 1              |               | <u>505,656</u>    |                                |
| End of year, June 30                   |               | <u>\$ 581,598</u> |                                |

**WILSON COUNTY, NORTH CAROLINA**

**ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u>      | <u>Actual</u>      | <u>Variance<br/>Over/Under</u> |
|--|--------------------|--------------------|--------------------------------|
| <b>Expenditures:</b>                   |                    |                    |                                |
| Current:                               |                    |                    |                                |
| General government:                    |                    |                    |                                |
| Economic incentives                    | \$ 2,019,000       | \$ 2,018,962       | \$ 38                          |
| Revenues over (under) expenditures     | <u>(2,019,000)</u> | <u>(2,018,962)</u> | <u>(38)</u>                    |
| <b>Other Financing Sources (Uses):</b> |                    |                    |                                |
| Transfer in:                           |                    |                    |                                |
| General Fund                           | 2,004,000          | 2,004,000          | -                              |
| Fund balance appropriated              | <u>15,000</u>      | <u>-</u>           | <u>15,000</u>                  |
| Total other financing sources (uses)   | <u>2,019,000</u>   | <u>2,004,000</u>   | <u>15,000</u>                  |
| Net change in fund balance             | <u>\$ -</u>        | <u>(14,962)</u>    | <u>\$ (14,962)</u>             |
| <b>Fund Balances:</b>                  |                    |                    |                                |
| Beginning of year, July 1              |                    | <u>459,219</u>     |                                |
| End of year, June 30                   |                    | <u>\$ 444,257</u>  |                                |

**WILSON COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

|   | <b>Fire<br/>Districts<br/>Fund</b> | <b>Emergency<br/>Telephone<br/>System<br/>Fund</b> | <b>Transportation<br/>Fund</b> | <b>Economic<br/>Development<br/>Grant<br/>Fund</b> |
|---|------------------------------------|--|--------------------------------|--|
| <b>Assets:</b>  |                                    |  |                                |  |
| Cash and cash equivalents   | \$ 305,844                         | \$ 847,943   | \$ 228,046                     | \$ -   |
| Taxes receivable, net   | 64,297                             | -  | -                              | -  |
| Accounts receivable, net  | <u>-</u>                           | <u>72,307</u>                                      | <u>20,876</u>                  | <u>-</u>   |
| Total assets  | <u>\$ 370,141</u>                  | <u>\$ 920,250</u>                                  | <u>\$ 248,922</u>              | <u>\$ -</u>  |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances:</b> |                                    |  |                                |  |
| <b>Liabilities:</b>   |                                    |  |                                |  |
| Accounts payable and<br>accrued liabilities                               | \$ -                               | \$ 700   | \$ 19,647                      | \$ -   |
| Miscellaneous liabilities   | -                                  | -  | -                              | -  |
| Due to other funds  | -                                  | -  | -                              | -  |
| Due to other governments  | 305,844                            | -  | -                              | -  |
| Total liabilities   | <u>305,844</u>                     | <u>700</u>   | <u>19,647</u>                  | <u>-</u>   |
| <b>Deferred Inflows of Resources:</b>                                     |                                    |  |                                |  |
| Taxes receivable  | <u>64,297</u>                      | <u>-</u>   | <u>-</u>                       | <u>-</u>   |
| Total deferred inflows of resources                                       | <u>64,297</u>                      | <u>-</u>   | <u>-</u>                       | <u>-</u>   |
| <b>Fund Balances:</b>   |                                    |  |                                |  |
| Restricted:   |                                    |  |                                |  |
| Stabilization by State statute  | -                                  | 72,307   | 20,876                         | -  |
| Public safety   | -                                  | 752,615  | -                              | -  |
| Assigned:   |                                    |  |                                |  |
| Subsequent year's expenditures  | -                                  | 94,628   | -                              | -  |
| Transportation  | -                                  | -  | 208,399                        | -  |
| Future capital  | <u>-</u>                           | <u>-</u>   | <u>-</u>                       | <u>-</u>   |
| Total fund balances   | <u>-</u>                           | <u>919,550</u>                                     | <u>229,275</u>                 | <u>-</u>   |
| Total liabilities, deferred inflows of resources,<br>and fund balances    | <u>\$ 370,141</u>                  | <u>\$ 920,250</u>                                  | <u>\$ 248,922</u>              | <u>\$ -</u>  |

Schedule C-1

| <b>Community Grant Fund</b> | <b>Total Nonmajor Special Revenue Funds</b> | <b>Public Buildings Fund</b> | <b>Farmers Market</b> | <b>Total Nonmajor Capital Projects Funds</b> | <b>Total Nonmajor Governmental Funds</b> |
|-----------------------------|---|------------------------------|-----------------------|--|--|
| \$ 25,318                   | \$ 1,407,151                                | \$ 33,812                    | \$ -                  | \$ 33,812                                    | \$ 1,440,963                             |
| -                           | 64,297                                      | -                            | -                     | -  | 64,297                                   |
| -                           | 93,183                                      | -                            | 380,000               | 380,000                                      | 473,183                                  |
| <u>\$ 25,318</u>            | <u>\$ 1,564,631</u>                         | <u>\$ 33,812</u>             | <u>\$ 380,000</u>     | <u>\$ 413,812</u>                            | <u>\$ 1,978,443</u>                      |
| \$ -                        | \$ 20,347                                   | \$ -                         | \$ -                  | \$ -   | \$ 20,347                                |
| 25,318                      | 25,318                                      | -                            | -                     | -  | 25,318                                   |
| -                           | -   | -                            | 380,000               | 380,000                                      | 380,000                                  |
| -                           | 305,844                                     | -                            | -                     | -  | 305,844                                  |
| <u>25,318</u>               | <u>351,509</u>                              | <u>-</u>                     | <u>380,000</u>        | <u>380,000</u>                               | <u>731,509</u>                           |
| -                           | 64,297                                      | -                            | -                     | -  | 64,297                                   |
| -                           | 64,297                                      | -                            | -                     | -  | 64,297                                   |
| -                           | 93,183                                      | -                            | -                     | -  | 93,183                                   |
| -                           | 752,615                                     | -                            | -                     | -  | 752,615                                  |
| -                           | 94,628                                      | -                            | -                     | -  | 94,628                                   |
| -                           | 208,399                                     | -                            | -                     | -  | 208,399                                  |
| -                           | -   | 33,812                       | -                     | 33,812                                       | 33,812                                   |
| -                           | 1,148,825                                   | 33,812                       | -                     | 33,812                                       | 1,182,637                                |
| <u>\$ 25,318</u>            | <u>\$ 1,564,631</u>                         | <u>\$ 33,812</u>             | <u>\$ 380,000</u>     | <u>\$ 413,812</u>                            | <u>\$ 1,978,443</u>                      |

**WILSON COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

|  | <b>Fire<br/>District<br/>Fund</b> | <b>Emergency<br/>Telephone<br/>System<br/>Fund</b> | <b>Transportation<br/>Fund</b> | <b>Economic<br/>Development<br/>Grant<br/>Fund</b> |
|--|-----------------------------------|--|--------------------------------|--|
| <b>Revenues:</b>                       |                                   |  |                                |  |
| Ad valorem taxes                       | \$ 1,239,919                      | \$ -   | \$ -                           | \$ -   |
| Local option sales tax                 | 294,055                           | -  | -                              | -  |
| Restricted intergovernmental           | -                                 | 433,845  | 246,885                        | -  |
| Sales and services                     | -                                 | -  | 205,362                        | -  |
| Investment earnings                    | -                                 | 1,374  | -                              | -  |
| Total revenues                         | <u>1,533,974</u>                  | <u>435,219</u>                                     | <u>452,247</u>                 | <u>-</u>   |
| <b>Expenditures:</b>                   |                                   |  |                                |  |
| Economic development                   | -                                 | -  | -                              | -  |
| Public safety                          | 1,533,974                         | 351,936  | 402,622                        | -  |
| Capital projects                       | -                                 | 92,641   | -                              | -  |
| Total expenditures                     | <u>1,533,974</u>                  | <u>444,577</u>                                     | <u>402,622</u>                 | <u>-</u>   |
| Revenues over (under) expenditures     | <u>-</u>                          | <u>(9,358)</u>                                     | <u>49,625</u>                  | <u>-</u>   |
| <b>Other Financing Sources (Uses):</b> |                                   |  |                                |  |
| Transfers to other funds               | -                                 | -  | -                              | -  |
| Transfers from other funds             | -                                 | 532  | -                              | -  |
| Total other financing sources (uses)   | <u>-</u>                          | <u>532</u>   | <u>-</u>                       | <u>-</u>   |
| Net change in fund balances            | -                                 | (8,826)  | 49,625                         | -  |
| <b>Fund Balances:</b>                  |                                   |  |                                |  |
| Beginning of year, July 1              | <u>-</u>                          | <u>928,376</u>                                     | <u>179,650</u>                 | <u>-</u>   |
| End of year, June 30                   | <u>\$ -</u>                       | <u>\$ 919,550</u>                                  | <u>\$ 229,275</u>              | <u>\$ -</u>  |

Schedule C-2

| <b>Community Grants Fund</b> | <b>Total Nonmajor Special Revenue Funds</b> | <b>Public Buildings Fund</b> | <b>Farmers Market</b> | <b>Total Nonmajor Capital Projects Funds</b> | <b>Total Nonmajor Governmental Funds</b> |
|------------------------------|---|------------------------------|-----------------------|--|--|
| \$ -                         | \$ 1,239,919                                | \$ -                         | \$ -                  | \$ -   | \$ 1,239,919                             |
| -                            | 294,055                                     | -                            | -                     | -  | 294,055                                  |
| 21,500                       | 702,230                                     | -                            | 380,000               | 380,000                                      | 1,082,230                                |
| -                            | 205,362                                     | -                            | -                     | -  | 205,362                                  |
| -                            | 1,374                                       | -                            | -                     | -  | 1,374                                    |
| <u>21,500</u>                | <u>2,442,940</u>                            | <u>-</u>                     | <u>380,000</u>        | <u>380,000</u>                               | <u>2,822,940</u>                         |
| 21,500                       | 21,500                                      | -                            | -                     | -  | 21,500                                   |
| -                            | 2,288,532                                   | -                            | -                     | -  | 2,288,532                                |
| -                            | 92,641                                      | -                            | 380,000               | 380,000                                      | 472,641                                  |
| <u>21,500</u>                | <u>2,402,673</u>                            | <u>-</u>                     | <u>380,000</u>        | <u>380,000</u>                               | <u>2,782,673</u>                         |
| -                            | 40,267                                      | -                            | -                     | -  | 40,267                                   |
| -                            | -   | (239,675)                    | -                     | (239,675)                                    | (239,675)                                |
| -                            | 532   | -                            | -                     | -  | 532                                      |
| -                            | 532   | (239,675)                    | -                     | (239,675)                                    | (239,143)                                |
| -                            | 40,799                                      | (239,675)                    | -                     | (239,675)                                    | (198,876)                                |
| -                            | 1,108,026                                   | 273,487                      | -                     | 273,487                                      | 1,381,513                                |
| <u>\$ -</u>                  | <u>\$ 1,148,825</u>                         | <u>\$ 33,812</u>             | <u>\$ -</u>           | <u>\$ 33,812</u>                             | <u>\$ 1,182,637</u>                      |

## WILSON COUNTY, NORTH CAROLINA

**FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|                            | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|----------------------------|------------------|------------------|--------------------------------|
| <b>Revenues:</b>           |                  |                  |                                |
| Ad valorem taxes:          |                  |                  |                                |
| Current year               | \$ 1,201,191     | \$ 1,184,393     | \$ (16,798)                    |
| Prior year                 | 14,106           | 55,526           | 41,420                         |
| Total ad valorem taxes     | <u>1,215,297</u> | <u>1,239,919</u> | <u>24,622</u>                  |
| Other taxes                | <u>305,924</u>   | <u>294,055</u>   | <u>(11,869)</u>                |
| Total revenues             | <u>1,521,221</u> | <u>1,533,974</u> | <u>12,753</u>                  |
| <b>Expenditures:</b>       |                  |                  |                                |
| Public safety              | <u>1,521,221</u> | <u>1,533,974</u> | <u>(12,753)</u>                |
| Net change in fund balance | <u>\$ -</u>      | <u>-</u>         | <u>\$ -</u>                    |
| <b>Fund Balance:</b>       |                  |                  |                                |
| Beginning of year, July 1  |                  | <u>-</u>         |                                |
| End of year, June 30       |                  | <u>\$ -</u>      |                                |



## WILSON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u>   | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--|-----------------|-------------------|--------------------------------|
| <b>Revenues:</b>                       |                 |                   |                                |
| Restricted intergovernmental           |                 |                   |                                |
| NC 911 Board                           | \$ 433,845      | \$ 433,845        | \$ -                           |
| Investment earnings                    | <u>750</u>      | <u>1,374</u>      | <u>624</u>                     |
| Total revenues                         | <u>434,595</u>  | <u>435,219</u>    | <u>624</u>                     |
| <b>Expenditures:</b>                   |                 |                   |                                |
| Implemental functions                  | 126,662         | 73,707            | 52,955                         |
| Telephone                              | 154,971         | 152,493           | 2,478                          |
| Software maintenance                   | 88,178          | 84,142            | 4,036                          |
| Hardware maintenance                   | 39,430          | 39,430            | -                              |
| Training                               | 7,000           | 2,164             | 4,836                          |
| Capital outlay                         | <u>92,854</u>   | <u>92,641</u>     | <u>213</u>                     |
| Total expenditures                     | <u>509,095</u>  | <u>444,577</u>    | <u>64,518</u>                  |
| Revenues over (under) expenditures     | <u>(74,500)</u> | <u>(9,358)</u>    | <u>65,142</u>                  |
| <b>Other Financing Sources (Uses):</b> |                 |                   |                                |
| Transfer in                            | 532             | 532               | -                              |
| Fund balance appropriated              | <u>73,968</u>   | <u>-</u>          | <u>(73,968)</u>                |
| Total other financing sources (uses)   | <u>74,500</u>   | <u>532</u>        | <u>(73,968)</u>                |
| Net change in fund balance             | <u>\$ -</u>     | <u>(8,826)</u>    | <u>\$ (8,826)</u>              |
| <b>Fund Balance:</b>                   |                 |                   |                                |
| Beginning of year, July 1              |                 | <u>928,376</u>    |                                |
| End of year, June 30                   |                 | <u>\$ 919,550</u> |                                |

## WILSON COUNTY, NORTH CAROLINA

TRANSPORTATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013

|                                | <u>Budget</u>  | <u>Actual</u>     | <u>Variance<br/>Over/Under</u> |
|--------------------------------|----------------|-------------------|--------------------------------|
| <b>Revenues:</b>               |                |                   |                                |
| Restricted intergovernmental:  |                |                   |                                |
| Rural Operating Grant          | \$ 227,245     | \$ 151,451        | \$ (75,794)                    |
| Capital Grant                  | 77,940         | -                 | (77,940)                       |
| Public Transportation Grant    | 77,391         | 95,434            | 18,043                         |
| Sales and services             | 176,147        | 205,362           | 29,215                         |
| Miscellaneous                  | 4,000          | -                 | (4,000)                        |
| Total revenues                 | <u>562,723</u> | <u>452,247</u>    | <u>(110,476)</u>               |
| <b>Expenditures:</b>           |                |                   |                                |
| Salaries and employee benefits | 51,847         | 51,784            | 63                             |
| Operating expenses             | 429,071        | 347,131           | 81,940                         |
| Capital outlay                 | 81,805         | 3,707             | 78,098                         |
| Total expenditures             | <u>562,723</u> | <u>402,622</u>    | <u>160,101</u>                 |
| Net change in fund balance     | <u>\$ -</u>    | 49,625            | <u>\$ 49,625</u>               |
| <b>Fund Balance:</b>           |                |                   |                                |
| Beginning of year, July 1      |                | <u>179,650</u>    |                                |
| End of year, June 30           |                | <u>\$ 229,275</u> |                                |

## WILSON COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2013**

|                                     | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Over/Under</u> |
|-------------------------------------|---------------|---------------|--------------------------------|
| <b>Revenues:</b>                    |               |               |                                |
| Rural Economic Development          |               |               |                                |
| Reuse and Restoration Grant         | \$ 28,473     | \$ -          | \$ (28,473)                    |
| North Carolina Eastern Region Grant | <u>20,000</u> | <u>-</u>      | <u>(20,000)</u>                |
| Total revenues                      | <u>48,473</u> | <u>-</u>      | <u>(48,473)</u>                |
| <b>Expenditures:</b>                |               |               |                                |
| Operating expenditures              | 20,000        | -             | 20,000                         |
| Capital outlay                      | <u>28,473</u> | <u>-</u>      | <u>28,473</u>                  |
| Total expenditures                  | <u>48,473</u> | <u>-</u>      | <u>48,473</u>                  |
| Net change in fund balance          | <u>\$ -</u>   | <u>-</u>      | <u>\$ -</u>                    |
| <b>Fund Balance:</b>                |               |               |                                |
| Beginning of year, July 1           |               | <u>-</u>      |                                |
| End of year, June 30                |               | <u>\$ -</u>   |                                |

## WILSON COUNTY, NORTH CAROLINA

COMMUNITY GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

|                                      | <u>Project<br/>Authorization</u> | <u>Actual</u>          |                         |                          | <u>Variance<br/>Over/Under</u> |
|--------------------------------------|----------------------------------|------------------------|-------------------------|--------------------------|--------------------------------|
|                                      |                                  | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total to<br/>Date</u> |                                |
| <b>Revenues:</b>                     |                                  |                        |                         |                          |                                |
| <b>Restricted Intergovernmental:</b> |                                  |                        |                         |                          |                                |
| Community Development Block Grants:  |                                  |                        |                         |                          |                                |
| NC Tomorrow Grant                    | \$ 50,000                        | \$ 28,500              | \$ 21,500               | \$ 50,000                | \$ -                           |
| <b>Expenditures:</b>                 |                                  |                        |                         |                          |                                |
| NC Tomorrow Grant                    |                                  |                        |                         |                          |                                |
| Administration                       | 5,000                            | 3,500                  | 1,500                   | 5,000                    | -                              |
| Rehabilitation                       | 45,000                           | 25,000                 | 20,000                  | 45,000                   | -                              |
| Total expenditures                   | 50,000                           | 28,500                 | 21,500                  | 50,000                   | -                              |
| Net change in fund balance           | \$ -                             | \$ -                   | -                       | \$ -                     | \$ -                           |
| <b>Fund Balance:</b>                 |                                  |                        |                         |                          |                                |
| Beginning of year, July 1            |                                  |                        | -                       |                          |                                |
| End of year, June 30                 |                                  |                        | \$ -                    |                          |                                |

**WILSON COUNTY, NORTH CAROLINA**

**PUBLIC BUILDINGS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUEGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30,2013**

|  | <u>Budget</u>    | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|--|------------------|------------------|--------------------------------|
| <b>Expenditures:</b>                   |                  |                  |                                |
| Capital outlay                         | \$ -             | \$ -             | \$ -                           |
| Revenues over (under) expenditures     | -                | -                | -                              |
| <b>Other Financing Sources (Uses):</b> |                  |                  |                                |
| Fund balance appropriated              | 264,675          | -                | (264,675)                      |
| Transfers in (out)                     | <u>(264,675)</u> | <u>(239,675)</u> | <u>25,000</u>                  |
| Total other financing sources (uses)   | <u>-</u>         | <u>(239,675)</u> | <u>(239,675)</u>               |
| Net change in fund balance             | <u>\$ -</u>      | <u>(239,675)</u> | <u>\$ (239,675)</u>            |
| <b>Fund Balance:</b>                   |                  |                  |                                |
| Beginning of year, July 1              |                  | <u>273,487</u>   |                                |
| End of year, June 30                   |                  | <u>\$ 33,812</u> |                                |

**WILSON COUNTY, NORTH CAROLINA**

**FARMERS MARKET  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

|                            | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Over/Under</u> |
|----------------------------|---------------|---------------|--------------------------------|
| <b>Revenues:</b>           |               |               |                                |
| Restricted:                |               |               |                                |
| Golden Leaf Grant          | \$ 380,000    | \$ 380,000    | \$ -                           |
| <b>Expenditures:</b>       |               |               |                                |
| Capital outlay             | 380,000       | 380,000       | -                              |
| Net change in fund balance | <u>\$ -</u>   | -             | <u>\$ -</u>                    |
| <b>Fund Balance:</b>       |               |               |                                |
| Beginning of year, July 1  |               | -             |                                |
| End of year, June 30       |               | <u>\$ -</u>   |                                |

## WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u>      | <u>Actual</u>    | <u>Variance<br/>Over/Under</u> |
|--|--------------------|------------------|--------------------------------|
| <b>Revenues:</b>   |                    |                  |                                |
| Operating revenues:  |                    |                  |                                |
| Charges for services   | \$ 2,163,532       | \$ 2,296,188     | \$ 132,656                     |
| Non-operating revenues:  |                    |                  |                                |
| NC DENR Grant funds  | 100,000            | 100,000          | -                              |
| Investment earnings  | 39,715             | 27,352           | (12,363)                       |
| Disposal taxes   | 137,000            | 142,860          | 5,860                          |
| Other  | 106,000            | 110,024          | 4,024                          |
| Total non-operating revenues   | <u>382,715</u>     | <u>380,236</u>   | <u>(2,479)</u>                 |
| Total revenues   | <u>2,546,247</u>   | <u>2,676,424</u> | <u>130,177</u>                 |
| <b>Expenditures:</b>   |                    |                  |                                |
| Operating expenses   | 7,345,857          | 2,223,031        | 5,122,826                      |
| Capital outlay   | 650,000            | 624,930          | 25,070                         |
| Total expenditures   | <u>7,995,857</u>   | <u>2,847,961</u> | <u>5,147,896</u>               |
| Revenues over (under) expenditures   | <u>(5,449,610)</u> | <u>(171,537)</u> | <u>(5,017,719)</u>             |
| <b>Other Financing Sources (Uses):</b>   |                    |                  |                                |
| Fund balance appropriated  | 5,449,610          | -                | (5,449,610)                    |
| Total other financing sources (uses)   | <u>5,449,610</u>   | <u>-</u>         | <u>(5,449,610)</u>             |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>        | <u>(171,537)</u> | <u>\$ (171,537)</u>            |
| <b>Reconciliation from Budgetary Basis<br/>(Modified Accrual) to Full Accrual:</b>         |                    |                  |                                |
| Reconciling items:   |                    |                  |                                |
| Capital outlays  |                    | 624,930          |                                |
| Depreciation   |                    | (203,935)        |                                |
| Allowance for bad debts  |                    | 1,300            |                                |
| Increase in accrued landfill closure and costs   |                    | (149,497)        |                                |
| Increase in post-employment benefit  |                    | (48,046)         |                                |
| Increase in accrued compensated absences   |                    | (4,024)          |                                |
| Total reconciling items  |                    | <u>220,728</u>   |                                |
| Change in net position   |                    | <u>\$ 49,191</u> |                                |

## WILSON COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2013

|  | <u>Budget</u>   | <u>Actual</u>      | <u>Variance<br/>Over/Under</u> |
|--|-----------------|--------------------|--------------------------------|
| <b>Revenues:</b>   |                 |                    |                                |
| Operating revenues:  |                 |                    |                                |
| Charges for services   | \$ 735,000      | \$ 748,703         | \$ 13,703                      |
| <b>Expenditures:</b>   |                 |                    |                                |
| Operating expenditures:  |                 |                    |                                |
| Operating expenses   | 303,601         | 235,780            | 67,821                         |
| Water purchases  | 190,000         | 177,994            | 12,006                         |
| Capital outlay   | 41,055          | 40,794             | 261                            |
| Total operating expenditures   | <u>534,656</u>  | <u>454,568</u>     | <u>80,088</u>                  |
| Debt service:  |                 |                    |                                |
| Interest   | 155,826         | 140,090            | 15,736                         |
| Principal  | 144,076         | 144,076            | -                              |
| Total debt service   | <u>299,902</u>  | <u>284,166</u>     | <u>15,736</u>                  |
| Total expenditures   | <u>834,558</u>  | <u>738,734</u>     | <u>95,824</u>                  |
| Revenues over (under) expenditures   | <u>(99,558)</u> | <u>9,969</u>       | <u>109,527</u>                 |
| <b>Other Financing Sources (Uses):</b>   |                 |                    |                                |
| Transfers from (to) other funds  | 3,303,834       | -                  | (3,303,834)                    |
| General Obligation Bonds issued  | -               | 3,240,000          | 3,240,000                      |
| Payment to bond holders  | (3,241,000)     | (3,241,000)        | -                              |
| Fund balance appropriated  | 36,724          | -                  | (36,724)                       |
| Total other financing sources (uses)   | <u>99,558</u>   | <u>(1,000)</u>     | <u>(100,558)</u>               |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>     | <u>8,969</u>       | <u>\$ 8,969</u>                |
| <b>Reconciliation from Budgetary Basis<br/>(Modified Accrual) to Full Accrual:</b>         |                 |                    |                                |
| Reconciling items:   |                 |                    |                                |
| Capital outlay   |                 | 40,794             |                                |
| Principal paid on long-term debt   |                 | 145,076            |                                |
| Allowance for bad debt   |                 | (4,376)            |                                |
| Depreciation   |                 | (278,413)          |                                |
| Decrease in accrued interest   |                 | 4,556              |                                |
| Increase in post-employment benefit  |                 | (5,338)            |                                |
| Decrease in accrued compensated absences   |                 | 1,083              |                                |
| Total reconciling items  |                 | <u>(96,618)</u>    |                                |
| Change in net position   |                 | <u>\$ (87,649)</u> |                                |



## WILSON COUNTY, NORTH CAROLINA

SOUTHWEST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2013

|  | <u>Budget</u>    | <u>Actual</u>       | <u>Variance<br/>Over/Under</u> |
|--|------------------|---------------------|--------------------------------|
| <b>Revenues:</b>   |                  |                     |                                |
| Operating revenues:  |                  |                     |                                |
| Charges for services   | \$ 842,000       | \$ 857,543          | \$ 15,543                      |
| <b>Expenditures:</b>   |                  |                     |                                |
| Operating expenditures:  |                  |                     |                                |
| Operating expenses   | 309,601          | 241,251             | 68,350                         |
| Water purchases  | 190,000          | 161,596             | 28,404                         |
| Capital outlay   | 41,055           | 40,794              | 261                            |
| Total operating expenditures   | <u>540,656</u>   | <u>443,641</u>      | <u>97,015</u>                  |
| Debt service:  |                  |                     |                                |
| Interest   | 261,662          | 247,581             | 14,081                         |
| Principal  | 248,837          | 248,836             | 1                              |
| Total debt service   | <u>510,499</u>   | <u>496,417</u>      | <u>14,082</u>                  |
| Total expenditures   | <u>1,051,155</u> | <u>940,058</u>      | <u>111,097</u>                 |
| Revenues over (under) expenditures   | <u>(209,155)</u> | <u>(82,515)</u>     | <u>126,640</u>                 |
| <b>Other Financing Sources (Uses):</b>   |                  |                     |                                |
| Transfers from (to) other funds  | 6,074,167        | -                   | (6,074,167)                    |
| General Obligation Bonds issued  | -                | 5,950,000           | 5,950,000                      |
| Payment to bond holders  | (5,963,000)      | (5,963,000)         | -                              |
| Fund balance appropriated  | 97,988           | -                   | (97,988)                       |
| Total other financing sources (uses)   | <u>209,155</u>   | <u>(13,000)</u>     | <u>(222,155)</u>               |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | <u>\$ -</u>      | <u>(95,515)</u>     | <u>\$ (95,515)</u>             |
| <b>Reconciliation from Budgetary Basis<br/>(Modified Accrual) to Full Accrual:</b>         |                  |                     |                                |
| Reconciling items:   |                  |                     |                                |
| Capital outlay   |                  | 40,794              |                                |
| Principal paid on long-term debt   |                  | 261,836             |                                |
| Depreciation   |                  | (356,891)           |                                |
| Allowance for bad debts  |                  | (4,470)             |                                |
| Decrease in accrued interest   |                  | 7,512               |                                |
| Increase in other post-employment benefit  |                  | (5,338)             |                                |
| Decrease in accrued compensated absences   |                  | 1,083               |                                |
| Total reconciling items  |                  | <u>(55,474)</u>     |                                |
| Change in net position   |                  | <u>\$ (150,989)</u> |                                |

## WILSON COUNTY, NORTH CAROLINA

**WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

|  | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Over/Under</u> |
|--|---------------|---------------|--------------------------------|
| <b>Revenues:</b>   |               |               |                                |
| Operating revenues:  |               |               |                                |
| Charges for services   | \$ -          | \$ 722,782    | \$ 722,782                     |
| <b>Expenditures:</b>   |               |               |                                |
| Debt service:  |               |               |                                |
| Principal retirement   | -             | 340,000       | (340,000)                      |
| Interest and other charges   | -             | 194,782       | (194,782)                      |
| Bond issuance cost   | -             | 225,727       | (225,727)                      |
| Total expenditures   | -             | 760,509       | (760,509)                      |
| Revenues over (under) expenditures   | -             | (37,727)      | (37,727)                       |
| <b>Other Financing Sources (Uses):</b>   |               |               |                                |
| Limited obligation bonds issued  | -             | 9,190,000     | 9,190,000                      |
| Premium on refunding bonds   | -             | 413,727       | 413,727                        |
| Payment for district refunding bonds   | -             | (9,378,000)   | (9,378,000)                    |
| Total other financing sources (uses)   | -             | 225,727       | 225,727                        |
| Revenues and other financing sources over<br>(under) expenditures and other financing uses | \$ -          | 188,000       | \$ 188,000                     |
| <b>Reconciliation from Budgetary Basis<br/>(Modified Accrual) to Full Accrual:</b>         |               |               |                                |
| Reconciling items:   |               |               |                                |
| Investment on long-term bonds  |               | (340,000)     |                                |
| Principal paid on long-term debt   |               | 340,000       |                                |
| Premium on refunding bonds   |               | (413,727)     |                                |
| Increase in accrued interest   |               | (21,095)      |                                |
| Bond premium amortization  |               | 9,194         |                                |
| Total reconciling items  |               | (425,628)     |                                |
| Change in net position   |               | \$ (237,628)  |                                |

**WILSON COUNTY, NORTH CAROLINA**

**HOSPITAL - SELF INSURANCE  
SCHEDULE OF REVENUES AND EXPENDITURES -  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2013**

|                                    | <u>Financial<br/>Plan</u> | <u>Actual</u>       | <u>Variance<br/>Over/Under</u> |
|------------------------------------|---------------------------|---------------------|--------------------------------|
| <b>Revenues:</b>                   |                           |                     |                                |
| Operating revenues:                |                           |                     |                                |
| Insurance premiums                 | \$ 6,250,000              | \$ 5,796,042        | \$ (453,958)                   |
| <b>Expenditures:</b>               |                           |                     |                                |
| Operating expenditures:            |                           |                     |                                |
| Insurance claims and expenses      | 6,250,000                 | 5,986,251           | 263,749                        |
| Revenues over (under) expenditures | \$ -                      | (190,209)           | \$ (190,209)                   |
| Change in net position             |                           | <u>\$ (190,209)</u> |                                |

WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2013

|                                    | <u>Balance</u><br><u>July 1, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>June 30, 2013</u> |
|------------------------------------|---------------------------------------|------------------|-------------------|--|
| <b>Fines and Forfeitures Fund:</b> |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 27,661                             | \$ 386,912       | \$ 397,305        | \$ 17,268                              |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Intergovernmental payable          | \$ 27,661                             | \$ 386,912       | \$ 397,305        | \$ 17,268                              |
| <b>NC DMV Interest:</b>            |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 3,772                              | \$ 73,483        | \$ 72,934         | \$ 4,321                               |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Intergovernmental payable          | \$ 3,772                              | \$ 73,483        | \$ 72,934         | \$ 4,321                               |
| <b>Deed of Trust Fee Fund:</b>     |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 3,472                              | \$ 31,267        | \$ 30,833         | \$ 3,906                               |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Intergovernmental payable          | \$ 3,472                              | \$ 31,267        | \$ 30,833         | \$ 3,906                               |
| <b>Social Services Trust Fund:</b> |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 15,669                             | \$ 114,680       | \$ 116,720        | \$ 13,629                              |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Miscellaneous liabilities          | \$ 15,669                             | \$ 114,680       | \$ 116,720        | \$ 13,629                              |
| <b>Jail Inmate Fund:</b>           |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 24,269                             | \$ 247,014       | \$ 243,930        | \$ 27,353                              |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Miscellaneous liabilities          | \$ 24,269                             | \$ 247,014       | \$ 243,930        | \$ 27,353                              |
| <b>Sheriff Account Fund:</b>       |                                       |                  |                   |  |
| <b>Assets:</b>                     |                                       |                  |                   |  |
| Cash and cash equivalents          | \$ 10,407                             | \$ 43,555        | \$ 53,506         | \$ 456                                 |
| <b>Liabilities:</b>                |                                       |                  |                   |  |
| Miscellaneous liabilities          | \$ 10,407                             | \$ 43,555        | \$ 53,506         | \$ 456                                 |

## WILSON COUNTY, NORTH CAROLINA

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Balance</u><br><u>July 1, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>June 30, 2013</u> |
|---|---------------------------------------|------------------|-------------------|--|
| <b>Tax Collections Held for Municipalities:</b> |                                       |                  |                   |  |
| <b>Assets:</b>                                  |                                       |                  |                   |  |
| Cash and cash equivalents                       | \$ 23,573                             | \$ 27,994,371    | \$ 28,001,436     | \$ 16,508                              |
| <b>Liabilities:</b>                             |                                       |                  |                   |  |
| Intergovernmental payable                       | \$ 23,573                             | \$ 27,994,371    | \$ 28,001,436     | \$ 16,508                              |
| <b>Total - All Agency Funds:</b>                |                                       |                  |                   |  |
| <b>Assets:</b>                                  |                                       |                  |                   |  |
| Cash and cash equivalents                       | \$ 108,823                            | \$ 28,891,282    | \$ 28,916,664     | \$ 83,441                              |
| <b>Liabilities:</b>                             |                                       |                  |                   |  |
| Miscellaneous liabilities                       | \$ 50,345                             | \$ 405,249       | \$ 414,156        | \$ 41,438                              |
| Intergovernmental payable                       | 58,478                                | 28,486,033       | 28,502,508        | 42,003                                 |
| Total liabilities                               | \$ 108,823                            | \$ 28,891,282    | \$ 28,916,664     | \$ 83,441                              |

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## **ADDITIONAL FINANCIAL DATA**

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This section includes additional information on property taxes, transfers, and cash and investments.

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Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy – General Fund

Analysis of Current Tax Levy – Fire Districts

Secondary Market Disclosures

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## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2013**

| <u>Fiscal Year</u>                          | <u>Uncollected<br/>Balance<br/>June 30, 2012</u> | <u>Additions</u>     | <u>Collections<br/>And Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2013</u> |
|---|--|----------------------|------------------------------------|--|
| 2012-2013                                   | \$ -   | \$ 47,968,099        | \$ 46,285,917                      | \$ 1,682,182                                     |
| 2011-2012                                   | 1,673,841  | -                    | 1,190,921                          | 482,920  |
| 2010-2011                                   | 451,134  | -                    | 180,798                            | 270,336  |
| 2009-2010                                   | 189,874  | -                    | 44,163                             | 145,711  |
| 2008-2009                                   | 152,480  | -                    | 20,770                             | 131,710  |
| 2007-2008                                   | 122,369  | -                    | 9,163                              | 113,206  |
| 2006-2007                                   | 119,862  | -                    | 6,288                              | 113,574  |
| 2005-2006                                   | 102,418  | -                    | 4,987                              | 97,431   |
| 2004-2005                                   | 131,239  | -                    | 5,459                              | 125,780  |
| 2003-2004                                   | 96,718   | -                    | 4,156                              | 92,562   |
| 2002-2003                                   | 94,129   | -                    | 94,129                             | -  |
| Total                                       | <u>\$ 3,134,064</u>                              | <u>\$ 47,968,099</u> | <u>\$ 47,846,751</u>               | \$ 3,255,412                                     |
| Less: Allowance for uncollectible accounts: |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>(901,178)</u>                                 |
| Ad valorem taxes receivable, net:           |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>\$ 2,354,234</u>                              |
| <b>Reconciliation with Revenues:</b>        |  |                      |                                    |  |
| Ad valorem taxes - General Fund             |  |                      |                                    | <u>\$ 48,242,116</u>                             |
| Reconciling items:                          |  |                      |                                    |  |
| Interest collected                          |  |                      |                                    | (553,416)  |
| Taxes written off                           |  |                      |                                    | <u>158,051</u>                                   |
| Total reconciling items                     |  |                      |                                    | <u>(395,365)</u>                                 |
| Total collections and credits               |  |                      |                                    | <u>\$ 47,846,751</u>                             |

## WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2013

|   | County-Wide             |         |                      | Total Levy   |                                 |
|---|-------------------------|---------|----------------------|--|---------------------------------|
|   | Property<br>Valuation   | Rate    | Amount<br>of Levy    | Property<br>Excluding<br>Registered<br>Motor<br>Vehicles | Registered<br>Motor<br>Vehicles |
| <b>Original Levy:</b>                     |                         |         |                      |  |                                 |
| Property taxed at current year's rate     | \$ 6,250,091,033        | \$ 0.73 | \$ 45,684,814        | \$ 43,052,734  | \$ 4,230,757                    |
| Motor vehicles taxed at prior year's rate | 218,994,859             | 0.76    | 1,598,676            | -  | -                               |
| Total original levy                       | <u>6,469,085,892</u>    |         | <u>47,283,490</u>    | <u>43,052,734</u>  | <u>4,230,757</u>                |
| <b>Discoveries</b>                        | <u>114,209,077</u>      | 0.73    | <u>834,329</u>       | <u>799,043</u>   | <u>35,286</u>                   |
| <b>Abatements:</b>                        |                         |         |                      |  |                                 |
| At current year's rate                    | (15,213,138)            | 0.73    | (124,712)            | (68,924)   | (55,789)                        |
| At prior year's rate                      | <u>(3,425,787)</u>      | 0.73    | <u>(25,008)</u>      | <u>-</u>   | <u>(25,008)</u>                 |
| Total abatements                          | <u>(18,638,925)</u>     |         | <u>(149,720)</u>     | <u>(68,924)</u>  | <u>(80,797)</u>                 |
| Total property valuation                  | <u>\$ 6,564,656,044</u> |         |                      |  |                                 |
| <b>Net Levy</b>                           |                         |         | 47,968,099           | 43,782,853   | 4,185,246                       |
| Uncollected taxes at June 30, 2013        |                         |         | <u>(1,682,182)</u>   | <u>(1,051,900)</u>                                       | <u>(630,282)</u>                |
| <b>Current Year's Taxes Collected</b>     |                         |         | <u>\$ 46,285,917</u> | <u>\$ 42,730,953</u>                                     | <u>\$ 3,554,964</u>             |
| <b>Current Levy Collection Percentage</b> |                         |         | <u>96.49%</u>        | <u>97.60%</u>  | <u>84.94%</u>                   |

**WILSON COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS  
FOR THE YEAR ENDED JUNE 30, 2013**

|   | <u>Original<br/>Levy</u> | <u>Uncollected<br/>Balance<br/>June 30, 2013</u> |
|---|--------------------------|--|
| Tri County                                  | \$ 28,724                | \$ 3,655   |
| Green Hornet                                | 16,034                   | 627  |
| Moyton                                      | 50,196                   | 5,897  |
| Polly Watson                                | 7,923                    | 1,085  |
| Sims  | 54,333                   | 2,629  |
| East Nash                                   | 244,263                  | 19,615   |
| Lee Woodard                                 | 88,217                   | 6,692  |
| Toisnot                                     | 89,729                   | 2,099  |
| Rock Ridge                                  | 179,114                  | 9,227  |
| Silver Lake                                 | 116,110                  | 6,536  |
| Sanoca                                      | 77,916                   | 8,070  |
| Beulah                                      | 63,541                   | 4,319  |
| Cross Roads                                 | 111,193                  | 8,763  |
| Bakertown                                   | 41,232                   | 3,212  |
| Contentnea                                  | 62,943                   | 999  |
| West Edgecombe                              | 2,420                    | 294  |
| Tota original levy                          | <u>1,233,888</u>         | <u>83,719</u>                                    |
| Less: Allowance for uncollectible accounts: |                          |  |
| Fire Districts                              |                          | <u>(19,422)</u>                                  |
| Ad valorem taxes receivable, net:           |                          |  |
| Fire districts                              |                          | <u>\$ 64,297</u>                                 |
| Less uncollected taxes at June 30, 2013     | <u>(83,719)</u>          |  |
| <b>Current Year's Taxes Collected</b>       | <u>\$ 1,150,169</u>      |  |
| <b>Current Levy Collection Percentage</b>   | <u>93.22%</u>            |  |

**WILSON COUNTY, NORTH CAROLINA**

**SECONDARY MARKET DISCLOSURE  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2013**

**Secondary Market Disclosures:**

**Assessed Valuation:**

|  |                      |
|--|----------------------|
| Assessment Ratio   | <u>100.00%</u>       |
| Real property <sup>1</sup>   | \$ 4,745,155,195     |
| Personal property  | 1,521,437,440        |
| Public service companies <sup>2</sup>                                | 85,302,868           |
| Motor vehicles   | <u>212,760,541</u>   |
| Assessed valuation at current year rates                             | 6,564,656,044        |
| Tax rate per \$100   | <u>0.73</u>          |
|  | 47,921,989           |
| Penalties  | <u>46,110</u>        |
| Net levy (includes discoveries, releases and abatements) - all rates | <u>\$ 47,968,099</u> |

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

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

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

|                        |                      |
|------------------------|----------------------|
| County-wide            | \$ 47,968,099        |
| Special fire districts | 1,233,887            |
| Solid waste district   | <u>1,152,431</u>     |
| Total                  | <u>\$ 50,354,417</u> |

## WILSON COUNTY, NORTH CAROLINA

### TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2013

| <u>Taxpayer</u>                 | <u>Type of Business</u> | <u>Assessed<br/>Valuation</u> | <u>Total<br/>Assessed<br/>Valuation</u> |
|---------------------------------|-------------------------|-------------------------------|---|
| Bridgestone                     | Tire manufacturing      | \$ 423,608,621                | 6.45%                                   |
| BB&T Centralized Solutions Inc. | Financial               | 183,831,661                   | 2.80%                                   |
| Merck                           | Pharmaceutical          | 134,024,113                   | 2.04%                                   |
| Sandoz                          | Pharmaceutical          | 74,960,284                    | 1.14%                                   |
| Becton-Dickinson                | Pharmaceutical          | 61,436,091                    | 0.94%                                   |
| Saint Gobain Containers         | Bottling                | 56,521,412                    | 0.86%                                   |
| Perdue Pharmaceuticals          | Pharmaceutical          | 54,811,344                    | 0.83%                                   |
| Alliance One                    | Tobacco                 | 47,710,134                    | 0.73%                                   |
| Carolina Forge Co               | Manufacturing           | 36,300,290                    | 0.55%                                   |
| S T Wooten Corp                 | Concrete                | 29,446,495                    | 0.45%                                   |
| Total                           |                         | <u>\$1,102,650,445</u>        | <u>16.80%</u>                           |

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## STATISTICAL SECTION

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### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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# COUNTY OF WILSON, NORTH CAROLINA

## STATISTICAL SECTION

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

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

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

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

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

|          |   |
|----------|---|
| Table 10 | Ratios of Outstanding Debt by Type        |
| Table 11 | Ratios of General Bonded Debt Outstanding |

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

|          |                                     |
|----------|-------------------------------------|
| Table 12 | Demographic and Economic Statistics |
| Table 13 | Principal Employers                 |

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

|          |  |
|----------|--|
| Table 14 | Full-time Government Employees By Function |
| Table 15 | Operating Indicators By Function           |
| Table 16 | Capital Asset Statistics By Function       |

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

|  | Fiscal Year          |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 |
| Governmental Activities                    |                      |                      |                      |                      |                      |
| Net investment in Capital Assets           | \$ 15,155,221        | \$ 15,487,589        | \$ 14,991,356        | \$ 17,033,706        | \$ 17,651,796        |
| Restricted                                 | 781,388              | 555,274              | 371,922              | 392,360              | 105,716              |
| Unrestricted                               | (11,316,939)         | (10,855,063)         | (6,047,533)          | (4,605,305)          | (15,129,108)         |
| Total Governmental Activities Net Position | <u>\$ 4,619,670</u>  | <u>\$ 5,187,800</u>  | <u>\$ 9,315,745</u>  | <u>\$ 12,820,761</u> | <u>\$ 2,628,404</u>  |
| Business-Type Activities                   |                      |                      |                      |                      |                      |
| Net investment in Capital Assets           | \$ 15,184,837        | \$ 15,816,055        | \$ 16,358,676        | \$ 17,056,014        | \$ 17,117,626        |
| Restricted                                 | 229,576              | 735,625              | 853,665              | 208,676              | -                    |
| Unrestricted                               | 11,614,608           | 11,752,866           | 12,905,047           | 14,169,801           | 15,487,424           |
| Total Business-Type Activities Net Assets  | <u>\$ 27,029,021</u> | <u>\$ 28,304,546</u> | <u>\$ 30,117,388</u> | <u>\$ 31,434,491</u> | <u>\$ 32,605,050</u> |
| Primary Government                         |                      |                      |                      |                      |                      |
| Net investment in Capital Assets           | \$ 30,340,058        | \$ 31,303,644        | \$ 31,350,032        | \$ 34,089,720        | \$ 34,769,422        |
| Restricted                                 | 1,010,964            | 1,290,899            | 1,225,587            | 601,036              | 105,716              |
| Unrestricted                               | 297,669              | 897,803              | 6,857,514            | 9,564,496            | 358,316              |
| Total Primary Government Net Assets        | <u>\$ 31,648,691</u> | <u>\$ 33,492,346</u> | <u>\$ 39,433,133</u> | <u>\$ 44,255,252</u> | <u>\$ 35,233,454</u> |

**Source: Annual audited financial statements of this entity.**  
**Data from Exhibit 1**

| <b>Fiscal Year</b>    |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>2009</b>           | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>          |
| \$ 16,779,850         | \$ 16,394,856        | \$ 16,914,580        | \$ 18,731,866        | \$ 19,698,346        |
| 138,754               | 170,006              | 7,616,890            | 8,066,366            | 10,621,304           |
| (19,608,823)          | (14,931,994)         | (15,774,211)         | (10,211,306)         | (8,344,311)          |
| <u>\$ (2,690,219)</u> | <u>\$ 1,632,868</u>  | <u>\$ 8,757,259</u>  | <u>\$ 16,586,926</u> | <u>\$ 21,975,339</u> |
| <br>                  |                      |                      |                      |                      |
| \$ 17,026,441         | \$ 17,013,528        | \$ 17,157,058        | \$ 17,343,940        | \$ 17,618,131        |
| -                     | -                    | -                    | -                    | -                    |
| 15,978,199            | 15,513,216           | 15,008,537           | 14,628,460           | 13,920,346           |
| <u>\$ 33,004,640</u>  | <u>\$ 32,526,744</u> | <u>\$ 32,165,595</u> | <u>\$ 31,972,400</u> | <u>\$ 31,538,477</u> |
| <br>                  |                      |                      |                      |                      |
| \$ 33,806,291         | \$ 33,408,384        | \$ 34,071,638        | \$ 36,075,806        | \$ 37,316,477        |
| 138,754               | 170,006              | 7,616,890            | 8,066,366            | 10,621,304           |
| (3,630,624)           | 581,222              | (765,674)            | 4,417,154            | 5,576,035            |
| <u>\$ 30,314,421</u>  | <u>\$ 34,159,612</u> | <u>\$ 40,922,854</u> | <u>\$ 48,559,326</u> | <u>\$ 53,513,816</u> |

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

|  | Fiscal Year            |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2004                   | 2005                   | 2006                   | 2007                   | 2008                   |
| <b>Expenses</b>                              |                        |                        |                        |                        |                        |
| Governmental Activities:                     |                        |                        |                        |                        |                        |
| General government                           | \$ 6,817,807           | \$ 6,466,351           | \$ 6,553,323           | \$ 8,591,788           | \$ 9,716,338           |
| Public Safety                                | 10,831,686             | 12,833,721             | 14,849,173             | 16,009,343             | 17,310,695             |
| Transportation                               | 200,307                | 40,214                 | 42,714                 | 40,214                 | 44,199                 |
| Environmental protection                     | 207,065                | 212,708                | 252,393                | 984,553                | 263,185                |
| Economic and Physical Development            | 1,493,714              | 983,743                | 3,934,651              | 1,634,504              | 3,802,793              |
| Human Services                               | 29,069,912             | 30,330,025             | 33,260,796             | 34,779,448             | 34,831,798             |
| Cultural and recreational                    | 1,702,256              | 1,853,427              | 2,204,386              | 1,947,966              | 2,012,515              |
| Education                                    | 17,090,645             | 19,054,402             | 18,044,198             | 18,739,332             | 30,153,307             |
| Interest on long-term debt                   | 2,295,615              | 2,015,382              | 1,822,016              | 1,719,772              | 2,168,694              |
| Total government activities expenses         | <u>69,709,007</u>      | <u>73,789,973</u>      | <u>80,963,650</u>      | <u>84,446,920</u>      | <u>100,303,524</u>     |
| Business-type Activities:                    |                        |                        |                        |                        |                        |
| Landfill                                     | \$ 1,777,405           | \$ 2,049,988           | \$ 1,940,209           | \$ 2,352,221           | \$ 2,552,162           |
| Water  | 636,434                | 923,078                | 1,273,440              | 1,634,317              | 1,655,504              |
| Total business-type activities expenses      | <u>2,413,839</u>       | <u>2,973,066</u>       | <u>3,213,649</u>       | <u>3,986,538</u>       | <u>4,207,666</u>       |
| Total primary government expenses            | <u>72,122,846</u>      | <u>76,763,039</u>      | <u>84,177,299</u>      | <u>88,433,458</u>      | <u>104,511,190</u>     |
| <b>Program Revenues</b>                      |                        |                        |                        |                        |                        |
| Governmental Activities:                     |                        |                        |                        |                        |                        |
| Charges for services:                        |                        |                        |                        |                        |                        |
| General government                           | 2,076,215              | 1,270,940              | 696,166                | 975,562                | 785,436                |
| Public Safety                                | 2,219,604              | 2,552,892              | 3,283,339              | 3,915,444              | 3,928,008              |
| Transportation                               | 14,197                 | 197,240                | 136,165                | -                      | 21,872                 |
| Environmental protection                     | -                      | -                      | -                      | -                      | -                      |
| Economic and Physical Development            | -                      | -                      | 847,902                | 40,388                 | -                      |
| Human Services                               | 5,550,997              | 5,622,203              | 5,928,961              | 7,067,283              | 6,251,536              |
| Cultural and recreational                    | 30,252                 | 26,712                 | -                      | -                      | 25,744                 |
| Operating grants and contributions           | 14,616,199             | 15,167,547             | 15,170,468             | 15,399,555             | 17,415,740             |
| Capital grants and contributions             | 103,319                | 5,537                  | 663,049                | 1,229,134              | 63,154                 |
| Total government activities program revenues | <u>24,610,783</u>      | <u>24,843,071</u>      | <u>26,726,050</u>      | <u>28,627,366</u>      | <u>28,491,490</u>      |
| Business-type activities:                    |                        |                        |                        |                        |                        |
| Charges for services:                        |                        |                        |                        |                        |                        |
| Landfill                                     | 2,181,138              | 2,170,435              | 2,838,813              | 2,689,342              | 2,663,594              |
| Water  | 486,929                | 773,861                | 924,420                | 1,118,400              | 1,200,633              |
| Operating grants and contributions           | 207,160                | 305,991                | -                      | -                      | 803,500                |
| Capital grants and contributions             | 2,642,750              | 689,615                | 659,357                | 682,515                | -                      |
| Total business-type program revenues         | <u>5,517,977</u>       | <u>3,939,902</u>       | <u>4,422,590</u>       | <u>4,490,257</u>       | <u>4,667,727</u>       |
| Total primary government program revenues    | <u>30,128,760</u>      | <u>28,782,973</u>      | <u>31,148,640</u>      | <u>33,117,623</u>      | <u>33,159,217</u>      |
| <b>Net (Expense)/Revenue</b>                 |                        |                        |                        |                        |                        |
| Governmental activities                      | (45,098,224)           | (48,946,902)           | (54,237,600)           | (55,819,554)           | (71,812,034)           |
| Business-type activities                     | 3,104,138              | 966,836                | 1,208,941              | 503,719                | 460,061                |
| Total primary government net expense         | <u>\$ (41,994,086)</u> | <u>\$ (47,980,066)</u> | <u>\$ (53,028,659)</u> | <u>\$ (55,315,835)</u> | <u>\$ (71,351,973)</u> |

Source: Annual audited financial statements of this entity.  
Data from Exhibit 2

| Fiscal Year            |                        |                        |                        |                        |
|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2009                   | 2010                   | 2011                   | 2012                   | 2013                   |
| \$ 9,168,058           | \$ 8,957,720           | \$ 8,882,777           | \$ 7,651,150           | \$ 7,248,404           |
| 19,485,200             | 19,306,051             | 19,196,921             | 19,815,892             | 20,830,220             |
| 59,660                 | 50,861                 | 50,724                 | 49,967                 | 50,246                 |
| 294,273                | 301,191                | 300,558                | 284,161                | 290,665                |
| 3,332,631              | 3,533,157              | 3,042,014              | 3,025,416              | 3,427,689              |
| 35,791,530             | 34,813,467             | 34,454,057             | 33,731,053             | 35,039,483             |
| 2,122,205              | 2,014,077              | 2,002,703              | 1,813,114              | 1,903,182              |
| 28,193,496             | 18,848,568             | 18,596,063             | 18,847,287             | 18,795,853             |
| 2,170,700              | 2,067,724              | 1,439,974              | 1,539,092              | 1,430,380              |
| <u>100,617,753</u>     | <u>89,892,816</u>      | <u>87,965,791</u>      | <u>86,757,132</u>      | <u>89,016,122</u>      |
| <br>                   |                        |                        |                        |                        |
| \$ 2,379,231           | \$ 2,549,099           | \$ 2,408,065           | \$ 2,535,925           | \$ 2,632,369           |
| 1,711,393              | 1,849,152              | 1,813,444              | 1,870,248              | 2,288,200              |
| <u>4,090,624</u>       | <u>4,398,251</u>       | <u>4,221,509</u>       | <u>4,406,173</u>       | <u>4,920,569</u>       |
| <u>104,708,377</u>     | <u>94,291,067</u>      | <u>92,187,300</u>      | <u>91,163,305</u>      | <u>93,936,691</u>      |
| <br>                   |                        |                        |                        |                        |
| 882,443                | 952,104                | 775,757                | 779,845                | 807,579                |
| 4,083,112              | 3,569,290              | 4,585,775              | 4,779,443              | 5,125,848              |
| 49,892                 | 70,637                 | 51,861                 | 213,920                | 205,362                |
| -                      | 200                    | -                      | -                      | -                      |
| -                      | -                      | -                      | -                      | 23,953                 |
| 7,995,214              | 7,472,782              | 7,252,008              | 7,564,365              | 7,207,332              |
| 28,841                 | 32,653                 | 34,332                 | 59,828                 | 57,037                 |
| 18,101,406             | 20,207,494             | 19,282,450             | 18,398,248             | 17,364,048             |
| 1,653,878              | 1,701,926              | 3,172,685              | 1,960,955              | 1,457,437              |
| <u>32,794,786</u>      | <u>34,007,086</u>      | <u>35,154,868</u>      | <u>33,756,604</u>      | <u>32,248,596</u>      |
| <br>                   |                        |                        |                        |                        |
| 2,470,560              | 2,347,945              | 2,327,996              | 2,610,208              | 2,649,072              |
| 1,367,028              | 1,514,292              | 1,514,426              | 1,572,563              | 1,606,246              |
| -                      | -                      | -                      | -                      | -                      |
| 321,336                | -                      | -                      | -                      | -                      |
| <u>4,158,924</u>       | <u>3,862,237</u>       | <u>3,842,422</u>       | <u>4,182,771</u>       | <u>4,255,318</u>       |
| <br>                   |                        |                        |                        |                        |
| <u>36,953,710</u>      | <u>37,869,323</u>      | <u>38,997,290</u>      | <u>37,939,375</u>      | <u>36,503,914</u>      |
| <br>                   |                        |                        |                        |                        |
| (67,822,967)           | (55,885,730)           | (52,810,923)           | (53,000,528)           | (56,767,526)           |
| 68,300                 | (536,014)              | (379,087)              | (223,402)              | (665,251)              |
| <u>\$ (67,754,667)</u> | <u>\$ (56,421,744)</u> | <u>\$ (53,190,010)</u> | <u>\$ (53,223,930)</u> | <u>\$ (57,432,777)</u> |

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

**General Revenues and Other Changes in Net Position**

|  | <b>Fiscal Year</b>  |                     |                     |                     |                       |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------|
|  | <b>2004</b>         | <b>2005</b>         | <b>2006</b>         | <b>2007</b>         | <b>2008</b>           |
| Governmental Activities:                                     |                     |                     |                     |                     |                       |
| Taxes  |                     |                     |                     |                     |                       |
| Property taxes   | \$ 35,162,109       | \$ 35,072,321       | \$ 41,687,531       | \$ 40,579,339       | \$ 42,242,034         |
| Local option sales tax                                       | 12,320,877          | 13,831,678          | 14,060,662          | 16,107,578          | 16,320,229            |
| Other taxes and licenses                                     | 1,334,276           | 1,221,216           | 1,311,338           | 1,352,912           | 1,284,311             |
| Grants and contributions not restricted to specific programs | 33,030              | 39,387              | 150,110             | 163,537             | 230,929               |
| Investment earnings, unrestricted                            | 269,418             | 509,443             | 1,059,383           | 1,337,881           | 1,472,840             |
| Miscellaneous, unrestricted                                  | 184,933             | 35,288              | 57,855              | (216,677)           | 69,334                |
| Special Item - Economic Development Incentive                | -                   | (1,316,150)         | -                   | -                   | -                     |
| Transfers  | 124,789             | 121,849             | -                   | -                   | -                     |
| Total governmental activities                                | <u>49,429,432</u>   | <u>49,515,032</u>   | <u>58,326,879</u>   | <u>59,324,570</u>   | <u>61,619,677</u>     |
| Business-type Activities:                                    |                     |                     |                     |                     |                       |
| Grants and contributions not restricted to specific programs | -                   | -                   | 603,901             | -                   | -                     |
| Investment earnings, unrestricted                            | 103,332             | 308,689             | -                   | 813,384             | 710,498               |
| Miscellaneous, unrestricted                                  | -                   | -                   | -                   | -                   | -                     |
| Transfers  | -                   | -                   | -                   | -                   | -                     |
| Total business-type activities                               | <u>103,332</u>      | <u>308,689</u>      | <u>603,901</u>      | <u>813,384</u>      | <u>710,498</u>        |
| Total primary government                                     | <u>49,532,764</u>   | <u>49,823,721</u>   | <u>58,930,780</u>   | <u>60,137,954</u>   | <u>62,330,175</u>     |
| <b><u>Change in Net Position</u></b>                         |                     |                     |                     |                     |                       |
| Governmental activities                                      | 4,331,208           | 568,130             | 4,212,228           | 3,505,016           | (10,192,357)          |
| Business activities  | 3,207,470           | 1,275,525           | 1,812,842           | 1,317,103           | 1,170,559             |
| Total Primary Government                                     | <u>\$ 7,538,678</u> | <u>\$ 1,843,655</u> | <u>\$ 6,025,070</u> | <u>\$ 4,822,119</u> | <u>\$ (9,021,798)</u> |

**Source: Annual audited financial statements of this entity.**  
**Data from Exhibit 2**

| Fiscal Year           |                     |                     |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| 2009                  | 2010                | 2011                | 2012                | 2013                |
| \$ 47,418,462         | \$ 47,985,145       | \$ 48,432,721       | \$ 48,652,157       | \$ 49,589,056       |
| 13,482,802            | 10,964,910          | 10,236,298          | 11,202,801          | 11,725,610          |
| 1,279,712             | 644,480             | 687,322             | 499,644             | 530,176             |
| 150,000               | 225,000             | 225,000             | 250,345             | 243,750             |
| 526,767               | 84,638              | 73,441              | 68,897              | 62,458              |
| (353,399)             | 284,644             | 259,932             | 156,371             | 108,558             |
| -                     | -                   | -                   | -                   | -                   |
| -                     | -                   | 20,600              | -                   | -                   |
| <u>62,504,344</u>     | <u>60,188,817</u>   | <u>59,935,314</u>   | <u>60,830,215</u>   | <u>62,259,608</u>   |
| -                     | -                   | -                   | -                   | -                   |
| 331,290               | 58,118              | 38,538              | 30,207              | 231,328             |
| -                     | -                   | -                   | -                   | -                   |
| -                     | -                   | (20,600)            | -                   | -                   |
| <u>331,290</u>        | <u>58,118</u>       | <u>17,938</u>       | <u>30,207</u>       | <u>231,328</u>      |
| <u>62,835,634</u>     | <u>60,246,935</u>   | <u>59,953,252</u>   | <u>60,860,422</u>   | <u>62,490,936</u>   |
| (5,318,623)           | 4,323,087           | 7,124,391           | 7,829,687           | 5,492,082           |
| 399,590               | (477,896)           | (361,149)           | (193,195)           | (433,923)           |
| <u>\$ (4,919,033)</u> | <u>\$ 3,845,191</u> | <u>\$ 6,763,242</u> | <u>\$ 7,636,492</u> | <u>\$ 5,058,159</u> |

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

|                                    | Fiscal Year          |                      |                      |                      |                      |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 |
| General Fund                       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 5,590,940         | \$ 6,805,195         | \$ 6,647,780         | \$ 7,316,558         | \$ 7,421,733         |
| Unreserved                         | 18,248,145           | 17,004,072           | 20,781,811           | 20,015,927           | 17,357,420           |
| Restricted                         |                      |                      |                      |                      |                      |
| Committed                          |                      |                      |                      |                      |                      |
| Assigned                           |                      |                      |                      |                      |                      |
| Unassigned                         |                      |                      |                      |                      |                      |
| Total General Fund                 | <u>\$ 23,839,085</u> | <u>\$ 23,809,267</u> | <u>\$ 27,429,591</u> | <u>\$ 27,332,485</u> | <u>\$ 24,779,153</u> |
| All Other Governmental Funds       |                      |                      |                      |                      |                      |
| Reserved                           | \$ 42,358            | \$ 76,170            | \$ 111,785           | \$ 155,536           | \$ 105,739           |
| Unreserved, reported in:           |                      |                      |                      |                      |                      |
| Capital projects funds             | 4,156,597            | 808,450              | 391,411              | 632,456              | 8,677,836            |
| Special revenue funds              | 591,837              | 693,014              | 678,835              | 476,942              | 587,180              |
| Restricted                         |                      |                      |                      |                      |                      |
| Assigned                           |                      |                      |                      |                      |                      |
| Unassigned                         |                      |                      |                      |                      |                      |
| Total all other governmental funds | <u>\$ 4,790,792</u>  | <u>\$ 1,577,634</u>  | <u>\$ 1,182,031</u>  | <u>\$ 1,264,934</u>  | <u>\$ 9,370,755</u>  |

**Source: Annual audited financial statements of this entity.**  
**Beginning Fiscal Year 2011 data presented implementing GASB Statement 54**  
**Data from Exhibit 3**



| Fiscal Year          |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
| \$ 6,729,102         | \$ 7,194,610         |                      |                      |                      |
| 16,563,965           | 19,247,970           |                      |                      |                      |
|                      |                      | 6,022,889            | 7,183,183            | 9,775,506            |
|                      |                      | 2,729,890            | 3,262,228            | 1,025,855            |
|                      |                      | 5,638,789            | 7,540,784            | 11,627,353           |
|                      |                      | 17,897,429           | 19,012,749           | 17,737,920           |
| <u>\$ 23,293,067</u> | <u>\$ 26,442,580</u> | <u>\$ 32,288,997</u> | <u>\$ 36,998,944</u> | <u>\$ 40,166,634</u> |
| <br>                 |                      |                      |                      |                      |
| \$ 169,578           | \$ 231,955           |                      |                      |                      |
| 2,049,401            | 1,571,911            |                      |                      |                      |
| 849,967              | 1,180,163            |                      |                      |                      |
|                      |                      | 1,594,001            | 945,895              | 845,798              |
|                      |                      | 426,262              | 435,618              | 336,839              |
|                      |                      | 75,359               |                      |                      |
| <u>\$ 3,068,946</u>  | <u>\$ 2,984,029</u>  | <u>\$ 2,095,622</u>  | <u>\$ 1,381,513</u>  | <u>\$ 1,182,637</u>  |

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

|   | Fiscal Year           |                       |                     |                    |                     |
|---|-----------------------|-----------------------|---------------------|--------------------|---------------------|
|   | 2004                  | 2005                  | 2006                | 2007               | 2008                |
| <b>Revenues:</b>  |                       |                       |                     |                    |                     |
| Ad valorem taxes  | \$ 34,519,070         | \$ 35,832,972         | \$ 44,221,746       | \$ 40,968,449      | \$ 42,217,538       |
| Local option sales tax                                  | 12,541,711            | 13,831,678            | 14,060,662          | 16,107,578         | 16,320,229          |
| Other taxes and licenses                                | 1,113,442             | 1,221,216             | 1,311,338           | 1,352,912          | 1,284,311           |
| Unrestricted intergovernmental revenues                 | 33,030                | 161,236               | 150,110             | 163,537            | 208,151             |
| Restricted intergovernmental revenues                   | 14,719,518            | 14,856,079            | 16,554,579          | 19,742,308         | 19,660,135          |
| Permits and fees  | 655,455               | 626,106               | 632,501             | 660,740            | 544,339             |
| Sales and services                                      | 9,235,810             | 9,360,886             | 9,661,919           | 8,224,319          | 8,306,220           |
| Investment earnings                                     | 269,418               | 509,443               | 1,059,383           | 1,337,881          | 1,472,840           |
| Miscellaneous   | 184,931               | 35,288                | 93,816              | 93,362             | 72,906              |
| Total revenues  | <u>73,272,385</u>     | <u>76,434,904</u>     | <u>87,746,054</u>   | <u>88,651,086</u>  | <u>90,086,669</u>   |
| <b>Expenditures:</b>                                    |                       |                       |                     |                    |                     |
| General government                                      | 6,762,042             | 6,306,162             | 6,562,852           | 9,300,101          | 8,291,245           |
| Public safety   | 10,773,069            | 12,633,284            | 14,128,077          | 15,208,085         | 16,598,002          |
| Transportation  | 200,307               | 40,214                | 42,714              | 40,214             | 43,921              |
| Environmental protection                                | 802,731               | 432,007               | 252,393             | 260,307            | 244,530             |
| Economic and physical development                       | 869,869               | 739,832               | 943,982             | 2,327,428          | 3,445,811           |
| Human Services  | 29,139,537            | 30,323,668            | 33,246,126          | 34,681,279         | 34,468,410          |
| Cultural and Recreational                               | 1,652,665             | 1,746,978             | 1,883,042           | 1,681,971          | 1,809,886           |
| Intergovernmental :                                     |                       |                       |                     |                    |                     |
| Education   | 15,667,024            | 17,715,734            | 17,715,244          | 18,739,332         | 19,399,207          |
| Capital projects  | 4,516,850             | 3,172,462             | 3,984,999           | 1,572,530          | 11,575,737          |
| Debt service:   |                       |                       |                     |                    |                     |
| Principal retirement                                    | 4,599,716             | 4,521,740             | 4,348,150           | 4,509,787          | 4,802,271           |
| Interest and fees                                       | 2,284,863             | 2,045,799             | 1,870,754           | 1,749,254          | 1,615,172           |
| Bond Issuance cost                                      | -                     | -                     | -                   | -                  | -                   |
| Total expenditures                                      | <u>77,268,673</u>     | <u>79,677,880</u>     | <u>84,978,333</u>   | <u>90,070,288</u>  | <u>102,294,192</u>  |
| Excess of revenues over (under) expenditures            | <u>(3,996,288)</u>    | <u>(3,242,976)</u>    | <u>2,767,721</u>    | <u>(1,419,202)</u> | <u>(12,207,523)</u> |
| <b>Other financing sources (uses):</b>                  |                       |                       |                     |                    |                     |
| Debt proceeds   | -                     | -                     | 457,000             | 1,405,000          | 18,563,512          |
| Refunding Bonds Issued                                  | -                     | -                     | -                   | -                  | -                   |
| Premium on refunding Bonds                              | -                     | -                     | -                   | -                  | -                   |
| Payment to Refunded Bond Escrow                         | -                     | -                     | -                   | -                  | -                   |
| Transfers in  | -                     | -                     | -                   | -                  | -                   |
| Transfer out  | -                     | -                     | -                   | -                  | (803,500)           |
| Installment purchase obligations issued                 | -                     | -                     | -                   | -                  | -                   |
| Capital lease obligation issued                         | 891,897               | -                     | -                   | -                  | -                   |
| Payment for Note on Land                                | -                     | -                     | -                   | -                  | -                   |
| Operating transfer from component unit                  | 124,789               | -                     | -                   | -                  | -                   |
| Sales of capital assets                                 | -                     | -                     | -                   | -                  | -                   |
| Total other financing sources (uses)                    | <u>1,016,686</u>      | <u>-</u>              | <u>457,000</u>      | <u>1,405,000</u>   | <u>17,760,012</u>   |
| Net change in fund balances                             | <u>\$ (2,979,602)</u> | <u>\$ (3,242,976)</u> | <u>\$ 3,224,721</u> | <u>\$ (14,202)</u> | <u>\$ 5,552,489</u> |
| Debt service as a percentage of noncapital expenditures | 10.45%                | 9.39%                 | 8.32%               | 7.61%              | 7.61%               |

Source: Annual audited financial statements of this entity.  
Data from Exhibit 4

| Fiscal Year           |                     |                     |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| 2009                  | 2010                | 2011                | 2012                | 2013                |
| \$ 47,155,793         | \$ 47,998,574       | \$ 48,337,108       | \$ 48,486,720       | \$ 49,482,035       |
| 13,482,802            | 10,964,910          | 10,236,298          | 11,202,801          | 11,725,610          |
| 1,279,712             | 1,206,796           | 687,322             | 499,644             | 530,176             |
| 150,000               | 268,665             | 225,000             | 250,345             | 243,750             |
| 19,997,001            | 21,575,164          | 22,886,533          | 20,475,539          | 19,489,754          |
| 428,857               | 421,293             | 384,117             | 400,205             | 447,437             |
| 12,368,929            | 11,424,648          | 11,884,218          | 12,608,346          | 12,311,405          |
| 526,767               | 84,638              | 73,441              | 68,897              | 62,458              |
| 217,505               | 294,269             | 213,499             | 344,420             | 472,439             |
| <u>95,607,366</u>     | <u>94,238,957</u>   | <u>94,927,536</u>   | <u>94,336,917</u>   | <u>94,765,064</u>   |
| 8,797,504             | 8,472,516           | 8,290,694           | 7,399,100           | 7,221,725           |
| 18,484,597            | 18,052,745          | 15,929,725          | 19,216,818          | 19,974,519          |
| 56,403                | 47,857              | 47,857              | 47,857              | 47,857              |
| 264,780               | 278,506             | 281,693             | 269,781             | 279,338             |
| 3,165,096             | 2,764,400           | 5,066,317           | 5,613,412           | 3,448,155           |
| 34,590,796            | 33,432,009          | 33,127,310          | 32,955,787          | 33,651,603          |
| 1,866,074             | 1,769,221           | 1,745,106           | 1,649,070           | 1,759,841           |
| 20,866,815            | 18,689,717          | 18,596,063          | 18,417,173          | 18,795,853          |
| 8,108,572             | 853,109             | 421,594             | 991,388             | 472,641             |
| 4,582,563             | 4,900,826           | 4,918,749           | 5,004,797           | 4,996,939           |
| 2,665,170             | 2,165,489           | 1,568,512           | 1,439,934           | 1,484,592           |
| -                     | -                   | 144,909             | -                   | -                   |
| <u>103,448,370</u>    | <u>91,426,395</u>   | <u>90,138,529</u>   | <u>93,005,117</u>   | <u>92,133,063</u>   |
| <u>(7,841,004)</u>    | <u>2,812,562</u>    | <u>4,789,007</u>    | <u>1,331,800</u>    | <u>2,632,001</u>    |
| -                     | -                   | -                   | -                   | -                   |
| -                     | -                   | 10,200,000          | -                   | -                   |
| -                     | -                   | 386,487             | -                   | -                   |
| -                     | -                   | (10,438,084)        | -                   | -                   |
| -                     | -                   | 1,927,903           | 133,888             | 240,207             |
| -                     | -                   | (1,907,303)         | (133,888)           | (240,207)           |
| -                     | -                   | -                   | 5,235,125           | 300,000             |
| -                     | 252,034             | -                   | 46,475              | 36,813              |
| -                     | -                   | -                   | (2,617,562)         | -                   |
| -                     | -                   | -                   | -                   | -                   |
| 53,109                | -                   | -                   | -                   | -                   |
| <u>53,109</u>         | <u>252,034</u>      | <u>169,003</u>      | <u>2,664,038</u>    | <u>336,813</u>      |
| <u>\$ (7,787,895)</u> | <u>\$ 3,064,596</u> | <u>\$ 4,958,010</u> | <u>\$ 3,995,838</u> | <u>\$ 2,968,814</u> |
| 8.23%                 | 8.46%               | 7.98%               | 7.28%               | 7.20%               |

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

| Fiscal<br>Year<br>Ended<br>June 30, | Real Property           |                   |                      |                   | Total            | Total<br>Direct<br>Tax Rate |
|-------------------------------------|-------------------------|-------------------|----------------------|-------------------|------------------|-----------------------------|
|                                     | Residential<br>Property | Public<br>Service | Personal<br>Property | Motor<br>Vehicles |                  |                             |
| 2005                                | \$ 3,419,256,472        | \$ 68,738,848     | \$ 884,289,168       | \$ 542,725,687    | \$ 4,915,010,175 | \$ 0.7600                   |
| 2006                                | 3,508,422,823           | 72,840,118        | 899,706,893          | 635,763,805       | 5,116,733,639    | 0.7600                      |
| 2007                                | 3,608,777,787           | 75,885,032        | 942,052,612          | 574,974,740       | 5,201,690,171    | 0.7600                      |
| 2008                                | 3,735,135,051           | 65,415,105        | 1,007,905,553        | 609,610,462       | 5,418,066,171    | 0.7300                      |
| 2009                                | 4,502,749,848           | 81,287,907        | 1,043,167,315        | 592,139,523       | 6,219,344,593    | 0.7300                      |
| 2010                                | 4,633,928,475           | 79,703,635        | 1,076,134,029        | 583,287,626       | 6,373,053,765    | 0.7300                      |
| 2011                                | 4,694,480,580           | 78,226,687        | 1,132,425,735        | 480,408,940       | 6,385,541,942    | 0.7300                      |
| 2012                                | 4,715,489,339           | 83,300,049        | 1,141,746,126        | 546,149,593       | 6,486,685,107    | 0.7300                      |
| 2013                                | 4,745,155,195           | 85,302,868        | 1,521,437,440        | 212,760,541       | 6,564,656,044    | 0.7300                      |

Source: Wilson County Tax Administrator/Collector

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

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

| Fiscal<br>Year<br>Ended<br>June 30, | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      | 2005      | 2004      |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Wilson County</b>                | \$ 0.7300 | \$ 0.7300 | \$ 0.7300 | \$ 0.7300 | \$ 0.7300 | \$ 0.7600 | \$ 0.7600 | \$ 0.7600 | \$ 0.7200 | \$ 0.7200 |
| <b>Municipality Rates:</b>          |           |           |           |           |           |           |           |           |           |           |
| Black Creek                         | 0.6000    | 0.6000    | 0.6000    | 0.59360   | 0.59750   | 0.59750   | 0.59700   | 0.59500   | 0.59500   | 0.59000   |
| Elm City                            | 0.6300    | 0.6300    | 0.6300    | 0.56000   | 0.51500   | 0.63000   | 0.63000   | 0.63000   | 0.63000   | 0.63000   |
| Kenly                               | 0.6100    | 0.6100    | 0.6100    | 0.61000   | 0.61000   | 0.61000   | 0.61000   | 0.61000   | 0.61000   | 0.61000   |
| Lucama                              | 0.5000    | 0.5000    | 0.5000    | 0.45000   | 0.45000   | 0.45000   | 0.45000   | 0.45000   | 0.45000   | 0.45000   |
| Saratoga                            | 0.5800    | 0.5800    | 0.5800    | 0.58000   | 0.58000   | 0.58000   | 0.58000   | 0.58000   | 0.58000   | 0.58000   |
| Sharpsburg                          | 0.6500    | 0.5000    | 0.5000    | 0.50000   | 0.50000   | 0.45000   | 0.45000   | 0.45000   | 0.45000   | 0.45000   |
| Sims                                | 0.5000    | 0.5000    | 0.5000    | 0.50000   | 0.50000   | 0.50000   | 0.50000   | 0.50000   | 0.50000   | 0.49250   |
| Stantonsburg                        | 0.4600    | 0.4300    | 0.4300    | 0.43000   | 0.43000   | 0.43000   | 0.43000   | 0.43000   | 0.43000   | 0.43000   |
| Wilson                              | 0.5150    | 0.5150    | 0.5150    | 0.51500   | 0.51500   | 0.51500   | 0.51500   | 0.51500   | 0.47000   | 0.47000   |
| Wilson-Municipal                    | 0.6850    | 0.6850    | 0.6850    | 0.68500   | 0.68500   | 0.68500   | 0.68500   | 0.64000   | 0.64000   | 0.64000   |
| <b>Fire Districts:</b>              |           |           |           |           |           |           |           |           |           |           |
| Bakertown                           | 0.0850    | 0.0850    | 0.0850    | 0.08500   | 0.08500   | 0.08500   | 0.08500   | 0.08500   | 0.08500   | 0.08500   |
| Beulah                              | 0.1125    | 0.1125    | 0.1125    | 0.11250   | 0.11250   | 0.11250   | 0.11250   | 0.11250   | 0.11250   | 0.11250   |
| Black Creek                         | 0.0500    | 0.0500    | 0.0500    | 0.04360   | 0.04750   | 0.04750   | 0.04700   | 0.04500   | 0.04500   | 0.04000   |
| Contentnea                          | 0.0950    | 0.0600    | 0.0600    | 0.06000   | 0.06000   | 0.06000   | 0.06000   | 0.06000   | 0.06000   | 0.06000   |
| Cross Roads                         | 0.0975    | 0.0975    | 0.0975    | 0.09750   | 0.09000   | 0.09750   | 0.09750   | 0.09750   | 0.09750   | 0.09750   |
| East Nash                           | 0.1350    | 0.1350    | 0.1350    | 0.13500   | 0.13500   | 0.13500   | 0.13500   | 0.10000   | 0.10000   | 0.08000   |
| Green Hornet                        | 0.0825    | 0.0825    | 0.0825    | 0.08250   | 0.08250   | 0.08250   | 0.08250   | 0.08250   | 0.07250   | 0.08000   |
| Lee Woodard                         | 0.0825    | 0.0825    | 0.0725    | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.07250   |
| Moyton                              | 0.1300    | 0.1300    | 0.1300    | 0.13000   | 0.13000   | 0.13000   | 0.13000   | 0.13000   | 0.13000   | 0.13000   |
| Polly Watson                        | 0.1075    | 0.1075    | 0.0875    | 0.08750   | 0.08750   | 0.08750   | 0.08750   | 0.08750   | 0.08750   | 0.08750   |
| Rock Ridge                          | 0.1000    | 0.1000    | 0.1000    | 0.10000   | 0.10000   | 0.10000   | 0.10000   | 0.10000   | 0.10000   | 0.10000   |
| Sanoca                              | 0.1250    | 0.1250    | 0.1250    | 0.12500   | 0.12500   | 0.12500   | 0.12500   | 0.12500   | 0.12500   | 0.12500   |
| Silver Lake                         | 0.1225    | 0.1225    | 0.1225    | 0.12250   | 0.12250   | 0.12250   | 0.12250   | 0.12250   | 0.12500   | 0.10250   |
| Sims                                | 0.0725    | 0.0725    | 0.0725    | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.07250   | 0.06500   |
| Toisnot                             | 0.0475    | 0.0475    | 0.0475    | 0.04750   | 0.04750   | 0.04750   | 0.04750   | 0.04750   | 0.04750   | 0.04750   |
| Tri County                          | 0.1125    | 0.1125    | 0.1125    | 0.11250   | 0.11250   | 0.11250   | 0.11250   | 0.11250   | 0.09250   | 0.08250   |
| West Edgecombe                      | 0.0825    | 0.0825    | 0.0825    | 0.08250   | 0.08250   | 0.08250   |           |           |           |           |

Source: Wilson County Tax Administrator/Collector

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

Table 7

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

| Taxpayer                        | Type of Business   | 2013                      |      |  | 2004                      |      |  |
|---------------------------------|--------------------|---------------------------|------|--|---------------------------|------|--|
|                                 |                    | 2012<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>Taxable<br>Assessed<br>Value | 2003<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>Taxable<br>Assessed<br>Value |
| Bridgestone                     | Tire manufacturing | \$ 354,283,650            | 1    | 5.40 %   | \$ 271,665,803            | 1    | 5.64 %   |
| BB&T Centralized Solutions Inc. | Financial          | 183,831,661               | 2    | 2.80   | 36,463,564                | 6    | 0.76   |
| Merck                           | Pharmaceutical     | 98,347,927                | 3    | 1.50   | 163,015,601               | 2    | 3.38   |
| Sandoz                          | Pharmaceutical     | 74,960,284                | 4    | 1.14   | 26,437,233                | 8    | 0.55   |
| Becton-Dickinson                | Pharmaceutical     | 61,436,091                | 5    | 0.94   | -                         | n/a  | 0.00   |
| Saint Gobain Containers         | Bottling           | 56,521,412                | 6    | 0.86   | -                         | n/a  | 0.00   |
| Perdue Pharmaceuticals          | Pharmaceutical     | 54,811,344                | 7    | 0.83   | 68,374,596                | 3    | 1.42   |
| Alliance One                    | Tobacco            | 47,710,134                | 8    | 0.73   | 40,305,727                | 4    | 0.84   |
| Carolina Forge Co               | Manufacturing      | 36,300,290                | 9    | 0.55   | 38,240,093                | n/a  | 0.79   |
| S T Wooten Corp                 | Concrete           | 29,446,495                | 10   | 0.45   | -                         | n/a  | 0.00   |
| Total                           |                    | <u>\$ 997,649,288</u>     |      | <u>15.20%</u>  | <u>\$ 644,502,617</u>     |      | <u>13.37%</u>  |

Source: Wilson County Tax Administrator/Collector

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

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|-------------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                                     |  | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>of Levy |
| 2004                                | 34,662,180                             | 31,973,905                                      | 92.24%                | n/a                                   | n/a                       | n/a                   |
| 2005                                | 35,342,926                             | 32,878,442                                      | 93.03%                | n/a                                   | n/a                       | n/a                   |
| 2006                                | 38,816,676                             | 37,389,386                                      | 96.32%                | n/a                                   | n/a                       | n/a                   |
| 2007                                | 39,537,727                             | 38,188,244                                      | 96.59%                | n/a                                   | n/a                       | n/a                   |
| 2008                                | 41,117,227                             | 39,769,810                                      | 96.72%                | 635,632                               | 40,405,443                | 98.27%                |
| 2009                                | 46,091,324                             | 44,480,655                                      | 96.51%                | 623,049                               | 45,103,703                | 97.86%                |
| 2010                                | 46,645,101                             | 45,190,484                                      | 96.88%                | 721,049                               | 45,911,533                | 98.43%                |
| 2011                                | 47,031,339                             | 45,454,664                                      | 96.65%                | 432,628                               | 45,887,292                | 97.57%                |
| 2012                                | 47,428,433                             | 45,754,592                                      | 96.47%                | 1,104,879                             | 46,859,471                | 98.80%                |
| 2013                                | 47,968,099                             | 46,285,917                                      | 96.49%                | 1,402,784                             | 47,688,701                | 99.42%                |

Source: Wilson County Tax Administrator/Collector

TABLE 9

**Wilson County, North Carolina****General Government Tax Revenues by Source**

Last Ten Fiscal Years

(modified accrual basis of accounting)

| <b>Fiscal Year</b> | <b>Property Tax</b> | <b>Sales Tax</b> | <b>Alcoholic Beverage Tax</b> | <b>Rental Vehicle Tax</b> | <b>Franchise Tax</b> | <b>Real Estate Transfer Tax</b> | <b>Privilege and Civil Licenses</b> | <b>Total</b>  |
|--------------------|---------------------|------------------|-------------------------------|---------------------------|----------------------|---------------------------------|-------------------------------------|---------------|
| 2004               | \$ 34,519,070       | \$ 12,541,711    | \$ 110,304                    |                           | \$ 57,900            | \$ 401,736                      | \$25,246                            | \$ 47,655,967 |
| 2005               | 35,832,972          | 13,831,678       | 108,606                       |                           | 68,853               | 506,950                         | 24,625                              | 50,373,684    |
| 2006               | 44,221,746          | 14,060,662       | 109,756                       |                           | 63,542               | 593,328                         | 23,463                              | 59,072,497    |
| 2007               | 40,968,449          | 16,107,578       | 111,946                       |                           | 61,051               | 607,737                         | 12,315                              | 57,869,076    |
| 2008               | 42,217,538          | 16,320,229       | 112,059                       | \$ 36,867                 | 102,488              | 528,349                         | 8,014                               | 59,325,544    |
| 2009               | 47,155,793          | 13,482,802       | 115,115                       | 33,054                    | 92,214               | 294,445                         | 9,952                               | 61,183,375    |
| 2010               | 47,998,574          | 10,964,910       | 37,330                        | 35,866                    | 87,829               | 357,046                         | 8,394                               | 59,489,949    |
| 2011               | 48,337,108          | 10,236,298       | 107,507                       | 40,040                    | 82,552               | 287,295                         | 8,945                               | 59,099,745    |
| 2012               | 46,853,188          | 7,819,768        | 120,501                       | 37,447                    | 99,253               | 234,873                         | 7,570                               | 55,172,600    |
| 2013               | 47,968,099          | 11,431,555       | 113,971                       | 31,803                    | 93,218               | 282,332                         | 8,852                               | 59,929,830    |



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

| Fiscal Year | Governmental Activities  |                         |                    | Business-type Activities |              | Total Primary Government | Percentage of Personal Income <sup>1</sup> | Per Capita <sup>1</sup> |
|-------------|--------------------------|-------------------------|--------------------|--------------------------|--------------|--------------------------|--|-------------------------|
|             | General Obligation Bonds | Installment Obligations | Capitalized Leases | Installment Obligations  | Water Bonds  |                          |  |                         |
| 2004        | \$ 25,480,000            | \$ 27,041,913           | \$ 775,221         |                          | \$ 7,384,000 | \$ 60,681,134            | 2.90%                                      | \$ 808.82               |
| 2005        | 23,980,000               | 23,272,709              | 512,237            |                          | 7,345,500    | 55,110,446               | 2.48%                                      | 730.77                  |
| 2006        | 22,385,000               | 20,963,363              | 276,270            |                          | 9,918,500    | 53,543,133               | 2.30%                                      | 706.88                  |
| 2007        | 20,805,000               | 19,438,556              | 1,656,726          |                          | 9,834,000    | 51,734,282               | 2.13%                                      | 675.19                  |
| 2008        | 19,235,000               | 34,616,861              | 1,415,026          |                          | 9,745,000    | 65,011,887               | 2.56%                                      | 836.79                  |
| 2009        | 17,570,000               | 31,770,501              | 1,185,320          | \$ 1,058,231             | 9,617,500    | 61,201,552               | 2.39%                                      | 781.10                  |
| 2010        | 15,910,000               | 28,611,276              | 1,239,344          | 1,005,320                | 9,485,000    | 56,250,940               | 2.09%                                      | 712.79                  |
| 2011        | 14,760,000               | 25,497,516              | 1,030,353          | 952,409                  | 9,347,000    | 51,587,278               | 1.94%                                      | 644.80                  |
| 2012        | 12,975,000               | 27,599,246              | 864,438            | 899,494                  | 9,204,000    | 51,542,178               | 1.78%                                      | 631.31                  |
| 2013        | 10,095,000               | 25,782,306              | 767,856            | 846,582                  | 8,850,000    | 46,341,744               | 1.72%                                      | 569.45                  |

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.  
 Per Capita amounts are based on population numbers as of June 30 of the fiscal year  
 See Table 12 for personal income and population data.

Table 11

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

|   | <b>Fiscal Year</b>    |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>2004</b>           | <b>2005</b>           | <b>2006</b>           | <b>2007</b>           | <b>2008</b>           |
| General bonded debt outstanding   |                       |                       |                       |                       |                       |
| General obligation bonds  | \$ 29,080,000         | \$ 31,325,500         | \$ 22,385,000         | \$ 20,805,000         | \$ 19,235,000         |
| Total   | <u>29,080,000</u>     | <u>31,325,500</u>     | <u>22,385,000</u>     | <u>20,805,000</u>     | <u>19,235,000</u>     |
| Assessed Value  | 4,818,814,121         | 4,902,539,306         | 5,120,258,093         | 5,201,690,173         | 5,418,066,171         |
| Percentage of estimated actual<br>property value                            | 0.60%                 | 0.64%                 | 0.44%                 | 0.40%                 | 0.36%                 |
| Per capita  | 387.61                | 415.38                | 295.53                | 271.53                | 247.58                |
| Legal debt limit - eight percent (8%)<br>of assessed valuation              | <u>385,505,130</u>    | <u>392,203,144</u>    | <u>409,620,647</u>    | <u>416,135,214</u>    | <u>433,445,294</u>    |
| Total Net Debt Applicable to Debt Limit                                     | <u>60,681,134</u>     | <u>55,110,446</u>     | <u>53,543,133</u>     | <u>51,734,282</u>     | <u>65,011,887</u>     |
| Legal debt margin   | <u>\$ 324,823,996</u> | <u>\$ 337,092,698</u> | <u>\$ 356,077,514</u> | <u>\$ 364,400,932</u> | <u>\$ 368,433,407</u> |
| Total Net Debt Applicable to the Limit<br>as a percentage of the debt limit | 15.74%                | 14.05%                | 13.07%                | 12.43%                | 15.00%                |

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

| <b>Fiscal Year</b>    |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>2009</b>           | <b>2010</b>           | <b>2011</b>           | <b>2012</b>           | <b>2013</b>           |
| \$ 17,570,000         | \$ 15,910,000         | \$ 14,760,000         | \$ 12,975,000         | \$ 10,095,000         |
| <u>17,570,000</u>     | <u>15,910,000</u>     | <u>14,760,000</u>     | <u>12,975,000</u>     | <u>10,095,000</u>     |
| 6,219,344,293         | 6,373,053,765         | 6,385,541,942         | 6,486,685,107         | 6,564,656,044         |
| 0.28%                 | 0.25%                 | 0.23%                 | 0.20%                 | 0.15%                 |
| 224.24                | 201.60                | 184.49                | 158.92                | 124.05                |
| <u>497,547,543</u>    | <u>509,844,301</u>    | <u>510,843,355</u>    | <u>518,934,809</u>    | <u>525,172,484</u>    |
| <u>61,201,552</u>     | <u>56,250,940</u>     | <u>51,587,278</u>     | <u>51,542,181</u>     | <u>45,495,162</u>     |
| <u>\$ 436,345,991</u> | <u>\$ 453,593,361</u> | <u>\$ 459,256,077</u> | <u>\$ 467,392,628</u> | <u>\$ 479,677,322</u> |
| 12.30%                | 11.03%                | 10.10%                | 9.93%                 | 8.66%                 |

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

| <u>Fiscal Year</u> | <u>(1) Population</u> | <u>(1) Personal Income (in thousands)</u> | <u>(1) Per Capita Personal Income</u> | <u>(3) Median Age</u> | <u>(2) School Enrollment</u> | <u>(2) Graduation Rate Percentage</u> | <u>(5) Unemployment Rate Percentage</u> |
|--------------------|-----------------------|---|---------------------------------------|-----------------------|------------------------------|---------------------------------------|---|
| 2004               | 75,024                | 2,095,389                                 | 27,930                                | 25.25                 | na                           | na                                    | 8.2%                                    |
| 2005               | 75,414                | 2,225,881                                 | 29,515                                | 25.19                 | 12,344                       | na                                    | 8.0%                                    |
| 2006               | 75,746                | 2,324,296                                 | 30,685                                | 22.40                 | 12,414                       | 55.8%                                 | 7.1%                                    |
| 2007               | 76,622                | 2,434,371                                 | 31,771                                | 24.70                 | 12,376                       | 56.5%                                 | 6.3%                                    |
| 2008               | 77,692                | 2,539,242                                 | 32,683                                | 23.96                 | 12,424                       | 54.8%                                 | 7.9%                                    |
| 2009               | 78,353                | 2,556,486                                 | 32,628                                | 35.10                 | 12,395                       | 58.2%                                 | 12.9%                                   |
| 2010               | 78,917                | 2,688,926                                 | 33,044                                | 39.00 (6)             | 12,469                       | 64.9%                                 | 12.7%                                   |
| 2011               | 80,005 (7)            | 2,653,765                                 | 33,170                                | 39.00 (6)             | 12,194                       | 69.1%                                 | 13.5%                                   |
| 2012               | 81,643 (7)            | 2,903,306                                 | 35,561                                | 39.00 (6)             | 12,043                       | 77.3%                                 | 13.6%                                   |
| 2013               | 81,380 (7)            | 2,699,375                                 | 33,170                                | 38.30 (1)             | 12,307                       | 79.70%                                | 13.5%                                   |

**Sources:**

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Wilson County Board of Education
- (3) State Library of North Carolina - Woods and Poole Annual County Profile
- (4) ERS/USDA Data - NC Unemployment and Median Household Income
- (5) Employment Security Commission of North Carolina, seasonally adjusted rates as of June 30
- (6) <http://accessnc.commerce.state.nc.us/docs/countyProfile/NC/37195.pd>
- (7) ND Dept. of Revenue Sales Tax Distribution

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

| Employer                                  | 2013      |      |                                     | Employer                                  | 2004      |      |                                     |
|---|-----------|------|-------------------------------------|---|-----------|------|-------------------------------------|
|   | Employees | Rank | Percentage of Total City Employment |   | Employees | Rank | Percentage of Total City Employment |
| Bridgestone Americas Tire Operations, LLC | 2,000     | 1    | 5.27 %                              | Wilson County Schools                     | 1,500     | 1    | 3.93 %                              |
| BB&T                                      | 2,000     | 2    | 5.27                                | Bridgestone Americas Tire Operations, LLC | 1,400     | 2    | 3.67                                |
| Wilson County Schools                     | 1,500     | 3    | 3.95                                | BB&T                                      | 1,300     | 3    | 3.40                                |
| Wilson Medical Center                     | 1,400     | 4    | 3.69                                | Wilson Medical Center                     | 1,200     | 4    | 3.14                                |
| State of NC DHHS                          | 750       | 5    | 1.98                                | S T Wooten Construction                   | 1,100     | 5    | 2.88                                |
| Smithfield Packing Company                | 700       | 6    | 1.85                                | Merck & Co.                               | 900       | 6    | 2.36                                |
| S T Wooten Construction                   | 670       | 7    | 1.73                                | City of Wilson                            | 900       | 7    | 2.36                                |
| County of Wilson                          | 655       | 8    | 1.77                                | Standard Commercial Tobacco               | 800       | 8    | 2.09                                |
| City of Wilson                            | 650       | 9    | 1.71                                | County of Wilson                          | 700       | 9    | 1.83                                |
| Sandoz                                    | 462       | 10   | 1.22                                | State of North Carolina                   | 650       | 10   | 1.70                                |
| Total                                     | 10,787    |      | 28.44 %                             |   | 10,450    |      | 27.36 %                             |
| Balance of employment                     | 27,145    |      | 71.56 %                             |   | 27,745    |      | 72.64 %                             |
| Total employment                          | 37,932    |      | 100.00 %                            |   | 38,195    |      | 100.00 %                            |

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

Table 14  
**Wilson County, North Carolina**  
**Full-time County Government Employees by Function/Program,**  
**Full-time-Equivalent County Government Employees by Function/Program FY2013**  
 Last Ten Fiscal Years

| Function/Program                  | Fiscal Year |            |            |            |            |            |            |            |            |            |
|-----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                   | 2004        | 2005       | 2006       | 2007       | 2008       | 2009       | 2010       | 2011       | 2012       | 2013       |
| General government                |             |            |            |            |            |            |            |            |            |            |
| County Manager                    | 3           | 3          | 3          | 3          | 3          | 3          | 4          | 4          | 4          | 4          |
| Tax administration                | 15          | 15         | 16         | 15         | 16         | 16         | 15         | 17         | 17         | 16         |
| Board of elections                | 3           | 3          | 3          | 3          | 3          | 3          | 2          | 3          | 3          | 3          |
| Register of Deeds                 | 7           | 7          | 7          | 6          | 6          | 6          | 5          | 6          | 6          | 6          |
| Human resources                   | 1           | 1          | 1          | 2          | 2          | 2          | 2          | 2          | 2          | 2          |
| IT department                     | 3           | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          | 5          |
| Finance                           | 6           | 7          | 7          | 7          | 7          | 7          | 7          | 6          | 6          | 6          |
| Public Buildings                  | 5           | 5          | 5          | 5          | 5          | 6          | 7          | 6          | 6          | 10         |
| Cultural and Recreational         |             |            |            |            |            |            |            |            |            |            |
| Library                           | 21          | 21         | 21         | 20         | 20         | 20         | 19         | 19         | 19         | 27         |
| Public Safety                     |             |            |            |            |            |            |            |            |            |            |
| Sheriff                           | 65          | 61         | 66         | 69         | 71         | 81         | 76         | 83         | 83         | 92         |
| Detention center                  | 47          | 47         | 53         | 53         | 59         | 33         | 35         | 43         | 43         | 45         |
| Animal control                    |             | 2          | 7          | 7          | 7          | 8          | 8          | 8          | 8          | 9          |
| Emergency communications          | 26          | 27         | 29         | 32         | 30         | 31         | 32         | 31         | 31         | 31         |
| Emergency management              | 1           | 1          | 1          | 1          | 2          | 2          | 2          | 2          | 2          | 2          |
| Emergency medical services        | 25          | 28         | 30         | 37         | 40         | 45         | 48         | 49         | 49         | 69         |
| Transportation                    |             |            |            |            |            |            |            |            |            |            |
| Transportation                    | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Economic and physical development |             |            |            |            |            |            |            |            |            |            |
| Cooperative extension             | 10          | 10         | 10         | 10         | 10         | 10         | 9          | 9          | 9          | 11         |
| Environmental protection          |             |            |            |            |            |            |            |            |            |            |
| Planning                          | 6           | 8          | 9          | 8          | 8          | 9          | 9          | 9          | 9          | 9          |
| Soil and water conservation       | 4           | 3          | 4          | 4          | 4          | 4          | 4          | 4          | 4          | 3          |
| Human services                    |             |            |            |            |            |            |            |            |            |            |
| Health                            | 140         | 142        | 129        | 128        | 133        | 135        | 129        | 136        | 136        | 136        |
| Senior Center                     | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 2          |
| Social Services                   | 195         | 200        | 198        | 200        | 202        | 204        | 215        | 214        | 214        | 218        |
| Veterans affairs                  | 1           | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Utilities                         |             |            |            |            |            |            |            |            |            |            |
| Water                             | 5           | 5          | 5          | 4          | 4          | 4          | 4          | 4          | 4          | 5          |
| Solid Waste                       | 6           | 7          | 7          | 6          | 8          | 6          | 8          | 10         | 10         | 38         |
| <b>Total</b>                      | <b>597</b>  | <b>611</b> | <b>619</b> | <b>628</b> | <b>648</b> | <b>643</b> | <b>648</b> | <b>673</b> | <b>673</b> | <b>751</b> |

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

| Function/Program                              | Fiscal Year |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
|   | 2005        | 2006        | 2007        | 2008        | 2009        |
| General government                            |             |             |             |             |             |
| Building permits issued                       | 148         | 147         | 85          | 190         | 123         |
| Building inspections conducted                | 4327        | 4523        | 4018        | 3629        | 2134        |
| Sheriff                                       |             |             |             |             |             |
| Arrests                                       | 2332        | 2245        | 2387        | 2832        | 3012        |
| Citations                                     |             |             |             | 1046        | 1453        |
| Fire  |             |             |             |             |             |
| Inspections                                   | 72          | 42          | 68          | 90          | 54          |
| EMS   |             |             |             |             |             |
| Calls   | 9,873       | 10,385      | 11,589      | 11,709      | 11,900      |
| Solid Waste                                   |             |             |             |             |             |
| MSW (tons)                                    | 6,425       | 6,849       | 6,891       | 6,936       | 6,855       |
| C&D (tons)                                    | 29,514      | 30,596      | 27,055      | 26,888      | 12,419      |
| Recycle (tons)                                | 973         | 1,350       | 886         | 943         | 748         |
| Tires (tons)                                  |             | 2,478       | 3,069       | 3,422       | 3,155       |
| Oil (gallons)                                 | 1,785       | 2,308       | 2,907       | 3,066       | 2,584       |
| Batteries (count)                             | 523         | 716         | 537         | 354         | 262         |
| Jail  |             |             |             |             |             |
| Inmates admitted (average)                    | 6660        | 6971        | 6605        | 6488        | 6590        |
| Inmates (daily average)                       | 254         | 255         | 245         | 245         | 193         |
| Department of Social Services (Mo. Avg.)      |             |             |             |             |             |
| Adult Medicaid (active cases)                 | 4964        | 5112        | 5171        | 5232        | 5357        |
| Family and childrens Medcaid (active cases)   | 5594        | 5906        | 6322        | 6703        | 7232        |
| Food stamps (active cases)                    | 3748        | 4421        | 4451        | 4896        | 5832        |
| Children in foster care                       | 64          | 73          | 90          | 80          | 76          |
| Children in DSS custody                       | 64          | 73          | 90          | 80          | 76          |
| Day care (children served)                    | 1167        | 1234        | 1210        | 1129        | 1125        |
| Child support (collections)                   | \$8,552,281 | \$8,752,831 | \$8,832,010 | \$9,298,672 | \$9,313,957 |
| Work First (active cases)                     | 5022        | 4974        | 3878        | 2930        | 2881        |
| Reception services (clients seen)             | 54,949      | 57,033      | 54,162      | 55,633      | 55,411      |
| Health department                             |             |             |             |             |             |
| TB (clients seen)                             | 1,905       | 2,086       | 1,862       | 1,791       | 1,805       |
| Communicable disease/STD (client visits)      | 7,834       | 8,875       | 7,864       | 8,570       | 8,527       |
| Pharmacy (prescriptions filled)               | 4,380       | 4,390       | 4,148       | 4,889       | 5,068       |
| BCCCP (clients visits)                        | 81          | 77          | 56          | 60          | 77          |
| HIV/AIDS (tests)                              | 1,693       | 1,896       | 2,071       | 3,602       | 3,893       |
| Immunizations (administered)                  | 2,846       | 2,786       | 5,581       | 5,799       | 7,745       |
| Lab (tests)                                   | 42,133      | 49,673      | 40,032      | 29,303      | 33,929      |
| Environmental health (onsite inspections)     | 198         | 196         | 190         | 192         |             |
| Environmental health (restaurant inspections) | 671         | 899         | 590         | 338         | 270         |
| WIC (caseloads)                               | 33,374      | 34,450      | 31,992      | 36,286      | 38,278      |
| Cultural and Recreational                     |             |             |             |             |             |
| Libraries - Circulation of youth services     | 86,228      | 96,566      | 91,997      | 90,241      | 94,925      |
| Libraries - Circulation of adult services     | 88,350      | 128,394     | 128,037     | 129,984     | 143,936     |
| Education                                     |             |             |             |             |             |
| ADM   | 12556       | 12640       | 12600       | 12424       | 12642       |

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



| Fiscal Year |             |             |             |
|-------------|-------------|-------------|-------------|
| 2010        | 2011        | 2012        | 2013        |
| 141         | 98          | 87          | 182         |
| 2342        | 2850        | 177         | 2969        |
| 3194        | 2806        | 2723        | 2274        |
| 1916        | 1088        | 1455        | 958         |
| 83          | 82          | 76          | 81          |
| 12,300      | 13,014      | 12,924      | 13,730      |
| 6,026       | 6,311       | 6,447       | 6,334       |
| 14,917      | 14,009      | 15,154      | 13,477      |
| 772         | 1,085       | 1,112       | 1,111       |
| 2,250       | 1,912       | 2,285       | 1,347       |
| 2,756       | 3,095       | 2,376       | 2,246       |
| 146         | 83          | 84          | 123         |
| 5129        | 5200        | 5353        | 6039        |
| 191         | 173         | 176         | 198         |
| 5538        | 5606        | 5757        | 5841        |
| 7625        | 7655        | 8042        | 8220        |
| 7041        | 8125        | 8255        | 8338        |
| 69          | 63          | 60          | 58          |
| 69          | 63          | 60          | 58          |
| 1075        | 800         | 852         | 703         |
| \$9,232,088 | \$8,898,924 | \$8,946,811 | \$8,690,277 |
| 2920        | 2925        | 235         | 249         |
| 57,570      | 59,917      | 60,292      | 58,310      |
| 1,508       | 2,210       | 2,325       | 2,589       |
| 9,589       | 2,669       | 3,425       | 3,456       |
| 6,911       | 6,095       | 5,722       | 5,923       |
| 76          | 54          | 49          | 76          |
| 3,797       | 4,418       | 3,725       | 3,872       |
| 10,257      | 10,133      | 10,125      | 11,280      |
| 32,672      | 27,304      | 28,294      | 29,854      |
|             |             | 472         | 515         |
| 409         |             | 547         | 902         |
| 34,576      |             | 3,255       | 37,251      |
| 115,032     | 122,218     | 128,538     | 118,558     |
| 162,240     | 154,082     | 150,340     | 133,204     |
| 12461       | 12177       | 12043       | 12307       |

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

| Function/Program        | Fiscal Year |      |      |      |      |      |      |      |      |      |
|-------------------------|-------------|------|------|------|------|------|------|------|------|------|
|                         | 2004        | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Public Safety           |             |      |      |      |      |      |      |      |      |      |
| Sheriff                 |             |      |      |      |      |      |      |      |      |      |
| Stations                | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Patrol Units            |             |      |      |      | 86   | 89   | 91   | 99   | 98   | 98   |
| Canine Units            | 0           | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 4    | 4    |
| EMS                     |             |      |      |      |      |      |      |      |      |      |
| Stations                | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Ambulances/QRVs         | 13          | 15   | 12   | 12   | 13   | 13   | 13   | 17   | 17   | 17   |
| Defibrillators          | 8           | 8    | 12   | 12   | 12   | 12   | 12   | 12   | 12   | 12   |
| Cultural and recreation |             |      |      |      |      |      |      |      |      |      |
| Libraries               | 6           | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    |
| Water                   |             |      |      |      |      |      |      |      |      |      |
| Water mains (miles)     |             | 46.4 |      |      |      |      |      |      |      |      |
| Pump stations           | 2           | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |

# COMPLIANCE SECTION

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina (the "County") as of and for the year ended June 30, 2013, and the related Notes to the Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 25, 2013. The financial statements of Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency, 2013-001, described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Wilson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as 2013-001.

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

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

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 25, 2013

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

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

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

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

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

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

We have audited the compliance of Wilson County, North Carolina with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. 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.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion On Each Major Federal Program***

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002. Our opinion on each major Federal program is not modified with respect to this matter.

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 that we consider to be a significant deficiency.



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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 25, 2013

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

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

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

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

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

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

We have audited the compliance of Wilson County with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major State programs for the year ended June 30, 2013. 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.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations* as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion On Each Major State Program***

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2013.

### **Other Matters**

The results of our auditing procedures disclosed an instance of non-compliance, which is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002. Our opinion on each major State program is not modified with respect to this matter.

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 that we consider to be a significant deficiency.

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

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 25, 2013

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

**Federal Awards**

Internal control over major Federal programs:

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

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

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

Identification of major Federal programs:

| <b><u>Federal Program/Cluster Name</u></b> | <b><u>CFDA#</u></b>            |
|--|--------------------------------|
| Medicaid Cluster                           | 93.720, 93.775, 93.777, 93.778 |
| TANF Cluster                               | 93.558, 93.714, 93.716         |
| NC Health Choice (CHIP)                    | 93.767                         |

Dollar threshold used to distinguish between Type A and Type B Programs \$2,881,757

Auditee qualified as low-risk auditee?        Yes   X   No



**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

**2013-001**

**Criteria:** G.S. 159-26(b) requires that a separate fund be established for each utility or public enterprise.

**Condition:** In the current year, the County failed to establish a Water Fund to account for the issuance of limited obligation bonds to purchase district fund general obligation bonds.

**Context:** While conducting our audit procedures for debt we noticed the above condition.

**Effect:** The County was in violation of North Carolina General Statutes.

**Cause:** The County Board authorized the investment in district bonds and appropriated the expenditures in the General Fund. The expenditures are considered to be in compliance with North Carolina State Statutes because the amount was appropriated and a pre-audit was completed by the Finance Director. Subsequent to year-end, the County discovered that revenues and expenses associated with utilities should be accounted for in an enterprise fund established for those utilities. As of June 30, 2013, the County had not established a separate Water Fund. The transactions related to the purchase of the district bonds are properly accounted for in the Water Fund in the County's Comprehensive Annual Financial Report.

**Recommendation:** Establish a Water Fund and appropriate all future utility revenue and expenditures.

**Contact Person:** Donna B. Wood, Finance Director

**Management response and plan of corrective action:** On September 9, 2013 the County Board of Commissioners established a separate Water Fund and budgeted the general obligation bond debt related transactions for Fiscal Year 2013-2014 as required by G.S. 159-26(b).

**Proposed Completion Date:**  
September 9, 2013

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

**2013-002**

**Criteria:** In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe.

**Condition:** Upon surprise inspection, several unattended work stations of DSS employees were logged onto the State network without anyone attending to the work stations.

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

**Effect:** Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

**Cause:** Lack of proper internal controls over data security.

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

**Contact Person:** Donna B. Wood, Finance Director

**DSS Programs Affected:**

| Federal Grantor               | Pass-through agency           | Program Name                                      | CFDA #                            |
|-------------------------------|-------------------------------|---|-----------------------------------|
| U.S. Health and Human Service | U.S. Health and Human Service | Temporary Assistance to Needy Families Cluster    | 93.558 , 93.714 , 93.716          |
| U.S. Health and Human Service | U.S. Health and Human Service | Foster Care and Adoption Cluster                  | 93.658 , 93.659                   |
| U.S. Health and Human Service | U.S. Health and Human Service | Medical Assistance Program (Title XIX - Medicaid) | 93.720 , 93.775 , 93.777 , 73.778 |
| U.S. Health and Human Service | U.S. Health and Human Service | NC Health Choice (CHIP)                           | 93.767                            |

**Management response and plan of corrective action:** As of June 14, 2013, management has advised staff to lock their workstations when they leave the work area and in addition to this, on July 16, 2013 computers were updated with a control setting so they will go to screen saver after 10 minutes of non-use and require the user to type their password to unlock.



**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

2013-002 as described above

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>               | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|---|------------------------------------|---|-------------------------------|
| <b>FEDERAL AWARDS:</b>  |                                    |   |                               |
| <u>U. S. Department of Agriculture</u>                              |                                    |   |                               |
| <u>Food and Nutrition Service</u>                                   |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services:    |                                    |   |                               |
| Division of Social Services:  |                                    |   |                               |
| Administration:   |                                    |   |                               |
| <u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>    |                                    |   |                               |
| State Administrative Matching Grants for the Supplemental Nutrition |                                    |   |                               |
| Assistance Program  | 10.561                             | \$ 1,255,196  | \$ -                          |
| F.S. County Incentive   | 10.561                             | 48,192  | -                             |
| Total SNAP Cluster  |                                    | <u>1,303,388</u>  | <u>-</u>                      |
| Passed-Through the N.C. Department of Health and Human Services:    |                                    |   |                               |
| Division of Public Health:  |                                    |   |                               |
| Special Supplemental Nutrition Program for Women, Infants           |                                    |   |                               |
| and Children (WIC):   |                                    |   |                               |
| Administration  | 10.557                             | 605,898   | -                             |
| Direct Benefit Payments   | 10.557                             | 2,226,325   | -                             |
| <u>Child Nutrition Cluster:</u>                                     |                                    |   |                               |
| Summer Food Service Program for Children                            | 10.559                             | 2,153   | -                             |
| Total U.S. Department of Agriculture                                |                                    | <u>4,137,764</u>  | <u>-</u>                      |
| <u>U. S. Department of Health and Human Services:</u>               |                                    |   |                               |
| <u>Administration for Community Living</u>                          |                                    |   |                               |
| Passed-Through Centralina Council of Governments:                   |                                    |   |                               |
| <u>Aging Cluster:</u>   |                                    |   |                               |
| Special Programs for the Aging - TITLE III B Grants fo:             |                                    |   |                               |
| Supportive Services and Senior Centers                              | 93.044                             | 38,093  | 2,240                         |
| Special Programs for the Aging - TITLE III C Nutrition Service:     | 93.045                             | 174,110   | 10,242                        |
| Nutrition Services Incentive Program                                | 93.053                             | 45,852  | -                             |
| Total Aging Cluster   |                                    | <u>258,055</u>  | <u>12,482</u>                 |
| National Family Caregiver Support - Title III E                     | 93.052                             | 20,279  | 1,352                         |
| <u>Administration for Children and Families</u>                     |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services     |                                    |   |                               |
| <u>TANF Cluster:</u>  |                                    |   |                               |
| TANF Contingency Job Boot   | 93.558                             | -   | 78,342                        |
| Work First Admin  | 93.558                             | 289,964   | -                             |
| Work First Service  | 93.558                             | 1,741,955   | -                             |
| TANF Payments & Penalties   | 93.558                             | 609,972   | (62)                          |
| Total TANF Cluster  |                                    | <u>2,641,891</u>  | <u>78,280</u>                 |

## COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>                | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|--|------------------------------------|---|-------------------------------|
| <u>Child Care and Development Fund Cluster:</u>                      |                                    |   |                               |
| Division of Social Services:   |                                    |   |                               |
| Child Care and Development Fund - Administration                     | 93.596                             | 155,442   | -                             |
| Division of Child Development:                                       |                                    |   |                               |
| Child Care and Development Block Grant - Discretionary               | 93.575                             | 1,384,667   | -                             |
| Child Care and Development Fund - Mandatory                          | 93.596                             | 605,061   | -                             |
| Child Care and Development Fund - Matching                           | 93.596                             | 172,761   | -                             |
| Total Child Care and Development Fund Cluster                        |                                    | <u>2,317,931</u>  | <u>-</u>                      |
| Temporary Assistance for Needy Families (TANF)                       | 93.558                             | 795,195   | -                             |
| Temporary Assistance for Needy Families (TANF)<br>IV - E Foster Care | 93.558<br>93.658                   | 12,127<br>37,964  | -<br>18,295                   |
| Social Security Block Grant  | 93.667                             | 10,791  | -                             |
| State Appropriations   |                                    | -   | 209,395                       |
| TANF-MOE   |                                    | -   | 100,552                       |
| Total Subsidized Child Care Cluster                                  |                                    | <u>3,174,008</u>  | <u>328,242</u>                |
| Affordable Care Act (ACA) Personal Responsibility Education          | 93.092                             | -   | 9,385                         |
| <u>Centers for Medicare and Medicaid Services:</u>                   |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services      |                                    |   |                               |
| <u>Medicaid Cluster:</u>   |                                    |   |                               |
| Division of Medical Assistance:                                      |                                    |   |                               |
| Medical Assistance Program - Direct Benefit Payment                  | 93.778                             | 79,616,899  | 44,796,905                    |
| Division of Social Services:   |                                    |   |                               |
| Adult Care Home Case Management                                      | 93.778                             | 102,877   | 32,505                        |
| MA Expansion   | 93.778                             | 150,411   | 28,406                        |
| Medical Assistance Program - Administration                          | 93.778                             | 1,328,071   | -                             |
| Medical Transportation Admin   | 93.778                             | 69,052  | (2,997)                       |
| Medical Transportation Service                                       | 93.778                             | 38,540  | 20,407                        |
| Total Medicaid Cluster   |                                    | <u>81,305,850</u>   | <u>44,875,226</u>             |
| NC Health Choice   | 93.767                             | 80,633  | 3,814                         |
| Division of Social Services:   |                                    |   |                               |
| <u>Foster Care and Adoption Cluster:</u>                             |                                    |   |                               |
| Title IV-E Admin County Paid   | 93.658                             | 15,293  | 7,646                         |
| IV-E CPS   | 93.658                             | 159,857   | 50,589                        |
| IV-E Foster Care Trn   | 93.658                             | 5,640   | -                             |
| IV-E Foster Care/Off Trn   | 93.658                             | 246,987   | -                             |
| IV-E Family Foster Max   | 93.658                             | 7,961   | -                             |
| IV-E Foster Care   | 93.658                             | 55,270  | 14,572                        |
| IV-E Foster Care Level in Excess                                     | 93.658                             | 95,873  | 25,275                        |
| Foster Care  | 93.658                             | 101,302   | -                             |
| IV-E Adoption Subsidy and Vend                                       | 93.659                             | 444,187   | 117,127                       |
| IV-E Adoption Training   | 93.659                             | 65,010  | -                             |
| Total Foster Care and Adoption Cluster                               |                                    | <u>1,197,380</u>  | <u>215,209</u>                |

**COUNTY OF WILSON, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

| <b>Grantor/Pass-Through<br/>Grantor/Program Title</b>   | <b>Federal<br/>CFDA<br/>Number</b> | <b>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</b> | <b>State<br/>Expenditures</b> |
|---|------------------------------------|---|-------------------------------|
| Links   | 93.674                             | 14,317  | 3,579                         |
| Adult Protective Service  | 93.667                             | 35,784  | -                             |
| In-Home Services  | 93.667                             | 7,175   | -                             |
| In-Home Services Over 60  | 93.667                             | 17,264  | -                             |
| SSBG Other SVCS & TRNG  | 93.667                             | 367,317   | 38,312                        |
| Permanency Planning - Spec  | 93.645                             | 72,793  | 523                           |
| Crisis Intervention Pymts   | 93.568                             | 609,104   | -                             |
| Low Income Energy Admin   | 93.568                             | 79,447  | -                             |
| Low Income Home Energy Assst  | 93.568                             | 272,900   | -                             |
| N.C.Child Support Enforcement Section   |                                    |   |                               |
| Title IV-D Administration   | 93.563                             | 1,051,517   | -                             |
| IV-D Offset Fees - ESC  | 93.563                             | 323   | -                             |
| IV-D Offset Fees - Federal  | 93.563                             | 4,454   | -                             |
| Family Preservation   | 93.556                             | 4,477   | -                             |
| State County Special Assistance   |                                    | -   | 15,955                        |
| Independent Living Transitional   | 93.674                             | 15,675  | -                             |
| AFDC Payments & Penalties   | 93.560                             | (1,025)   | (281)                         |
| <u>Centers for Disease Control and Prevention</u>   |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services   |                                    |   |                               |
| Division of Public Health:  |                                    |   |                               |
| Public Health Emergency Preparedness  | 93.069                             | 49,493  | -                             |
| Immunization Grants   | 93.268                             | 24,820  | -                             |
| Prevention, Investigations and Technical Assistance   | 93.283                             | 2,673   | -                             |
| Cooperative Agreements for State-Based Comprehensive Breas<br>and Cervical Cancer Early Detection Program       | 93.919                             | 8,140   | 5,100                         |
| Environmental Public Health and Emergency Response  | 93.070                             | 6,507   | -                             |
| Tuberculosis Control Programs   | 93.116                             | 5,837   | -                             |
| Opportunities for State, Tribes and Territories to solely finance<br>by 2012 Prevention and Public Health Funds | 93.744                             | 2,400   | -                             |
| Statewide Health Promotion Program  | 93.991                             | 9,640   | -                             |
| HIV Prevention Activities - Health Department Based   | 93.940                             | 4,680   | -                             |
| <u>Health Resources and Service Administrator</u>   |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services   |                                    |   |                               |
| Division of Public Health:  |                                    |   |                               |
| State Health Access Program   | 93.256                             | 2,207   | -                             |
| Maternal and Child Health Services Block Grant  | 93.994                             | 223,352   | 167,533                       |
| <u>Office of Population Affairs</u>   |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services   |                                    |   |                               |
| Office of Population Affairs:   |                                    |   |                               |
| Family Planning Services  | 93.217                             | 146,025   | -                             |

**COUNTY OF WILSON, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>           | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|---|------------------------------------|---|-------------------------------|
| <u>Department of Insurance</u>                                  |                                    |   |                               |
| Passed-Through the N.C. Department of Insurance:                |                                    |   |                               |
| Division of Seniors' Health Insurance Information Program       |                                    |   |                               |
| Senior Health Insurance Information Program                     | 93.779                             | 10,000  | -                             |
| Total U.S. Department of Health and Human Services              |                                    | 91,725,392  | 45,754,711                    |
| <u>U.S. Department of Housing and Urban Development</u>         |                                    |   |                               |
| <u>Community Planning and Development</u>                       |                                    |   |                               |
| Office of Community Development and Planning                    |                                    |   |                               |
| Passed-Through the N.C. Department of Health and Human Services |                                    |   |                               |
| Office of Economic Opportunity:                                 |                                    |   |                               |
| Emergency Shelter Grants Program                                | 14.231                             | 43,295  | -                             |
| North Carolina Homeless Prevention and Rapid Rehousing Program  | 14.257                             | 44,784  | -                             |
| Total U.S. Department of Housing and Urban Development          |                                    | 88,079  | -                             |
| <u>U.S. Department of Treasury</u>                              |                                    |   |                               |
| <u>Internal Revenue Service</u>                                 |                                    |   |                               |
| Passed-Through MDC, Inc.:                                       |                                    |   |                               |
| Office of Archives and History:                                 |                                    |   |                               |
| Volunteer Income Tax Assistance                                 | 21.009                             | 4,487   | -                             |
| Total U.S. Department of Treasury                               |                                    | 4,487   | -                             |
| <u>U.S. Department of Justice</u>                               |                                    |   |                               |
| <u>Office of Justice Programs</u>                               |                                    |   |                               |
| Direct Program:   |                                    |   |                               |
| State Criminal Alien Assistance Program                         | 16.606                             | 4,587   | -                             |
| Bulletproof Vest Partnership Program                            | 16.607                             | 4,537   | -                             |
| Total U.S. Department of Justice                                |                                    | 9,124   | -                             |
| <u>U. S. Department of Transportation</u>                       |                                    |   |                               |
| <u>Federal Transit Administration</u>                           |                                    |   |                               |
| Passed-Through the N.C. Department of Transportation            |                                    |   |                               |
| Public Transportation Division:                                 |                                    |   |                               |
| Formula Grants for Other Than Urbanized Areas                   | 20.509                             | 70,173  | 4,385                         |
| Total U.S. Department of Transportation                         |                                    | 70,173  | 4,385                         |
| <u>Highway Safety Cluster:</u>                                  |                                    |   |                               |
| Governors Highway Safety Program                                | 20.612                             | 16,170  | -                             |
| Total Highway Safety Cluster                                    |                                    | 16,170  | -                             |
| <u>Election Assistance Commission</u>                           |                                    |   |                               |
| Passed-Through the N.C. Department of Public Safety:            |                                    |   |                               |
| Help America Vote Act   | 90.401                             | 7,387   | -                             |
| Total Election Assistance Commission                            |                                    | 7,387   | -                             |
| Total Federal Awards  |                                    | \$ 96,058,576   | \$ 45,759,096                 |

**COUNTY OF WILSON, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>                     | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|---|------------------------------------|---|-------------------------------|
| <b>STATE AWARDS:</b>  |                                    |   |                               |
| <u>N.C. Department of Administration</u>                                  |                                    |   |                               |
| Domestic Violence Program   |                                    |   |                               |
| Marriage License Grant  |                                    |   |                               |
| Division of Veterans Affairs:   |                                    |   |                               |
| County Veterans Service Program   |                                    |   | 1,452                         |
| Total N.C. Department of Administration                                   |                                    |   | <u>1,452</u>                  |
| <u>N.C. Department of Insurance</u>                                       |                                    |   |                               |
| Senior Health Insurance Information Program                               |                                    |   | <u>4,598</u>                  |
| <u>N.C. Department of Cultural Resources</u>                              |                                    |   |                               |
| Division of State Library:  |                                    |   |                               |
| Library Technology Grant  |                                    |   | 19,828                        |
| State Aid to Public Libraries   |                                    |   | <u>126,627</u>                |
| Total N.C. Department of Cultural Resources                               |                                    |   | <u>146,455</u>                |
| <u>N.C. Department of Environment and Natural Resources</u>               |                                    |   |                               |
| Division of Waste Management:   |                                    |   |                               |
| Scrap Tire Program  |                                    |   | 28,314                        |
| Community Waste Reduction and Recycling Grant                             |                                    |   | <u>100,000</u>                |
| Total Division of Waste Management  |                                    |   | <u>128,314</u>                |
| Division of Soil and Water Conservation:                                  |                                    |   |                               |
| N.C. Agriculture Cost Share - Technical Assistance                        |                                    |   | 50,787                        |
| N.C. Community Conservation Assistance Program                            |                                    |   |                               |
| Wilson County Natural Resources Conservation District -<br>Matching Funds |                                    |   | <u>3,600</u>                  |
| Total Division of Soil and Water Conservation                             |                                    |   | <u>54,387</u>                 |
| Total N.C. Department of Environment and<br>Natural Resources             |                                    |   | <u>182,701</u>                |
| <u>N.C. Department of Health and Human Services</u>                       |                                    |   |                               |
| Division of Aging and Adult Services:                                     |                                    |   |                               |
| Access  |                                    |   | 11,454                        |
| In Home Service   |                                    |   | 229,524                       |
| Home Delivered Meals  |                                    |   | 178,442                       |
| Senior Center Development   |                                    |   | <u>4,096</u>                  |
| Total Division of Aging and Adult Services                                |                                    |   | <u>423,516</u>                |
| Division of Public Health:  |                                    |   |                               |
| Environmental Health  |                                    |   | 4,000                         |
| Food and Lodging Fees   |                                    |   | 6,224                         |
| Public Health Nursing   |                                    |   | 1,000                         |
| General Aid to Counties   |                                    |   | 138,666                       |

**COUNTY OF WILSON, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>    | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|--|------------------------------------|---|-------------------------------|
| Health Communities                                       |                                    |   | 2,840                         |
| General Communicable Disease Control                     |                                    |   | 8,294                         |
| Risk Reduction / Health Promotion                        |                                    |   | 6,205                         |
| Tuberculosis   |                                    |   | 53,766                        |
| Tuberculosis Medical Service                             |                                    |   | 568                           |
| Women's Health Service Fund                              |                                    |   | 13,564                        |
| Total Division of Public Health                          |                                    |   | <u>235,127</u>                |
| Division of Social Services:                             |                                    |   |                               |
| Adoption / Foster Care                                   |                                    |   |                               |
| Child Welfare Services Adoption Subsidy -                |                                    |   |                               |
| Direct Benefit Payments                                  |                                    |   | 310,359                       |
| Emergency Assist Private Grant                           |                                    |   | 2,102                         |
| AFDC Incent/Prog Integrity                               |                                    |   | 2,743                         |
| Special Assistance for Adults                            |                                    |   | 974,266                       |
| SFHF Maximization  |                                    |   | 46,387                        |
| State Foster Home  |                                    |   | 64,527                        |
| Foster Care Special Provision                            |                                    |   | (6,470)                       |
| Total Division of Social Services                        |                                    |   | <u>1,393,914</u>              |
| Total N.C. Department of Health and Human Services       |                                    |   | <u>2,052,557</u>              |
| <u>N.C. Department of Public Instruction</u>             |                                    |   |                               |
| Public School Building Capital Fund                      |                                    |   | 1,077,438                     |
| Total N.C. Department of Public Instruction              |                                    |   | <u>1,077,438</u>              |
| <u>N.C. Department of Public Safety:</u>                 |                                    |   |                               |
| Division of Juvenile Justice and Delinquency Prevention: |                                    |   |                               |
| Juvenile Crime and Delinquency Prevention Council        |                                    |   | 248,224                       |
| Emergency Management Performance Grant                   |                                    |   | 62,075                        |
| Total N.C. Department of Public Safety                   |                                    |   | <u>310,299</u>                |
| <u>N.C. Department of Transportation</u>                 |                                    |   |                               |
| Rural Operating Assistance Program (ROAP):               |                                    |   |                               |
| Elderly and Disabled Transportation Assistance           |                                    |   |                               |
| Program (E&DTAP)   |                                    |   | 73,748                        |
| Rural General Public Program (RGP)                       |                                    |   | 59,422                        |
| Work First/Employment Transportation Operating           |                                    |   |                               |
| Assistance Program                                       |                                    |   | 18,281                        |
| Total ROAP   |                                    |   | <u>151,451</u>                |
| Total N.C. Department of Transportation                  |                                    |   | <u>151,451</u>                |

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

| <u>Grantor/Pass-Through<br/>Grantor/Program Title</u>     | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>(Direct &amp;<br/>Pass-Through)<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|---|------------------------------------|---|-------------------------------|
| <u>N.C. Department of Commerce</u><br>N.C. Tomorrow Grant |                                    |   | 21,500                        |
| Total State Awards  |                                    | -   | 3,948,451                     |
| Total Federal and State Awards                            |                                    | \$ 96,058,576   | \$ 49,707,547                 |

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

1. **Basis of Presentation**

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

2. **Subrecipients**

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

| <u>Program Title</u>               | <u>Federal<br/>Expenditures</u> | <u>State<br/>Expenditures</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> |
|------------------------------------|---------------------------------|-------------------------------|--|
| Juvenile Crime Prevention Programs | \$ -                            | \$ 248,224                    | -  |

3. 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, Foster Care and Adoption and Aging Programs