

WILSON COUNTY
NORTH CAROLINA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

FLOWERS & STANLEY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
TARBORO, NORTH CAROLINA

Wilson County, North Carolina

Table of Contents

June 30, 2008

| <u>Exhibit</u> | | <u>Page</u> |
|--|---|-------------|
| <u>Financial Section:</u> | | |
| | Independent Auditor's Report | 1 |
| | Management's Discussion and Analysis | 3 |
| Basic Financial Statements: | | |
| Government-wide Financial Statements: | | |
| 1 | Statement of Net Assets | 13 |
| 2 | Statement of Activities | 15 |
| Fund Financial Statements: | | |
| 3 | Balance Sheet - Governmental Funds | 17 |
| 3 | Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 18 |
| 4 | Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | 19 |
| 4 | Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Net Activities | 21 |
| 5 | Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund | 22 |
| 6 | Statement of Net Assets - Proprietary Funds | 24 |
| 7 | Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds | 26 |
| 8 | Statement of Cash Flows - Proprietary Funds | 27 |
| 9 | Statement of Fiduciary Net Assets - Fiduciary Funds | 29 |
| | Notes to the Financial Statements | 30 |

Wilson County, North Carolina

Table of Contents

June 30, 2008

| <u>Exhibit</u> | | <u>Page</u> |
|---|---|-------------|
| Required Supplemental Financial Data: | | |
| A-1 | Law Enforcement Officers' Special Separation Allowance - Schedule of Funding Progress | 66 |
| A-2 | Law Enforcement Officers' Special Separation Allowance - Schedule of Employer Contributions | 67 |
| Individual Fund Statements and Schedules: | | |
| Major Governmental Funds: | | |
| B-1 | Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund | 68 |
| Non-Major Governmental Funds: | | |
| C-1 | Combining Balance Sheet - Nonmajor Governmental Funds | 82 |
| C-2 | Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds | 84 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: | | |
| C-3 | Revaluation Fund | 86 |
| C-4 | Fire District Fund | 87 |
| C-5 | Enhanced 911 Service | 88 |
| C-6 | Transportation Fund | 89 |
| C-7 | Economic Development Reserve Fund | 90 |
| C-8 | Public Buildings Fund | 91 |
| C-9 | Grant Projects Fund | 92 |
| C-10 | Regional Wastewater Facility | 93 |
| C-11 | Library Construction Fund | 94 |
| C-12 | New Elementary School Construction Fund | 95 |

Wilson County, North Carolina

Table of Contents

June 30, 2008

| <u>Exhibit</u> | | <u>Page</u> |
|---|---|-------------|
| Enterprise Funds: | | |
| Schedules of Revenues and Expenditures | | |
| - Budget and Actual (Non-GAAP): | | |
| D-1 | Solid Waste Fund | 96 |
| D-2 | Southeast Water District | 97 |
| D-3 | Southwest Water District | 98 |
| D-4 | Water District Capital Project Fund - Southwest II | 99 |
| Other Schedules/Statements: | | |
| E-1 | Schedule of Ad Valorem Taxes Receivable | 100 |
| E-2 | Analysis of Current Tax Levy - County-Wide Levy | 101 |
| E-3 | Statement of Changes in Assets and Liabilities - Agency Funds | 102 |
| <u>Compliance Section:</u> | | |
| | Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 103 |
| | Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act | 105 |
| | Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act | 107 |
| | Schedule of Findings and Questioned Costs | 109 |
| | Corrective Action Plan | 113 |
| | Summary Schedule of Prior Year Audit Findings | 114 |
| | Schedule of Expenditures of Federal and State Awards | 115 |

Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 N. Main Street – Tarboro, North Carolina 27886

Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA
Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilson County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the reports of the other auditors.

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of Wilson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, the schedules of funding progress, employer contributions, and the notes to the required schedules for the law Enforcement Officers' Special Separation allowance are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

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

/s/ Flowers & Stanley, L.L.P.

Tarboro, North Carolina
December 23, 2008

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, 2008. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets of Wilson County's governmental activities and business type exceeded its liabilities at the close of the most recent fiscal year by \$35,233,454.
- Wilson County's net assets decreased by \$9,021,798. Wilson County's governmental funds decreased by \$10,192,357, due to the construction of a new elementary school, with expenses of \$10,754,100.
- Governmental funds reported combined ending fund balances of \$34,149,908. Approximately 77.96% of this total, or \$26,622,436, is unreserved or available for spending at Wilson County's discretion.
- At the close of the current fiscal year, Wilson County's general fund reported an ending fund balance of \$24,779,153. Approximately \$17,357,420 or 70% of this total amount is available for spending at the government's discretion.
- The County holds the following bond ratings:

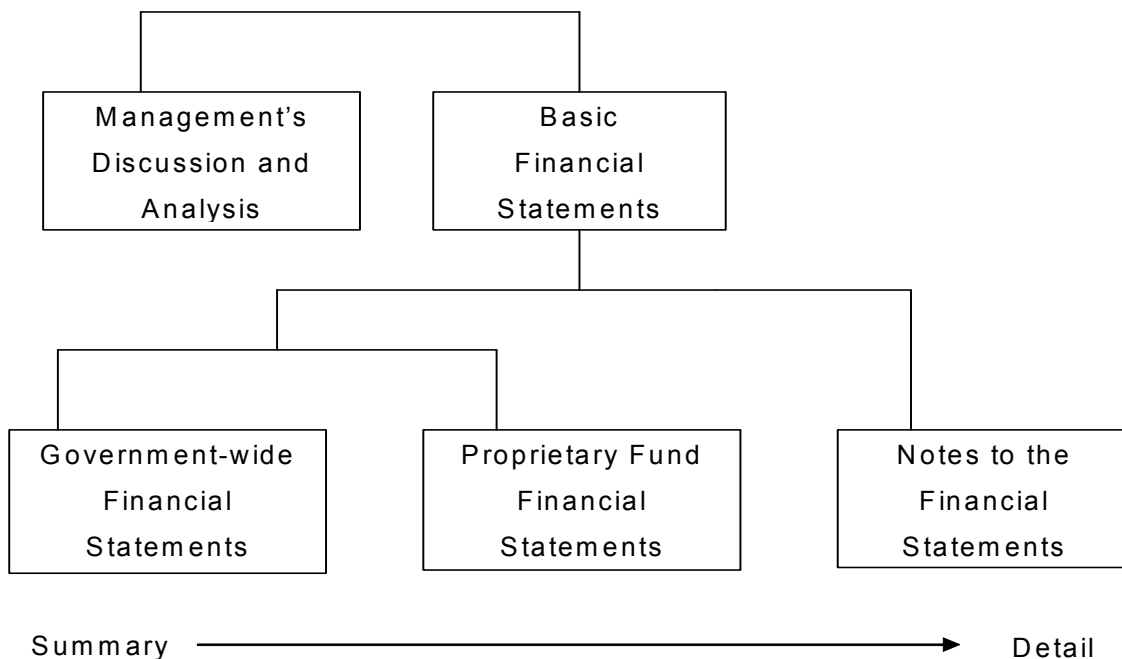
Moody's - Aaa

Standard & Poor's - AAA

Overview of the Financial Statements

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

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



Basic Financial Statements

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

The next statements, Exhibits 3 through 8, are the Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the proprietary funds statements.

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

Government-wide Financial Statements

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

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

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

Management Discussion and Analysis Wilson County, North Carolina

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

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

Fund Financial Statements

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

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

Management Discussion and Analysis
Wilson County, North Carolina

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 66.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Wilson County's progress in funding its obligation to provide pension benefits to its public safety employees. Required supplemental information can be found on pages 64 and 65 of this report.

Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Wilson County, assets exceeded liabilities by \$44,255,252 at the close of the most recent fiscal year.

Wilson County's Net Assets Figure 2

| | Governmental Activities | | Business-Type Activities | | Total | Total |
|--|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Assets: | | | | | | |
| Current and other assets | \$ 41,576,107 | \$ 34,290,390 | \$ 18,458,769 | \$ 16,588,052 | \$ 60,034,876 | \$ 50,878,442 |
| Restricted assets | 13,965 | 340,844 | - | 383,298 | 13,965 | 724,142 |
| Capital assets | 24,956,888 | 26,310,011 | 26,815,546 | 26,981,694 | 51,772,434 | 53,291,705 |
| Total Assets | \$ 66,546,960 | \$ 60,941,245 | \$ 45,274,315 | \$ 43,953,044 | \$ 111,821,275 | \$ 104,894,289 |
| Liabilities: | | | | | | |
| Long-term liabilities | | | | | | |
| Outstanding | \$ 57,625,123 | \$ 42,332,186 | \$ 12,323,759 | \$ 9,834,000 | \$ 69,948,882 | \$ 52,166,186 |
| Other liabilities | 6,293,433 | 5,788,298 | 345,506 | 2,684,553 | 6,638,939 | 8,472,851 |
| Total Liabilities | \$ 63,918,556 | \$ 48,120,484 | \$ 12,669,265 | \$ 12,518,553 | \$ 76,587,821 | \$ 60,639,037 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | \$ 17,651,796 | \$ 17,033,706 | \$ 17,117,626 | \$ 17,056,014 | \$ 34,769,422 | \$ 34,089,720 |
| Restricted | 105,716 | 392,360 | - | 208,676 | 105,716 | 601,036 |
| Unrestricted | (15,129,108) | (4,605,305) | 15,487,424 | 14,169,801 | 358,316 | 9,564,496 |
| Total Net Assets | \$ 2,628,404 | \$ 12,820,761 | \$ 32,605,050 | \$ 31,434,491 | \$ 35,233,454 | \$ 44,255,252 |

By far the largest portion of Wilson County's net assets reflects its investment in capital assets and construction in progress (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

Management Discussion and Analysis
Wilson County, North Carolina

Wilson County's Changes in Net Assets

Figure 3

| | Governmental | | Business-Type | | Totals | |
|--|-----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 11,012,596 | \$ 11,998,677 | \$ 3,864,227 | \$ 3,807,742 | \$ 14,876,823 | \$ 15,806,419 |
| Intergovernmental | 17,415,740 | 15,399,555 | 803,500 | - | 18,219,240 | 15,399,555 |
| Capital Grants & Contributions | 63,154 | 1,229,134 | - | 682,515 | 63,154 | 1,911,649 |
| General Revenues: | | | | | | |
| Property Taxes | 42,242,034 | 40,579,339 | - | - | 42,242,034 | 40,579,339 |
| Local Option Sales Tax | 16,320,229 | 16,107,578 | - | - | 16,320,229 | 16,107,578 |
| Other Taxes & Licenses | 1,284,311 | 1,352,912 | - | - | 1,284,311 | 1,352,912 |
| Investment earnings | 1,472,840 | 1,337,881 | 710,498 | 813,384 | 2,183,338 | 2,151,265 |
| Miscellaneous | 289,659 | 163,537 | - | - | 289,659 | 163,537 |
| Transfer/Distributions | - | (216,677) | - | - | - | (216,677) |
| Sale of Equipment | 10,604 | - | - | - | 10,604 | - |
| Total Revenues | \$ 90,111,167 | \$ 87,951,936 | \$ 5,378,225 | \$ 5,303,641 | \$ 95,489,392 | \$ 93,255,577 |
| Expenses | | | | | | |
| General Government | \$ 9,716,338 | \$ 8,591,788 | \$ - | \$ - | \$ 9,716,338 | \$ 8,591,788 |
| Public Safety | 17,310,695 | 16,009,343 | - | - | 17,310,695 | 16,009,343 |
| Transportation | 44,199 | 40,214 | - | - | 44,199 | 40,214 |
| Environmental Protection | 263,185 | 984,553 | - | - | 263,185 | 984,553 |
| Economic/Physical Dev. | 3,802,793 | 1,634,504 | - | - | 3,802,793 | 1,634,504 |
| Human Services | 34,831,798 | 34,779,448 | - | - | 34,831,798 | 34,779,448 |
| Cultural and Recreational | 2,012,515 | 1,947,966 | - | - | 2,012,515 | 1,947,966 |
| Education | 30,153,307 | 18,739,332 | - | - | 30,153,307 | 18,739,332 |
| Interest/Other Charges | 2,168,694 | 1,719,772 | - | - | 2,168,694 | 1,719,772 |
| Landfill | - | - | 2,552,162 | 2,352,221 | 2,552,162 | 2,352,221 |
| Water | - | - | 1,655,504 | 1,634,317 | 1,655,504 | 1,634,317 |
| Total Expenses | \$ 100,303,524 | \$ 84,446,920 | \$ 4,207,666 | \$ 3,986,538 | \$104,511,190 | \$ 88,433,458 |
| Increase in net assets before transfers | (10,192,357) | 3,505,016 | 1,170,559 | 1,317,103 | (9,021,798) | 4,822,119 |
| Net Assets July 1 | 12,820,761 | 9,315,745 | 31,434,491 | 30,117,388 | 44,255,252 | 39,433,133 |
| Net Assets June 30 | \$ 2,628,404 | \$ 12,820,761 | \$32,605,050 | \$31,434,491 | \$ 35,233,454 | \$ 44,255,252 |

Governmental Activities. Of the total net assets, governmental activities accounted for \$2,628,404, or 7.46% of the total net assets, and represents a decrease of \$10,192,357 over fiscal year 2007. This decrease is due to the issuance of \$18,000,000 for new school construction. While the debt for the school projects is carried in the county's general fund, the assets are included as assets of the Board of Education. Expenses for education were \$30,153,307. Operating grants and contributions in the amount of \$18,622,517, sales and services in the amount of \$11,012,596, and local option sales taxes of \$16,320,229, along with the ad valorem tax collections totaling \$42,242,034 were the main sources of funding of Wilson County's governmental activities.

Business-type Activities. Business-type activities' net assets increased by \$1,170,559.

- The Solid Waste Fund accounted for the majority of the increase in business-type activities.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Wilson County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$34,149,908, an increase of \$5,552,489, attributed to balances of debt proceeds.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$17,357,420, while total fund balance for the general fund reached \$24,779,153. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20% percent of total general fund expenditures, while total fund balance represents 28.55% percent of that same amount.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,566,903. Practically all of this increase was attributable to Restricted Intergovernmental Revenues.

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

Unrestricted net assets of Solid Waste and Water Districts for the fiscal year 2008 amounted to \$15,487,424.

Capital Asset and Debt Administration

Capital Assets. Wilson County’s investment in capital assets for its governmental and business type activities as of June 30, 2008 amounts to \$51,772,434 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

- Purchased new equipment in the Landfill.
- Purchased new vehicles for Law Enforcement;

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

| | Governmental | | Business-Type | | Totals | |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | Activities | | Activities | | | |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land | \$ 760,308 | \$ 272,220 | \$ 3,141,079 | \$ 2,691,080 | \$ 3,901,387 | \$ 2,963,300 |
| Buildings and Improvements | 29,188,461 | 29,538,985 | - | - | 29,188,461 | 29,538,985 |
| Equipment /Plant Distribution | 8,635,926 | 8,426,265 | 26,698,683 | 22,717,600 | 35,334,609 | 31,143,865 |
| Vehicles | 3,697,326 | 3,260,927 | 215,331 | 185,304 | 3,912,657 | 3,446,231 |
| Construction in Progress | - | - | 26,428 | 3,949,609 | 26,428 | 3,949,609 |
| | 42,282,021 | 41,498,397 | 30,081,521 | 29,543,593 | 72,363,542 | 71,041,990 |
| Less Accumulated Depreciation | (17,325,133) | (15,098,486) | (3,265,975) | (2,561,898) | (20,591,108) | (17,660,384) |
| Net Capital Assets | 24,956,888 | 26,399,911 | 26,815,546 | 26,981,695 | 51,772,434 | 53,381,606 |

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

Long-term Debt. At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$19,235,000, which is backed by the full faith and credit of the County.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| All Bonds | \$ 19,235,000 | \$ 20,805,000 | \$ 9,745,000 | \$ 9,834,000 | \$ 28,980,000 | \$ 30,639,000 |

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$380,664,157. 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 7.47% a slight decrease from fiscal year 2007 ratio of 7.35%.

The County's general obligation debt per capita, at June 30, 2008 was \$259.94, while the County's gross debt per capita is \$713.26.

Additional information on Wilson County's long-term debt can be found in Note 7, Section B found on pages 54-60 of this report.

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 2008-2009

Governmental activities. The general fund budget increased by \$8,631,196, or 9.75%.

Business-type activities. The water districts continue to grow and are continuously expanded by benefit of state and federal dollars.

Requests for information

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2008

Exhibit 1

| | Primary Government | | | Component Unit |
|--|--------------------------------|---------------------------------|-----------------------|--------------------------------|
| | Governmental Activities | Business-type Activities | Total | Wilson County ABC Board |
| Assets | | | | |
| Cash and cash equivalents | \$ 22,657,164 | \$ 18,153,648 | \$ 40,810,812 | \$ 1,109,237 |
| Receivable (net) | 3,992,723 | 275,404 | 4,268,127 | - |
| Due from other governments | 5,724,270 | 29,717 | 5,753,987 | - |
| Due from component unit | 75,000 | - | 75,000 | - |
| Deferred charges - refunding | 71,766 | - | 71,766 | - |
| Inventories | - | - | - | 560,814 |
| Prepaid expenses | - | - | - | 14,082 |
| Restricted cash and cash equivalents | 9,069,149 | - | 9,069,149 | - |
| Capital Assets: | | | | |
| Land, improvements, and construction in progress | \$ 760,308 | \$ 3,167,507 | \$ 3,927,815 | \$ 319,449 |
| Other capital assets, net of depreciation | 24,196,580 | 23,648,039 | 47,844,619 | 1,357,473 |
| Total Capital Assets | \$ 24,956,888 | \$ 26,815,546 | \$ 51,772,434 | \$ 1,676,922 |
| Total Assets | \$ 66,546,960 | \$ 45,274,315 | \$ 111,821,275 | \$ 3,361,055 |

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2008

Exhibit 1

| | Primary Government | | | Component Unit |
|---|--------------------------------|---------------------------------|----------------------|--------------------------------|
| | Governmental Activities | Business-type Activities | Total | Wilson County ABC Board |
| (continued) | | | | |
| Liabilities | | | | |
| Accounts payable & accrued expenses | \$ 4,639,010 | \$ 225,217 | \$ 4,864,227 | \$ 395,381 |
| Unearned revenue | 421,421 | - | 421,421 | - |
| Accrued interest payable | 1,003,917 | 34,919 | 1,038,836 | - |
| Compensated absences | - | - | - | 19,000 |
| Customer deposits | - | 85,370 | 85,370 | - |
| Due to other governments | - | - | - | 25,000 |
| Due to primary government | - | - | - | 75,000 |
| Deferred credit - bond premium | 229,085 | - | 229,085 | - |
| Long-term Liabilities: | | | | |
| Due within one year | 4,731,115 | 127,500 | 4,858,615 | - |
| Due in more than one year | 52,894,008 | 12,196,259 | 65,090,267 | 23,378 |
| Total Long-term Liabilities | <u>\$ 57,625,123</u> | <u>\$ 12,323,759</u> | <u>\$ 69,948,882</u> | <u>\$ 23,378</u> |
| Total Liabilities and Deferred Credits | <u>\$ 63,918,556</u> | <u>\$ 12,669,265</u> | <u>\$ 76,587,821</u> | <u>\$ 537,759</u> |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | \$ 17,651,796 | \$ 17,117,626 | \$ 34,769,422 | \$ 1,676,922 |
| Restricted For: | | | | |
| Register of Deeds | 105,716 | - | 105,716 | - |
| Other purposes | - | - | - | 179,094 |
| Unrestricted (deficit) | (15,129,108) | 15,487,424 | 358,316 | 967,280 |
| Total Net Assets | <u>\$ 2,628,404</u> | <u>\$ 32,605,050</u> | <u>\$ 35,233,454</u> | <u>\$ 2,823,296</u> |

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

Wilson County, North Carolina
Statement of Activities
For the Year Ended June 30, 2008

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|-----------------------------------|------------------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 9,716,338 | \$ 785,436 | \$ 96,862 | \$ - |
| Public Safety | 17,310,695 | 3,928,008 | 89,536 | - |
| Transportation | 44,199 | 21,872 | 270,567 | 63,154 |
| Environmental Protection | 263,185 | - | - | - |
| Economic and Physical Development | 3,802,793 | - | 692,897 | - |
| Human Services | 34,831,798 | 6,251,536 | 15,820,352 | - |
| Cultural and Recreation | 2,012,515 | 25,744 | 153,600 | - |
| Education | 30,153,307 | - | 291,926 | - |
| Interest on long-term debt | 2,168,694 | - | - | - |
| Total Governmental Activities | <u>\$ 100,303,524</u> | <u>\$ 11,012,596</u> | <u>\$ 17,415,740</u> | <u>\$ 63,154</u> |
| Business-type Activities: | | | | |
| Landfill | \$ 2,552,162 | \$ 2,663,594 | \$ - | \$ - |
| Water | 1,655,504 | 1,200,633 | 803,500 | - |
| Total Business-type Activities | <u>\$ 4,207,666</u> | <u>\$ 3,864,227</u> | <u>\$ 803,500</u> | <u>\$ -</u> |
| Total Primary Government | <u><u>\$ 104,511,190</u></u> | <u><u>\$ 14,876,823</u></u> | <u><u>\$ 18,219,240</u></u> | <u><u>\$ 63,154</u></u> |
| Component Units: | | | | |
| ABC Board | <u>\$ 5,622,348</u> | <u>\$ 5,851,828</u> | <u>\$ -</u> | <u>\$ -</u> |

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, including loss on disposition of fixed assets

Total General Revenues and Transfers/Distribution

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

| Primary Government | | | Component Unit |
|--------------------------------|---------------------------------|------------------------|--------------------------------|
| Governmental Activities | Business-type Activities | Total | Wilson County ABC Board |
| \$ (8,834,040) | \$ - | \$ (8,834,040) | |
| (13,293,151) | - | (13,293,151) | |
| 311,394 | - | 311,394 | |
| (263,185) | - | (263,185) | |
| (3,109,896) | - | (3,109,896) | |
| (12,759,910) | - | (12,759,910) | |
| (1,833,171) | - | (1,833,171) | |
| (29,861,381) | - | (29,861,381) | |
| (2,168,694) | - | (2,168,694) | |
| <u>\$ (71,812,034)</u> | <u>\$ -</u> | <u>\$ (71,812,034)</u> | |
| | | | |
| \$ - | \$ 111,432 | \$ 111,432 | |
| - | 348,629 | 348,629 | |
| <u>\$ -</u> | <u>\$ 460,061</u> | <u>\$ 460,061</u> | |
| | | | |
| <u>\$ (71,812,034)</u> | <u>\$ 460,061</u> | <u>\$ (71,351,973)</u> | |
| | | | <u>\$ 229,480</u> |
| | | | |
| \$ 42,242,034 | \$ - | \$ 42,242,034 | \$ - |
| 16,320,229 | - | 16,320,229 | - |
| 1,284,311 | - | 1,284,311 | - |
| 230,929 | - | 230,929 | - |
| 1,472,840 | 710,498 | 2,183,338 | 28,503 |
| 69,334 | - | 69,334 | 3,605 |
| <u>\$ 61,619,677</u> | <u>\$ 710,498</u> | <u>\$ 62,330,175</u> | <u>\$ 32,108</u> |
| | | | |
| \$ (10,192,357) | \$ 1,170,559 | \$ (9,021,798) | \$ 261,588 |
| 12,820,761 | 31,434,491 | 44,255,252 | 2,561,708 |
| | | - | |
| <u>\$ 2,628,404</u> | <u>\$ 32,605,050</u> | <u>\$ 35,233,454</u> | <u>\$ 2,823,296</u> |

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

Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2008

Exhibit 3

| | Major Funds | | | |
|---|----------------------|--|---|---|
| | General | New Elementary School Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
| Assets | | | | |
| Cash and cash equivalents | \$ 20,814,870 | \$ - | \$ 1,842,294 | \$ 22,657,164 |
| Restricted cash | - | 9,055,184 | 13,965 | 9,069,149 |
| Taxes receivable, net | 1,855,331 | - | 33,952 | 1,889,283 |
| Accounts and other receivables, net | 1,447,590 | - | 203,215 | 1,650,805 |
| Due from other governments | 5,724,270 | - | - | 5,724,270 |
| Due from other funds | 69,158 | - | (69,158) | - |
| Due from component unit | 75,000 | - | - | 75,000 |
| Total Assets | \$ 29,986,219 | \$ 9,055,184 | \$ 2,024,268 | \$ 41,065,671 |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Liabilities | \$ 2,939,824 | \$ 1,158,659 | \$ 506,576 | \$ 4,605,059 |
| Deferred revenue | 1,855,331 | - | 33,952 | 1,889,283 |
| Unearned revenue | 411,911 | - | 9,510 | 421,421 |
| Total Liabilities | \$ 5,207,066 | \$ 1,158,659 | \$ 550,038 | \$ 6,915,763 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| State statute | \$ 7,316,017 | \$ - | \$ 105,739 | \$ 7,421,756 |
| Register of Deeds | 105,716 | - | - | 105,716 |
| Unreserved: | | | | |
| Designated for subsequent year's expenditures | 9,007,637 | 7,896,525 | - | 16,904,162 |
| Undesignated | 8,349,783 | - | - | 8,349,783 |
| Unreserved, reported in nonmajor: | | | | |
| Special revenue funds | - | - | 587,180 | 587,180 |
| Capital projects funds | - | - | 781,311 | 781,311 |
| Total Fund Balances | \$ 24,779,153 | \$ 7,896,525 | \$ 1,474,230 | \$ 34,149,908 |
| Total Liabilities and Fund Balances | \$ 29,986,219 | \$ 9,055,184 | \$ 2,024,268 | \$ 41,065,671 |

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

**Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2008**

Exhibit 3

Reconciliation of the governmental fund balance to net assets:

| | |
|--|---------------------|
| Total fund balances | \$ 34,149,908 |
| Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 24,956,888 |
| Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds. | 71,766 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 418,683 |
| Liabilities for earned but deferred revenues in fund statements. | 1,889,283 |
| Some liabilities, including bonds payable and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. | (58,858,124) |
| Net Assets of Governmental Activities | <u>\$ 2,628,404</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, 2008

Exhibit 4

| | Major Funds | | | Total Governmental Funds |
|--------------------------------------|----------------------|--|---|---|
| | General | New Elementary School Capital Projects Fund | Non-Major Governmental Funds | |
| Revenues | | | | |
| Ad valorem taxes | \$ 41,188,867 | \$ - | \$ 1,028,671 | \$ 42,217,538 |
| Local option sales taxes | 15,922,347 | - | 397,882 | 16,320,229 |
| Other taxes and licenses | 787,777 | - | 496,534 | 1,284,311 |
| Unrestricted intergovernmental | 208,151 | - | - | 208,151 |
| Restricted intergovernmental | 18,633,517 | - | 1,026,618 | 19,660,135 |
| Permits and fees | 544,339 | - | - | 544,339 |
| Sales and service | 8,284,348 | - | 21,872 | 8,306,220 |
| Investment earnings | 1,017,906 | 409,483 | 45,451 | 1,472,840 |
| Miscellaneous | 69,332 | - | 3,574 | 72,906 |
| Total Revenues | \$ 86,656,584 | \$ 409,483 | \$ 3,020,602 | \$ 90,086,669 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | \$ 8,166,866 | \$ - | \$ 124,379 | \$ 8,291,245 |
| Public Safety | 14,374,869 | - | 2,223,133 | 16,598,002 |
| Transportation | 43,921 | - | - | 43,921 |
| Environmental Protection | 244,530 | - | - | 244,530 |
| Economic and Physical Development | 1,067,284 | - | 2,378,527 | 3,445,811 |
| | 34,468,410 | - | - | 34,468,410 |
| Cultural and Recreational | 1,809,886 | - | - | 1,809,886 |
| Intergovernmental: | | | | |
| Education | 19,399,207 | - | - | 19,399,207 |
| Capital projects | - | 10,754,100 | 821,637 | 11,575,737 |
| Debt Service: | | | | |
| Principal | 4,802,271 | - | - | 4,802,271 |
| Interest and other charges | 1,615,172 | - | - | 1,615,172 |
| Total Expenditures | \$ 85,992,416 | \$ 10,754,100 | \$ 5,547,676 | \$ 102,294,192 |

(continued)

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

Exhibit 4

| | Major Funds | | | |
|--|--------------------|--|---|---|
| | General | New Elementary School Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
| (continued) | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 664,168 | \$ (10,344,617) | \$ (2,527,074) | \$ (12,207,523) |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | \$ (3,217,500) | \$ - | \$ 2,414,000 | \$ (803,500) |
| Debt proceeds | - | 18,241,142 | 322,370 | 18,563,512 |
| | - | 18,241,142 | 322,370 | 18,563,512 |
| Total Other Financing Sources (Uses): | \$ (3,217,500) | \$ 18,241,142 | \$ 2,736,370 | \$ 17,760,012 |
| Net Change in Fund Balance | \$ (2,553,332) | \$ 7,896,525 | \$ 209,296 | \$ 5,552,489 |
| Fund Balances: | | | | |
| Beginning of year, July 1 | 27,332,485 | - | 1,264,934 | 28,597,419 |
| End of year, June 30 | \$ 24,779,153 | \$ 7,896,525 | \$ 1,474,230 | \$ 34,149,908 |

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, 2008

Exhibit 4

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

| | |
|--|-----------------|
| Net changes in fund balances - total governmental funds | \$ 5,552,489 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. | (1,297,365) |
| Property tax revenues (including accrued interest) in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | 24,496 |
| Undepreciated cost of capital assets sold or retired which exceeds proceeds. | (55,758) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt | (13,607,649) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | |
| Compensated absences | (230,311) |
| Net pension obligations | (24,954) |
| Accrued interest | (553,305) |
| Total Changes in Net Assets of Governmental Activities | \$ (10,192,357) |

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

Exhibit 5

| | General Fund | | | Variance With Final Positive (Negative) |
|-----------------------------------|----------------------|----------------------|----------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 40,350,000 | \$ 40,855,000 | \$ 41,188,867 | \$ 333,867 |
| Local option sales tax | 15,345,195 | 15,345,195 | 15,922,347 | 577,152 |
| Other taxes and licenses | 757,000 | 757,000 | 787,777 | 30,777 |
| Unrestricted intergovernmental | 142,500 | 142,500 | 208,151 | 65,651 |
| Restricted intergovernmental | 15,959,651 | 17,946,568 | 18,633,517 | 686,949 |
| Permits and fees | 596,000 | 596,000 | 544,339 | (51,661) |
| Sales and services | 7,970,917 | 8,044,903 | 8,284,348 | 239,445 |
| Investment earnings | 1,174,931 | 1,174,931 | 1,017,906 | (157,025) |
| Miscellaneous | 35,000 | 36,000 | 69,332 | 33,332 |
| | \$ 82,331,194 | \$ 84,898,097 | \$ 86,656,584 | \$ 1,758,487 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | \$ 8,199,069 | \$ 9,302,564 | \$ 8,166,866 | \$ 1,135,698 |
| Public Safety | 14,308,593 | 14,477,949 | 14,374,869 | 103,080 |
| Transportation | 41,421 | 41,421 | 43,921 | (2,500) |
| Environmental Protection | 275,376 | 280,689 | 244,530 | 36,159 |
| Economic and Physical Development | 1,146,267 | 1,153,267 | 1,067,284 | 85,983 |
| Human Services | 37,198,741 | 38,079,680 | 34,468,410 | 3,611,270 |
| Cultural and Recreational | 1,834,511 | 1,834,511 | 1,809,886 | 24,625 |
| Intergovernmental: | | | | |
| Education | 19,057,281 | 19,807,689 | 19,399,207 | 408,482 |
| Debt Service: | | | | |
| Principal retirement | 4,463,564 | 4,463,564 | 4,802,271 | (338,707) |
| Interest and other charges | 1,996,724 | 1,996,724 | 1,615,172 | 381,552 |
| | \$ 88,521,547 | \$ 91,438,058 | \$ 85,992,416 | \$ 5,445,642 |

(continued)

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2008

Exhibit 5

| | General Fund | | | Variance With Final Positive (Negative) |
|--|--------------------|-----------------|----------------|--|
| | Original Budget | Final Budget | Actual | |
| (continued) | | | | |
| Revenues Over (Under) Expenditures | \$ (6,190,353) | \$ (6,539,961) | \$ 664,168 | \$ 7,204,129 |
| Other Financing Sources (Uses): | | | | |
| Lease proceeds | \$ - | \$ - | \$ - | \$ - |
| Transfers (to) from other funds | (1,654,000) | (3,722,500) | (3,217,500) | 505,000 |
| Fund balance appropriated | 7,844,353 | 10,262,461 | - | (10,262,461) |
| Total Other Financing Sources (Uses) | \$ 6,190,353 | \$ 6,539,961 | \$ (3,217,500) | \$ (9,757,461) |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | \$ - | \$ - | \$ (2,553,332) | \$ (2,553,332) |
| Fund Balances: | | | | |
| Beginning of year, July 1 | | | 27,332,485 | |
| End of year, June 30 | | | \$ 24,779,153 | |

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2008

Exhibit 6

| | Major Enterprise Funds | | | Total |
|---|---------------------------------|---|---|----------------------|
| | Solid Waste Fund | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | |
| Assets | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 17,771,657 | \$ 255,245 | \$ 93,746 | \$ 18,120,648 |
| Receivables, net | 127,292 | 69,114 | 78,997 | 275,403 |
| Due from other governments | 29,718 | - | - | 29,718 |
| Total Current Assets | \$ 17,928,667 | \$ 324,359 | \$ 172,743 | \$ 18,425,769 |
| Non-Current Assets: | | | | |
| Capital Assets: | | | | |
| Land and construction in progress | \$ 3,014,021 | \$ 48,389 | \$ 105,097 | \$ 3,167,507 |
| Other capital assets, net of depreciation | 725,624 | 9,282,751 | 13,639,664 | 23,648,039 |
| Capital Assets, Net | \$ 3,739,645 | \$ 9,331,140 | \$ 13,744,761 | \$ 26,815,546 |
| Total Non-Current Assets | \$ 3,739,645 | \$ 9,331,140 | \$ 13,744,761 | \$ 26,815,546 |
| Total Assets | \$ 21,668,312 | \$ 9,655,499 | \$ 13,917,504 | \$ 45,241,315 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ 183,602 | \$ 20,218 | \$ 21,397 | \$ 225,217 |
| Customer deposits | - | 39,900 | 45,470 | 85,370 |
| Due to other funds | - | - | - | - |
| Current portion of bonds | - | 45,500 | 82,000 | 127,500 |
| Accrued interest | - | 12,626 | 22,293 | 34,919 |
| Liabilities Payable from Restricted Assets: | | | | |
| Accounts payable | - | - | - | - |
| Total Current Liabilities | \$ 183,602 | \$ 118,244 | \$ 171,160 | \$ 473,006 |

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2008

Exhibit 6

| | Major Enterprise Funds | | | Total |
|--|---------------------------------|---|---|----------------------|
| | Solid Waste Fund | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | |
| Liabilities (continued) | | | | |
| Non-current Liabilities: | | | | |
| Accrued landfill closure and postclosure care costs | \$ 2,526,767 | \$ - | \$ - | \$ 2,526,767 |
| Compensated absences | 28,519 | 12,800 | 10,673 | 51,992 |
| Bonds | - | 3,390,500 | 6,227,000 | 9,617,500 |
| Total Non-current Liabilities | \$ 2,555,286 | \$ 3,403,300 | \$ 6,237,673 | \$ 12,196,259 |
| Total Liabilities | \$ 2,738,888 | \$ 3,521,544 | \$ 6,408,833 | \$ 12,669,265 |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | \$ 3,739,645 | \$ 5,882,513 | \$ 7,495,468 | \$ 17,117,626 |
| Unrestricted | 15,189,779 | 284,441 | 13,204 | 15,487,424 |
| Restricted | - | - | - | - |
| Total Net Assets | \$ 18,929,424 | \$ 6,166,954 | \$ 7,508,672 | \$ 32,605,050 |

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

Wilson County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008

Exhibit 7

| | Major Enterprise Funds | | | Total |
|--|-------------------------------|---|---|-----------------------------|
| | Solid Waste Fund | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | |
| Operating Revenues | | | | |
| Charges for services | \$ 2,663,594 | \$ 568,945 | \$ 631,688 | \$ 3,864,227 |
| Operating Expenses | | | | |
| Administration | \$ - | \$ - | \$ - | \$ - |
| Salaries and employee benefits | 837,469 | - | - | 837,469 |
| Operating expense | 1,132,797 | 221,045 | 253,134 | 1,606,976 |
| Landfill closure | 433,326 | - | - | 433,326 |
| Depreciation | 147,062 | 234,740 | 321,968 | 703,770 |
| Water purchase | - | 104,735 | 130,597 | 235,332 |
| Total Operating Expenses | <u>\$ 2,550,654</u> | <u>\$ 560,520</u> | <u>\$ 705,699</u> | <u>\$ 3,816,873</u> |
| Operating Income (Loss) | <u>\$ 112,940</u> | <u>\$ 8,425</u> | <u>\$ (74,011)</u> | <u>\$ 47,354</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Interest/investment revenue | \$ 710,497 | \$ - | \$ - | \$ 710,497 |
| Bad debt | (1,508) | (2,483) | - | (3,991) |
| Interest expense | - | (160,788) | (226,014) | (386,802) |
| Total Non-Operating Revenue (Expenses) | <u>\$ 708,989</u> | <u>\$ (163,271)</u> | <u>\$ (226,014)</u> | <u>\$ 319,704</u> |
| Income (Loss) before | | | | |
| Contributions and Transfers | \$ 821,930 | \$ (154,846) | \$ (300,025) | \$ 367,059 |
| Transfers to other funds | - | 432,870 | 370,630 | 803,500 |
| Change in Net Assets | <u>\$ 821,930</u> | <u>\$ 278,024</u> | <u>\$ 70,605</u> | <u>\$ 1,170,559</u> |
| Total Net Assets - Beginning | 18,107,494 | 5,888,930 | 7,438,067 | 31,434,491 |
| Total Net Assets - Ending | <u><u>\$ 18,929,424</u></u> | <u><u>\$ 6,166,954</u></u> | <u><u>\$ 7,508,672</u></u> | <u><u>\$ 32,605,050</u></u> |

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

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2008

Exhibit 8

| | Solid Waste Fund | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Total |
|--|---------------------------------|---|---|----------------------|
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers | \$ 2,677,935 | \$ 558,250 | \$ 620,065 | \$ 3,856,250 |
| Cash paid for goods & services | (1,112,822) | (320,506) | (376,482) | (1,809,810) |
| Cash paid to employees for services | (835,781) | - | - | (835,781) |
| Customer deposits received | - | 330 | 3,250 | 3,580 |
| Net Cash Provided by Operating Activities | \$ 729,332 | \$ 238,074 | \$ 246,833 | \$ 1,214,239 |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Acquisition & construction of capital assets | \$ (511,195) | \$ - | \$ (201,048) | \$ (712,243) |
| Principal paid on debt | - | (44,000) | (45,000) | (89,000) |
| Interest paid on debt | - | (160,950) | (282,614) | (443,564) |
| Capital contributions | - | - | 174,622 | 174,622 |
| Interfund loan | 303,500 | (30,000) | 30,000 | 303,500 |
| Net Cash Used by Capital and Related Financing Activities | \$ (207,695) | \$ (234,950) | \$ (324,040) | \$ (766,685) |
| Cash Flows from Investing Activities: | | | | |
| Interest on investments | \$ 710,497 | \$ - | \$ - | \$ 710,497 |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ 1,232,134 | \$ 3,124 | \$ (77,207) | \$ 1,158,051 |
| Cash and Cash Equivalents: | | | | |
| July 1, 2007 | 16,539,523 | 285,121 | 170,953 | 16,995,597 |
| June 30, 2008 | <u>\$ 17,771,657</u> | <u>\$ 288,245</u> | <u>\$ 93,746</u> | <u>\$ 18,153,648</u> |

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

(continued)

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2008

Exhibit 8

| | Solid Waste Fund | Water Distribution Fund Southeast District | Water Distribution Fund Southwest District | Total |
|---|---------------------------------|---|---|---------------------|
| (continued) | | | | |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating income (loss) | <u>\$ 112,941</u> | <u>\$ 8,425</u> | <u>\$ (74,011)</u> | <u>\$ 47,355</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation (net) | \$ 147,062 | \$ 234,740 | \$ 321,968 | \$ 703,770 |
| Provision for uncollectible accounts | (1,508) | (2,483) | - | (3,991) |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in accounts receivable | 15,847 | (8,212) | (11,624) | (3,989) |
| Decrease in accrued landfill closure costs | 389,534 | - | - | 389,534 |
| Increase (decrease) in accounts payable | 63,768 | 1,253 | 3,230 | 68,251 |
| (Decrease) in customer deposits | - | 330 | 3,250 | 3,580 |
| Increase in accrued vacation pay | 1,688 | 4,021 | 4,020 | 9,729 |
| Total Adjustments | <u>\$ 616,391</u> | <u>\$ 229,649</u> | <u>\$ 320,844</u> | <u>\$ 1,166,884</u> |
| Net Cash Provided by Operating Activities | <u>\$ 729,332</u> | <u>\$ 238,074</u> | <u>\$ 246,833</u> | <u>\$ 1,214,239</u> |

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

**Wilson County, North Carolina
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2008**

Exhibit 9

**Agency
Fund**

Assets

Cash and cash equivalents

\$ 4,797

Liabilities and Net Assets

Liabilities:

Intergovernmental payable - State of North Carolina - DMV

\$ 4,797

Net Assets

\$ -

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Wilson County ABC Board

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements

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

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

Fund Financial Statements

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

Measurement Focus, Basis of Accounting

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

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

Governmental Fund Financial Statements

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

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

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

C. Budgetary Data

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

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

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

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

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.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

3. Restricted Assets

The unexpended bond proceeds of the District's Serial Bonds are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Also, the unexpended bond (debt) proceeds for the Library and Economic Development Fund are restricted to the purpose for which they were borrowed.

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, 2007.

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

7. Capital Assets

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

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

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

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

8. Long-term Obligations

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

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

9. Compensated Absences

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Reserved

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the adopted 2008 - 2009 budget ordinance.

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment of \$(31,521,504) consists of several elements as follows:

| Description | Amount |
|--|-----------------|
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column) | \$ 42,282,021 |
| Less accumulated depreciation | (17,325,133) |
| Net Capital Assets | \$ 24,956,888 |
| Deferred charges related to advance refunding bond issued | 71,766 |
| Premium collected on issue of COPS | (229,085) |
| Liabilities for revenue deferred but earned and therefore reserved in the fund statements but not in the government-wide. | 2,307,966 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements: | |
| Bonds, leases, and installment financing | (55,266,886) |
| Compensated absences | (1,901,378) |
| Accrued interest payable | (1,003,917) |
| Unfunded Separation Allowance | (456,858) |
| Total Adjustment | \$ (31,521,504) |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$(15,759,609) as follows:

| Description | Amount |
|---|---------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities. | \$ 884,333 |
| 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. | (2,181,698) |
| New debt (including premium) issued during the year is recorded as a source of funds on the fund statements; it has no effect on the Statement of Activities it affects only the government-wide Statement of Net Assets. | (18,241,142) |
| New capital leases and capital lease payments have no effect on the Statement of Activities it affects only the government-wide Statement of Net Assets: | |
| New capital leases | (322,370) |
| Capital lease payments | 241,700 |
| Principal payments along with issuance costs and premiums on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Assets in the government-wide statements. | 4,714,161 |
| Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements. | |
| Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual). | (553,305) |
| Compensated absences and certain pension costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources. | (255,263) |
| Property tax and other revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements. | 24,496 |
| Undepreciated cost of capital assets sold or retired which exceeds proceeds. | (55,758) |
| Total Adjustment | \$ 15,744,846 |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

II. Stewardship, Compliance, and Accountability

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

The County reported no instances of non-compliance.

III Detail Notes on All Funds

A. Assets

1. Deposits

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

At June 30, 2008, the County's deposits had a carrying amount of \$18,407,464 and a bank balance of \$19,590,202. Of the bank balance, \$237,858 was covered by federal depository insurance, \$18,943 in non-interest bearing deposits and \$19,333,401 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2008, Wilson County had \$8,985 cash on hand.

At June 30, 2008, the carrying amount of deposits for Wilson County ABC Board was \$1,103,537 and the bank balance was \$1,106,478. Of the bank balance, \$140,376 was covered by federal depository insurance and \$963,161 in interest-bearing deposits was insured under the Pooling Method.

2. Investments

As of June 30, 2008, the County had the following investments and maturities.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 6 Months</u> | <u>6-12 Months</u> | <u>Over 1 Year</u> |
|--|----------------------|---------------------------|--------------------|--------------------|
| NCCMT - (COPS proceeds) | \$ 9,067,050 | \$ N/A | \$ N/A | \$ N/A |
| N.C. Capital Management Trust - Cash Portfolio | 22,397,352 | N/A | N/A | N/A |
| Total | <u>\$ 31,464,402</u> | <u>\$ N/A</u> | <u>\$ N/A</u> | <u>\$ N/A</u> |

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2008, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2008. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk.

At June 30, 2008, the ABC Board had no investments.

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

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

| <u>Year Levied</u> | <u>Tax</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2004 | \$ 1,335,851 | \$ 437,491 | 4 1,773,342 |
| 2005 | 1,369,003 | 325,138 | 1,694,141 |
| 2006 | 1,332,325 | 196,518 | 1,528,843 |
| 2007 | 1,300,716 | 74,791 | 1,375,507 |
| Total | \$ 5,337,895 | \$ 1,033,938 | \$ 6,371,833 |
| | ===== | ===== | ===== |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

4. Receivables

Receivables at the government-wide level at June 30, 2008, were as follows:

| | <u>Accounts</u> | <u>Taxes & Related Accrued Interest</u> | <u>Due from Other Governments</u> | <u>Other</u> | <u>Total</u> |
|---------------------------------|--------------------|---|---|--------------|---------------------|
| Governmental | | | | | |
| Activities: | | | | | |
| General | \$1,475,544 | \$2,980,248 | \$ 5,724,270 | \$ - | \$10,180,062 |
| Other governmental | 203,215 | 53,144 | - | - | 256,359 |
| Total Receivables | <u>\$1,678,759</u> | <u>\$3,033,392</u> | <u>\$ 5,724,270</u> | <u>\$ -</u> | <u>\$10,436,421</u> |
| Allowance for Doubtful accounts | <u>-</u> | <u>(719,428)</u> | <u>-</u> | <u>-</u> | <u>(719,428)</u> |
| Total Governmental Activities | <u>\$1,678,759</u> | <u>\$2,313,964</u> | <u>\$ 5,724,270</u> | <u>\$ -</u> | <u>\$ 9,716,993</u> |
| Business-type | | | | | |
| Activities: | | | | | |
| Landfill | \$ 142,299 | \$ - | \$ 29,717 | \$ - | \$ 172,016 |
| Water & Sewer | 190,070 | - | - | - | 190,070 |
| Total Receivables | <u>\$ 332,369</u> | <u>\$ -</u> | <u>\$ 29,717</u> | <u>\$ -</u> | <u>\$ 362,086</u> |
| Allowance for Doubtful accounts | <u>(56,965)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(56,965)</u> |
| Total Business-type Activities | <u>\$ 275,404</u> | <u>\$ -</u> | <u>\$ 29,717</u> | <u>\$ -</u> | <u>\$ 305,121</u> |

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

| | <u>General Fund</u> | <u>Enterprise Fund</u> |
|---|-------------------------|----------------------------|
| Local option sales tax | \$ 2,838,330 | \$ - |
| White goods disposal tax | - | 6,700 |
| Scrap tire tax | - | 23,017 |
| NC Administrative Reimbursement and Other | 2,885,940 | - |
| Total | <u>\$ 5,724,270</u> | <u>\$ 29,717</u> |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

5. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Reclass- ification</u> | <u>Ending Balances</u> |
|--|-------------------------------|--------------------|-------------------|-------------------------------|----------------------------|
| Governmental Activities: | | | | | |
| Capital Assets Not Being depreciated: | | | | | |
| Land | \$ 272,220 | \$ - | \$ - | \$ 488,088 | \$ 760,308 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | \$ 24,217,718 | \$ - | \$ - | \$ (488,088) | \$ 23,729,630 |
| Other improvements | 5,321,268 | 137,563 | - | - | 5,458,831 |
| Furniture & equipment | 8,426,365 | 240,779 | 31,218 | - | 8,635,926 |
| Vehicles & motor equipment | 3,260,927 | 505,991 | 69,592 | - | 3,697,326 |
| Total | <u>\$ 41,226,278</u> | <u>\$ 884,333</u> | <u>\$ 100,810</u> | <u>\$ (488,088)</u> | <u>\$ 41,521,713</u> |
| Less Accumulated Depreciation For: | | | | | |
| Buildings | \$ 7,311,014 | \$1,027,390 | \$ - | \$ - | \$ 8,338,404 |
| Other improvements | 777,964 | 191,902 | - | - | 969,866 |
| Equipment | 4,706,190 | 862,370 | 24,707 | - | 5,543,853 |
| Vehicles & motor equipment | 2,393,319 | 100,036 | 20,345 | - | 2,473,010 |
| Total | <u>\$ 15,188,487</u> | <u>\$2,181,698</u> | <u>\$ 45,052</u> | <u>\$ -</u> | <u>\$ 17,325,133</u> |
| Total Capital Assets Being Depreciated, Net | <u>\$ 26,037,791</u> | | | | <u>\$ 24,196,580</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 26,310,011</u> | | | | <u>\$ 24,956,888</u> |

Primary Government

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

| | |
|-----------------------------------|---------------------|
| General Government | \$ 701,686 |
| Public Safety | 939,338 |
| Economic and Physical Development | 6,328 |
| Human Services | 320,134 |
| Cultural and Recreational | 195,279 |
| Transportation | 278 |
| Environmental Protection | 18,655 |
| Total Depreciation Expense | <u>\$ 2,181,698</u> |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|-------------------|------------------|----------------------------|
| Business-type Activities: | | | | |
| Solid Waste: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 2,564,021 | \$ 450,000 | \$ - | \$ 3,014,021 |
| Capital Assets Being Depreciated: | | | | |
| Furniture & maintenance equipment | \$ 1,907,787 | \$ 31,474 | \$ - | \$ 1,939,261 |
| Vehicles | 124,041 | 30,027 | - | 154,068 |
| Total | <u>\$ 2,031,828</u> | <u>\$ 61,501</u> | <u>\$ -</u> | <u>\$ 2,093,329</u> |
| Less Accumulated Depreciation For: | | | | |
| Furniture & maintenance equipment | \$ 1,154,345 | \$ 127,347 | \$ - | \$ 1,281,692 |
| Vehicles | 65,992 | 20,021 | - | 86,013 |
| Total | <u>\$ 1,220,337</u> | <u>\$ 147,368</u> | <u>\$ -</u> | <u>\$ 1,367,705</u> |
| Total Capital Assets Being Depreciated, Net | | | | |
| | <u>\$ 811,491</u> | | | <u>\$ 725,624</u> |
| Solid Waste Capital Assets, Net | | | | |
| | <u>\$ 3,375,512</u> | | | <u>\$ 3,739,645</u> |
| Southeast Water District: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 48,389 | \$ - | \$ - | \$ 48,389 |
| Construction in progress | - | - | - | - |
| Total | <u>\$ 48,389</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 48,389</u> |
| Capital Assets Being Depreciated: | | | | |
| Plant & distribution system | \$ 8,671,737 | \$ - | \$ - | \$ 8,671,737 |
| Office & maintenance equipment | 1,464,414 | - | - | 1,464,414 |
| Vehicles | 39,778 | - | - | 39,778 |
| Total | <u>\$ 10,175,929</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,175,929</u> |

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|--------------|--------------|--------------------|
| Business-type Activities: (continued) | | | | |
| Southeast Water District: (continued) | | | | |
| Less Accumulated | | | | |
| Depreciation For: | | | | |
| Plant & | | | | |
| distribution system | \$ 343,218 | \$ 215,780 | \$ - | \$ 558,998 |
| Office & maintenance | | | | |
| equipment | 278,006 | 16,396 | - | 294,402 |
| Vehicles | 37,214 | 2,564 | - | 39,778 |
| Total | \$ 658,438 | \$ 234,740 | \$ - | \$ 893,178 |
| Total Capital Assets | | | | |
| Being Depreciated, Net | \$ 9,517,491 | | | \$ 9,282,751 |
| Southeast Water District | | | | |
| Capital Assets, Net | \$ 9,565,880 | | | \$ 9,331,140 |
| Southwest Water District: | | | | |
| Capital Assets Not | | | | |
| Being Depreciated: | | | | |
| Land | \$ 78,669 | \$ - | \$ - | \$ 78,669 |
| Construction | | | | |
| in progress | 3,949,609 | 26,428 | 3,949,609 | 26,428 |
| Total | \$ 4,028,278 | \$ 26,428 | \$ 3,949,609 | \$ 105,097 |
| Capital Assets | | | | |
| Being Depreciated: | | | | |
| Plant & | | | | |
| distribution system | \$ 10,017,178 | \$ 3,949,609 | \$ - | \$ 13,966,787 |
| Office & maintenance | | | | |
| equipment | 656,484 | - | - | 656,484 |
| Vehicles | 21,485 | - | - | 21,485 |
| Total | \$ 10,695,147 | \$ 3,949,609 | \$ - | \$ 14,644,756 |
| Less Accumulated | | | | |
| Depreciation For: | | | | |
| Plant & | | | | |
| distribution system | \$ 558,925 | \$ 273,334 | \$ - | \$ 832,259 |
| Office & maintenance | | | | |
| equipment | 104,098 | 47,250 | - | 151,348 |
| Vehicles | 20,100 | 1,385 | - | 21,485 |
| Total | \$ 683,123 | \$ 321,969 | \$ - | \$ 1,005,092 |
| Total Capital Assets | | | | |
| Being Depreciated, Net | \$ 10,012,024 | | | \$ 13,639,664 |
| Southwest Water District | | | | |
| Capital Assets, Net | \$ 14,040,302 | | | \$ 13,744,761 |
| Business-type Activities | | | | |
| Capital Assets, Net | \$ 26,981,694 | | | \$ 26,815,546 |
| | ===== | | | ===== |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Construction Commitments

The government has active construction projects as of June 30, 2008. At year-end, the government's commitments with contractors are as follows:

| <u>Project</u> | <u>Original Contracts</u> | <u>Remaining Commitment</u> |
|----------------------------|-------------------------------|---------------------------------|
| DSS Building | \$ 733,408 | \$ 655,205 |
| JW Jones Elementary School | 16,295,789 | 6,754,583 |
| Total | <u>\$ 17,029,197</u> | <u>\$ 7,409,788</u> |

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 319,449 | \$ - | \$ - | \$ 319,449 |
| Construction in progress | - | - | - | - |
| Total | <u>\$ 319,449</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 319,449</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | \$ 1,484,021 | \$ - | \$ - | \$ 1,484,021 |
| Furniture & equipment | 361,000 | 10,065 | 4,564 | 366,501 |
| Vehicles | 23,876 | - | - | 23,876 |
| Leasehold Improvements | 9,762 | 2,625 | - | 12,387 |
| Total | <u>\$ 1,878,659</u> | <u>\$ 12,690</u> | <u>\$ 4,564</u> | <u>\$ 1,886,785</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings | \$ 181,428 | \$ 31,364 | \$ - | \$ 212,792 |
| Furniture & equipment | 270,698 | 21,461 | 4,558 | 287,601 |
| Vehicles | 23,876 | - | - | 23,876 |
| Leasehold Improvements | 4,192 | 851 | - | 5,043 |
| Total | <u>\$ 480,194</u> | <u>\$ 53,676</u> | <u>\$ 4,558</u> | <u>\$ 529,312</u> |
| Total Capital Assets Being Depreciated, Net | <u>\$ 1,398,465</u> | | | <u>\$ 1,357,473</u> |
| Capital Assets, Net | <u>\$ 1,717,914</u> | | | <u>\$ 1,676,922</u> |

Depreciation expense was charged to functions as follows:

| | |
|----------------------------|------------------|
| Warehouse and delivery | \$ 8,510 |
| Administrative | 8,926 |
| Store expenses | 36,240 |
| Total Depreciation Expense | <u>\$ 53,676</u> |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2008, were as follows:

| | Vendors | Salaries and Benefits | Accrued Interest | Total |
|----------------------------------|---------------------|-----------------------------|---------------------|---------------------|
| Governmental Activities: | | | | |
| General | \$ 2,849,307 | \$ 90,516 | \$1,003,917 | \$ 3,943,740 |
| Other governmental | 1,699,187 | - | - | 1,699,187 |
| Total | <u>\$ 4,548,494</u> | <u>\$ 90,516</u> | <u>\$1,003,917</u> | <u>\$ 5,642,927</u> |
| Business-type Activities: | | | | |
| Solid Waste | \$ 183,602 | \$ - | \$ - | \$ 183,602 |
| Water Distribution Funds: | | | | |
| Southeast District | 20,218 | - | 12,626 | 32,844 |
| Southwest District | 21,397 | - | 22,293 | 43,690 |
| Total | <u>\$ 225,217</u> | <u>\$ -</u> | <u>\$ 34,919</u> | <u>\$ 260,136</u> |

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.80% of annual covered payroll. The contribution requirements of members and of Wilson County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$1,196,699, \$1,144,446, and \$1,097,458, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$57,890, \$53,912, and \$50,746, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

| | |
|---|---|
| Retirees receiving benefits | 9 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | 83 |
| Total | <hr style="width: 50%; margin: 0 auto;"/> 92 ===== |

A separate report was not issued for the plan.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$105,160 or 3.11% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008**

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 | \$ 125,341 |
| Interest on net pension obligation | 31,313 |
| Adjustment to annual required contribution | (26,540) |
| Annual pension cost | \$ 130,114 |
| Contributions made | 105,160 |
| Increase (decrease) in net pension obligation | \$ 24,954 |
| Net Pension Obligation - | |
| Beginning of year | 431,904 |
| End of year | \$ 456,858 |

| 3 Year Trend Information | | | |
|------------------------------|---------------------------------|-------------------------------------|------------------------------|
| For Year Ended June 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| 2006 | \$ 114,624 | 59.93% | \$ 404,830 |
| 2007 | 121,797 | 77.77% | 431,904 |
| 2008 | 130,114 | 80.82% | 456,858 |

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

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

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$233,926, which consisted of \$168,904 from the County and \$65,022 from the law enforcement officers.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Registers of Deeds' Supplemental Pension Fund

Plan Description

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

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$6,673.

Other Post-Employment Benefits

According to a county policy, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates.

Currently 77 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for post-retirement health benefit premiums of \$311,321. The County obtains health care coverage through private insurers.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Other Employment Benefits

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

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

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

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent postclosure costs based on remaining capacity at June 30, 2008, are \$2,525,867.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and postclosure care costs. At June 30, 2008, those funds are held in investments with a cost and market value of \$3,381,273. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

4. Deferred/Unearned Revenues

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

| | Deferred Revenues | Unearned Revenues |
|--|----------------------|----------------------|
| Prepaid taxes not yet earned | \$ - | \$ 421,421 |
| Taxes receivable (net) (General) | 1,855,331 | - |
| Taxes receivable (net) (Special Revenue) | 33,952 | - |
| Total | \$ 1,889,283 | \$ 421,421 |

5. Risk Management

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

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

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

6. Contingent Liabilities

At June 30, 2008, 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 July 1, 2003 for imaging equipment requiring sixty monthly installments of \$550.
2. Lease executed on March 17, 2006 for a multitasking copier requiring sixty monthly installments of \$515.
3. Lease executed on March 20, 2007 for 60 laptops requiring thirty-six monthly installments of \$3,361.
4. Lease executed on May 2, 2007 for software and equipment requiring five annual installments of \$88,907.
5. Lease executed on July 1, 2007 for imaging equipment requiring sixty monthly installments of \$1,530.

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

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

| <u>Classes of Property</u> | <u>2008</u> |
|----------------------------|---------------------|
| Equipment | \$ 692,746 |
| Buildings | 1,091,055 |
| Total | <u>\$ 1,783,801</u> |
| | ===== |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008 were as follows:

| Year Ending June 30 | General Long-Term Debt |
|---|------------------------------|
| 2009 | \$ 248,910 |
| 2010 | 234,004 |
| 2011 | 204,016 |
| 2012 | 201,221 |
| 2013 | 95,834 |
| 2014 - 2018 | 508,700 |
| 2019 - 2023 | 694,824 |
| 2024 - 2028 | - |
| Total minimum lease payments | \$ 2,187,509 |
| Less: amount representing interest | 772,483 |
| Present value of the minimum lease payments | \$ 1,415,026 |

General Obligation Indebtedness

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

The County's general obligation bonds payable at June 30, 2008 is comprised of the following individual issues:

| | Balance 6-30-08 |
|---|--------------------|
| General Obligation Bonds: | |
| \$8,000,000 Detention Center Bond Issue - February 1, 1993: due in annual principal installments ranging from \$380,000 to \$450,000 through June 2014; interest at 2.0% to 3.25%; payable on June 1 and December 1 | \$ 2,385,000 |
| \$17,400,000 School Series 2004 - April 9, 2005; due in annual principal installments ranging from \$500,000 to \$2,000,000 through April 2017; interest at 4.0% to 5.0%; payable on October 1 and April 1 | 13,300,000 |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

(continued)

| | Balance 6-30-08 |
|--|--------------------|
| General Obligation Bonds: (continued) | |
| \$5,300,000 Library Bonds Series 2003 - February 2, 2003; due in annual principal installments of \$350,000 through February 2018; interest at 3.25% to 3.6%; payable on February 1 and August 1 | 3,550,000 |
| Total | \$ 19,235,000 |

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

The County's financing debt at June 30, 2008 are comprised of the following notes payable:

| | Balance 6-30-08 |
|---|--------------------|
| Notes Payable: | |
| \$8,500,000 Financing Agreement - School Improvements December 19, 1996; due in semi-annual principal interest payments of \$389,391 through January 1, 2012; interest at 4.01% payable on July 1 and January 1 | \$ 2,851,861 |
| \$5,600,000 Financing Agreement - School Improvements July 31, 2001; due in semi-annual fixed principal payments of \$192,323 plus interest at 4.09% through October 27, 2015, payable on October 27 and April 27 | 2,884,843 |
| \$5,000,000 Financing Agreement - School Improvements April 2, 2002; due in semi-annual fixed principal payments of \$163,945 plus interest at 4.16% through October, 2016; payable on July 1 and January 1 | 2,787,059 |
| \$8,500,000 Financing Agreement - School Improvements January 15, 1997; due in semi-annual principal and interest payments of \$391,392 through January 1, 2006; interest at 4.01%; payable on July 1 and January 1 | 2,866,515 |
| \$1,340,875 Notes Payable - Economic Development November 20, 1997; due in quarterly principal and interest payments of \$30,338 through December 2012; interest at 4.25%; payable March 1, June 1, September 1, and December 1; collateralized by a deed of trust on a building | 494,655 |

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

| | Balance <u>6-30-08</u> |
|---|---------------------------|
| Notes Payable: (continued) | |
| \$5,000,000 Financing Agreement - School Improvements August 30, 1999; due in semi-annual principal payments of \$170,167 through August 30, 2014; interest at 4.09%; payable on February 28 and August 30 | 2,210,217 |
| \$800,000 Notes Payable - Economic Development October 21, 1994; County's share of a joint loan with the City of Wilson for ½ of a building constructed as an industrial economic incentive; due in monthly principal and interest payments of \$8,168 through November 2008; interest at 6.5% payable monthly | 40,513 |
| \$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 | 408,166 |
| \$400,000 Financing Agreement - Software February 28, 2007; due in quarterly principal and interest payments of \$35,692 through February 2010; interest at 3.9%; payable on July 28, October 28, January 28, and April 28 | 273,617 |
| \$905,000 Financing Agreement - Energy Conservation September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.353% | 772,046 |
| \$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% | 96,414 |
| \$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% | 298,679 |
| \$18,000,000 Notes Payable - Certificates of Participation - School Facilities Project September 12, 2007; due in annual principal and interest payments beginning April 1, 2010 through April 1, 2028; variable interest from 3.5% to 5% | 18,000,000 |

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

| | |
|--|-------------------------------|
| | Balance <u>6-30-08</u> |
| Notes Payable: (continued) | |
| Installment Purchases: | |
| \$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing | 632,276 |
| Total | <u>\$ 34,616,861</u> ===== |
| | |
| Serviced by the Southwest Water District: | |
| 2005 USDA/Rural Development Water Bonds \$3,784,000 due in annual installments of \$41,000 to \$164,000 (beginning 2006) plus interest at 4.5% through June 1, 2043 | \$ 3,655,000 |
| | |
| Serviced by the Southeast Water District; | |
| 2003 USDA/Rural Development Water Bonds \$3,600,000 due in annual installments of \$38,500 to \$154,000 (beginning 2005) plus interest at 4.625% through June 1, 2042 | 3,436,000 |
| | |
| Serviced by the Southwest Water District; | |
| 2007 USDA/Rural Development Water Bonds \$2,654,000 due in annual installments of \$35,000 to \$123,000 (beginning 2009) plus interest at 4.375% through June 1, 2046 | 2,654,000 |
| Total | <u>\$ 9,745,000</u> ===== |

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

| June 30 | Governmental Activities | | Business-type Activities | |
|-------------|-------------------------|---------------------|--------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 1,665,000 | \$ 817,125 | \$ 127,500 | \$ 439,502 |
| 2010 | 1,660,000 | 752,963 | 132,500 | 433,752 |
| 2011 | 1,650,000 | 687,912 | 138,000 | 427,775 |
| 2012 | 1,645,000 | 623,162 | 143,000 | 421,548 |
| 2013 | 2,735,000 | 546,312 | 149,500 | 415,096 |
| 2014 - 2018 | 9,880,000 | 1,117,000 | 850,000 | 1,968,205 |
| 2019 - 2023 | - | - | 1,048,000 | 1,759,234 |
| 2024 - 2028 | - | - | 1,294,500 | 1,501,176 |
| 2029 - 2033 | - | - | 1,600,500 | 1,182,192 |
| 2034 - 2038 | - | - | 1,950,000 | 788,283 |
| 2039 - 2043 | - | - | 1,954,000 | 329,538 |
| 2044 - 2048 | - | - | 357,000 | 31,585 |
| Total | <u>\$ 19,235,000</u> | <u>\$ 4,544,474</u> | <u>\$ 9,745,000</u> | <u>\$ 9,697,886</u> |
| | ===== | ===== | ===== | ===== |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

| <u>June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 2009 | \$ 2,836,409 | \$ 1,837,805 | \$ 4,674,214 |
| 2010 | 3,164,882 | 1,323,758 | 4,488,640 |
| 2011 | 3,091,353 | 1,200,738 | 4,292,091 |
| 2012 | 3,160,096 | 1,076,716 | 4,236,812 |
| 2013 | 1,593,427 | 965,918 | 2,559,345 |
| 2014 - 2018 | 8,910,356 | 3,753,036 | 12,663,392 |
| 2019 - 2023 | 6,110,338 | 2,162,901 | 8,273,239 |
| 2024 - 2028 | 5,750,000 | 776,252 | 6,526,252 |
| Total | <u>\$ 34,616,861</u> ===== | <u>\$ 13,097,124</u> ===== | <u>\$ 47,713,985</u> ===== |

At June 30, 2008, the County had a legal debt margin of \$380,664,157.

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, 2008:

| | <u>Balance July 1, 2007</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2008</u> | <u>Current Portion of Balance</u> |
|---------------------------------------|-------------------------------------|----------------------------------|---------------------------------|--------------------------------------|---|
| Governmental Activities: | | | | | |
| General obligation debt | \$20,805,000 | \$ - | \$1,570,000 | \$19,235,000 | \$1,665,000 |
| Capitalized leases | 1,656,726 | - | 241,700 | 1,415,026 | 229,706 |
| Notes payable | 19,438,556 | 18,322,370 | 3,144,065 | 34,616,861 | 2,836,409 |
| Compensated absences | 1,671,067 | 230,311 | - | 1,901,378 | - |
| Unfunded Special Separation Allowance | 431,904 | 130,114 | 105,160 | 456,858 | - |
| Total Governmental Activities | <u>\$44,003,253</u> ===== | <u>\$18,682,795</u> ===== | <u>\$5,060,925</u> ===== | <u>\$57,625,123</u> ===== | <u>\$4,731,115</u> ===== |

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

(continued)

| | Balance July 1, 2007 | Increases | Decreases | Balance June 30, 2008 | Current Portion of Balance |
|--|----------------------------|-------------------|------------------|-----------------------------|----------------------------------|
| Business-type Activities: | | | | | |
| Notes payable | \$ 9,834,000 | \$ - | \$ 89,000 | \$ 9,745,000 | \$ 127,500 |
| Accrued landfill closure & postclosure care costs | 2,137,233 | 389,534 | - | 2,526,767 | - |
| Compensated absences | 42,262 | 9,730 | - | 51,992 | - |
| Total Business-type Activities | <u>\$12,013,495</u> | <u>\$ 399,264</u> | <u>\$ 89,000</u> | <u>\$12,323,759</u> | <u>\$ 127,500</u> |

**Discretely Presented
Component Units
Long-term Liabilities:**

| | | | | | |
|-------------------------|------|------|------|------|------|
| Installment Purchase | \$ - | \$ - | \$ - | \$ - | \$ - |
|-------------------------|------|------|------|------|------|

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, 2008, consists of the following:

| | |
|---|---------------------|
| From the General fund to the Economic Development fund to promote economic development in the county | \$ 1,504,000 |
| From the General fund to the Revaluation fund to accumulate funds for the next real property revaluation | 150,000 |
| From the General fund to the Public Building fund to cover the cost of renovations and expansions to the Social Services building | 760,000 |
| From the General fund to the Southeast Water District to cover debt to other funds. | 462,870 |
| From the General fund to the Southwest Water District to cover debt to other funds. | 340,630 |
| Total | <u>\$ 3,217,500</u> |

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

IV. Related Organization

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

V. Joint Ventures

Wilson Economic Development Council

The County is a participant with the City of Wilson (the "City") in a joint venture to promote industrial and commercial development of the County and City. The Council is managed by a nine-member board composed of four appointees from the County, four appointees from the City, and a chairman from either the County or City based on election by the Board. The by-laws of the Council state that the County and City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$245,000 to the Council for the fiscal year ended June 30, 2008. 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, 2008. 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 \$43,921 to the Airport during the fiscal year ended June 30, 2008. 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, 2008. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Wilson Technical Community College

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,702,250 and \$133,912 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2008. 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, 2008. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

The Beacon Center

The County, in conjunction with Edgecombe, Nash, and Greene Counties, participate in a joint venture to operate The Beacon Center, a local management entity of Mental Health, Developmental Disabilities, and Substance Abuse Services. The Board of County Commissioners of each participating county appoints one county commissioner to the Beacon Center Board. The appointed commissioners then appoint the remaining sixteen members of the Beacon Center Board. Each participant in the joint venture makes an annual appropriation to the Beacon Center, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2008, the County contributed \$389,861 to the Beacon Center. None of the participating governments have an equity interest in the Beacon Center, so no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for the Beacon Center may be obtained from the Center's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

VI. Jointly Governed Organization

Upper Coastal Plain Council of Governments

The County, in conjunction with five other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$30,980 to the Council during the fiscal year ended June 30, 2008.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Wilson County Tourism Development Authority

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

VII Benefit Payments Issued by the State

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

| | <u>Federal</u> | <u>State</u> |
|---|----------------------|----------------------|
| Medical Assistance Program | | |
| Medicaid - Title XIX | \$ 68,841,793 | \$ 35,780,130 |
| IV - E Adoption/Foster Care | 116,016 | 24,058 |
| Temporary Assistance for Needy Families | 657,544 | (1,118) |
| Low Income Home Energy | | |
| Assistance Block Grant | 139,441 | - |
| WIC | 2,372,788 | - |
| Special Assistance for Adults | - | 1,104,935 |
| Food Stamp Program | 11,525,866 | - |
| Links | 7,483 | 200 |
| CWS Adoption | - | 235,859 |
| State Foster Home | - | 65,425 |
| F/C At Risk Maximization | - | 540 |
| Total | <u>\$ 83,660,931</u> | <u>\$ 37,210,029</u> |
| | ===== | ===== |

XII Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

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

Exhibit A-1

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

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

Exhibit A-2

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

Notes to the Required Schedules:

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

| | |
|-------------------------------|-----------------------------|
| Valuation date | 12/31/2007 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent of pay closed |
| Remaining amortization period | 23 years |
| Asset valuation method | Market value |
| Actuarial assumptions: | |
| Investment rate of return* | 7.25% |
| Projected salary increases* | 4.5 to 12.3% |
| *Includes inflation at | 3.75% |
| Cost-of-living adjustments | N/A |

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------|---------------|---------------|------------------------------------|
| Revenues: | | | |
| Ad Valorem Taxes: | | | |
| Taxes | \$ 40,405,000 | \$ 40,865,980 | \$ 460,980 |
| Penalties and interest | 450,000 | 322,887 | (127,113) |
| Total | \$ 40,855,000 | \$ 41,188,867 | \$ 333,867 |
| Local Option Sales Taxes | \$ 15,345,195 | \$ 15,922,347 | \$ 577,152 |
| Other Taxes and Licenses: | | | |
| Franchise tax | \$ 60,000 | \$ 102,488 | \$ 42,488 |
| Rental vehicle sales tax | 27,000 | 36,867 | 9,867 |
| Privilege and civil licenses | 12,000 | 8,014 | (3,986) |
| Beer and wine tax | 108,000 | 112,059 | 4,059 |
| Excise tax | 550,000 | 528,349 | (21,651) |
| Total | \$ 757,000 | \$ 787,777 | \$ 30,777 |
| Unrestricted Intergovernmental: | | | |
| Housing Authority | \$ 30,000 | \$ 58,151 | \$ 28,151 |
| Wilson County ABC Board: | | | |
| Profit distribution | 112,500 | 150,000 | 37,500 |
| Total | \$ 142,500 | \$ 208,151 | \$ 65,651 |
| Restricted Intergovernmental: | | | |
| General Fund | \$ 1,866,462 | \$ 1,548,143 | \$ (318,319) |
| Library | 156,008 | 151,873 | (4,135) |
| Health Services | 2,655,258 | 2,868,221 | 212,963 |
| Social Services | 13,068,840 | 13,856,369 | 787,529 |
| Court facility fees | 200,000 | 208,911 | 8,911 |
| Total | \$ 17,946,568 | \$ 18,633,517 | \$ 686,949 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|---------------|---------------|------------------------------------|
| Revenues (continued): | | | |
| Permits and Fees: | | | |
| Building permits and inspection fees | \$ 160,000 | \$ 145,556 | \$ (14,444) |
| Register of deeds | 436,000 | 398,783 | (37,217) |
| Total | \$ 596,000 | \$ 544,339 | \$ (51,661) |
| Sales and Services: | | | |
| Jail fees and Sheriff fees | \$ 795,693 | \$ 769,960 | \$ (25,733) |
| Rents, concessions, and fees | 5,273,400 | 5,424,480 | 151,080 |
| Ambulance service fees | 1,150,400 | 1,210,254 | 59,854 |
| Communication Center | 825,410 | 879,654 | 54,244 |
| Total | \$ 8,044,903 | \$ 8,284,348 | \$ 239,445 |
| Investment Earnings | \$ 1,174,931 | \$ 1,017,906 | \$ (157,025) |
| Miscellaneous: | | | |
| Sale of fixed assets | \$ 1,000 | \$ 10,604 | \$ 9,604 |
| Other | 35,000 | 58,728 | 23,728 |
| Total | \$ 36,000 | \$ 69,332 | \$ 33,332 |
| Total Revenues | \$ 84,898,097 | \$ 86,656,584 | \$ 1,758,487 |
| Expenditures: | | | |
| General Government: | | | |
| Board of Commissioners: | | | |
| Salaries and employee benefits | \$ 52,318 | \$ 52,318 | \$ - |
| Other operating expenditures | 35,250 | 34,579 | 671 |
| Total | \$ 87,568 | \$ 86,897 | \$ 671 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|------------|------------|------------------------------------|
| Expenditures: (continued) | | | |
| General Government: (continued) | | | |
| Administration: | | | |
| Salaries and employee benefits | \$ 288,168 | \$ 283,867 | \$ 4,301 |
| Other operating expenditures | 17,946 | 13,646 | 4,300 |
| Total | \$ 306,114 | \$ 297,513 | \$ 8,601 |
| Human Resources: | | | |
| Salaries and employee benefits | \$ 102,945 | \$ 101,087 | \$ 1,858 |
| Other operating expenditures | 34,009 | 31,930 | 2,079 |
| Total | \$ 136,954 | \$ 133,017 | \$ 3,937 |
| Board of Elections: | | | |
| Salaries and employee benefits | \$ 288,250 | \$ 284,327 | \$ 3,923 |
| Other operating expenditures | 113,290 | 46,084 | 67,206 |
| Capital outlay | 62,000 | 61,900 | 100 |
| Total | \$ 463,540 | \$ 392,311 | \$ 71,229 |
| Finance: | | | |
| Salaries and employee benefits | \$ 417,875 | \$ 415,187 | \$ 2,688 |
| Other operating expenditures | 32,075 | 26,592 | 5,483 |
| Data Processing charges | 203,951 | 190,439 | 13,512 |
| Capital outlay | 2,446 | - | 2,446 |
| Total | \$ 656,347 | \$ 632,218 | \$ 24,129 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|--------------|--------------|------------------------------------|
| Expenditures (continued): | | | |
| General Government (continued): | | | |
| Office of Tax Supervisor: | | | |
| Salaries and employee benefits | \$ 788,680 | \$ 764,500 | \$ 24,180 |
| Other operating expenditures | 278,467 | 196,286 | 82,181 |
| Data processing charges | 109,650 | 100,133 | 9,517 |
| Capital outlay | 18,500 | 13,499 | 5,001 |
| Total | \$ 1,195,297 | \$ 1,074,418 | \$ 120,879 |
| Technology Services: | | | |
| Salaries and employee benefits | \$ 294,864 | \$ 281,951 | \$ 12,913 |
| Data processing charges | 197,818 | 194,013 | 3,805 |
| Other operating expenditures | 95,658 | 91,003 | 4,655 |
| Total | \$ 588,340 | \$ 566,967 | \$ 21,373 |
| Register of Deeds: | | | |
| Salaries and employee benefits | \$ 352,618 | \$ 302,613 | \$ 50,005 |
| Other operating expenditures | 82,715 | 67,578 | 15,137 |
| Capital outlay | 5,795 | 5,795 | - |
| Total | \$ 441,128 | \$ 375,986 | \$ 65,142 |
| Public Buildings: | | | |
| Other operating expenditures | \$ 1,135,371 | \$ 846,831 | \$ 288,540 |
| Capital outlay | 379,988 | 365,663 | 14,325 |
| Total | \$ 1,515,359 | \$ 1,212,494 | \$ 302,865 |
| Court Facilities: | | | |
| Salaries and employee benefits | \$ 272,286 | \$ 241,633 | \$ 30,653 |
| Other operating expenditures | 240,554 | 195,943 | 44,611 |
| Capital outlay | 57,310 | 57,310 | - |
| Total | \$ 570,150 | \$ 494,886 | \$ 75,264 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|--------------|--------------|------------------------------------|
| Expenditures (continued): | | | |
| General Government (continued): | | | |
| Central Service: | | | |
| Other operating expenditures | \$ 1,598,960 | \$ 1,287,654 | \$ 311,306 |
| Other: | | | |
| Upper Coastal Plain COG | \$ 50,000 | \$ 50,000 | \$ - |
| Block Grant Aging | 652,281 | 564,413 | 87,868 |
| Other area projects | 1,040,526 | 998,092 | 42,434 |
| Total | \$ 1,742,807 | \$ 1,612,505 | \$ 130,302 |
| Total General Government | \$ 9,302,564 | \$ 8,166,866 | \$ 1,135,698 |
| Public Safety: | | | |
| Sheriff: | | | |
| Salaries and employee benefits | \$ 7,317,461 | \$ 7,140,019 | \$ 177,442 |
| Other operating expenditures | 2,008,308 | 2,034,241 | (25,933) |
| Capital outlay | 471,106 | 447,344 | 23,762 |
| Total | \$ 9,796,875 | \$ 9,621,604 | \$ 175,271 |
| Emergency Communications: | | | |
| Salaries and employee benefits | \$ 1,456,178 | \$ 1,303,237 | \$ 152,941 |
| Other operating expenditures | 194,440 | 187,658 | 6,782 |
| Total | \$ 1,650,618 | \$ 1,490,895 | \$ 159,723 |
| Emergency Management: | | | |
| Salaries and employee benefits | \$ 125,531 | \$ 116,177 | \$ 9,354 |
| Other operating expenditures | 61,748 | 48,168 | 13,580 |
| Capital outlay | 25,920 | 23,049 | 2,871 |
| Total | \$ 213,199 | \$ 187,394 | \$ 25,805 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|---------------|---------------|------------------------------------|
| Expenditures (continued): | | | |
| Public Safety (continued): | | | |
| Emergency Medical Servicing: | | | |
| Salaries and employee benefits | \$ 2,223,649 | \$ 2,189,162 | \$ 34,487 |
| Other operating expenditures | 576,500 | 876,518 | (300,018) |
| Capital outlay | 17,108 | 9,296 | 7,812 |
| Total | \$ 2,817,257 | \$ 3,074,976 | \$ (257,719) |
| Total Public Safety | \$ 14,477,949 | \$ 14,374,869 | \$ 103,080 |
| Transportation: | | | |
| Rocky Mount/Wilson Airport | \$ 41,421 | \$ 43,921 | \$ (2,500) |
| Environmental Protection: | | | |
| Forestry Program: | | | |
| Other operating expenditures | \$ 77,691 | \$ 58,784 | \$ 18,907 |
| Soil Conservation: | | | |
| Salaries and employee benefits | \$ 177,122 | \$ 162,930 | \$ 14,192 |
| Other operating expenditures | 24,876 | 22,816 | 2,060 |
| Capital outlay | 1,000 | - | 1,000 |
| Total | \$ 202,998 | \$ 185,746 | \$ 17,252 |
| Total Environmental Protection | \$ 280,689 | \$ 244,530 | \$ 36,159 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Expenditures (continued): | | | |
| Economic and Physical Development: | | | |
| Agricultural Extension and 4-H: | | | |
| Salaries and employee benefits | \$ 384,137 | \$ 380,645 | \$ 3,492 |
| Other operating expenditures | 68,545 | 49,598 | 18,947 |
| Capital outlay | 22,655 | 22,655 | - |
| Total | \$ 475,337 | \$ 452,898 | \$ 22,439 |
| Planning and Zoning: | | | |
| Salaries and employee benefits | \$ 516,819 | \$ 487,026 | \$ 29,793 |
| Other operating expenditures | 147,311 | 115,188 | 32,123 |
| Capital outlay | 13,800 | 12,172 | 1,628 |
| Total | \$ 677,930 | \$ 614,386 | \$ 63,544 |
| Total Economic and Physical Development | \$ 1,153,267 | \$ 1,067,284 | \$ 85,983 |
| Human Services: | | | |
| Mental Health | \$ 367,072 | \$ 367,072 | \$ - |
| Diversified Opportunities | \$ 38,000 | \$ 38,000 | \$ - |
| Senior Center: | | | |
| Salaries and employee benefits | \$ 52,073 | \$ 50,132 | \$ 1,941 |
| Other operating expenditures | 96,264 | 93,510 | 2,754 |
| Capital outlay | 5,461 | 3,867 | 1,594 |
| Total | \$ 153,798 | \$ 147,509 | \$ 6,289 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|--------------|--------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Temporary Care Giver: | | | |
| Salaries and employee benefits | \$ 17,828 | \$ 20,539 | \$ (2,711) |
| Other operating expenditures | 18,889 | 11,227 | 7,662 |
| Total | \$ 36,717 | \$ 31,766 | \$ 4,951 |
| Health: | | | |
| Administration: | | | |
| Salaries and employee benefits | \$ 5,620 | \$ 1,193 | \$ 4,427 |
| Other operating expenditures | 470,645 | 326,798 | 143,847 |
| Capital outlay | 55,815 | 15,724 | 40,091 |
| Total | \$ 532,080 | \$ 343,715 | \$ 188,365 |
| Health Promotion: | | | |
| Salaries and employee benefits | \$ 33,949 | \$ 28,898 | \$ 5,051 |
| Other operating expenditures | 3,166 | 2,165 | 1,001 |
| Total | \$ 37,115 | \$ 31,063 | \$ 6,052 |
| Tuberculosis Control: | | | |
| Salaries and employee benefits | \$ 152,925 | \$ 81,981 | \$ 70,944 |
| Other operating expenditures | 24,637 | 16,641 | 7,996 |
| Total | \$ 177,562 | \$ 98,622 | \$ 78,940 |
| Home Health: | | | |
| Salaries and employee benefits | \$ 2,866,205 | \$ 2,673,400 | \$ 192,805 |
| Other operating expenditures | 1,747,236 | 1,770,926 | (23,690) |
| Capital outlay | 7,800 | 7,771 | 29 |
| Total | \$ 4,621,241 | \$ 4,452,097 | \$ 169,144 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|------------|------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Health (continued): | | | |
| Family Planning: | | | |
| Salaries and employee benefits | \$ 633,008 | \$ 517,175 | \$ 115,833 |
| Other operating expenditures | 304,899 | 229,571 | 75,328 |
| Capital outlay | - | - | - |
| Total | \$ 937,907 | \$ 746,746 | \$ 191,161 |
| Maternal Health: | | | |
| Salaries and employee benefits | \$ 313,112 | \$ 235,873 | \$ 77,239 |
| Other operating expenditures | 73,475 | 54,722 | 18,753 |
| Capital outlay | 10,450 | - | 10,450 |
| Total | \$ 397,037 | \$ 290,595 | \$ 106,442 |
| Environmental Health: | | | |
| Salaries and employee benefits | \$ 462,876 | \$ 451,722 | \$ 11,154 |
| Other operating expenditures | 39,120 | 33,991 | 5,129 |
| Total | \$ 501,996 | \$ 485,713 | \$ 16,283 |
| Immunization: | | | |
| Salaries and employee benefits | \$ 17,982 | \$ 18,339 | \$ (357) |
| Other operating expenditures | 8,650 | 8,411 | 239 |
| Total | \$ 26,632 | \$ 26,750 | \$ (118) |
| Communicable Diseases: | | | |
| Salaries and employee benefits | \$ 468,010 | \$ 332,601 | \$ 135,409 |
| Other operating expenditures | 34,372 | 2,558 | 31,814 |
| Capital outlay | 3,000 | 24,604 | (21,604) |
| Total | \$ 505,382 | \$ 359,763 | \$ 145,619 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|---|------------|------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Health (continued): | | | |
| Comprehensive Breast Cancer Prevention: | | | |
| Salaries and employee benefits | \$ 39,921 | \$ 39,025 | \$ 896 |
| Other operating expenditures | 21,018 | 11,649 | 9,369 |
| Total | \$ 60,939 | \$ 50,674 | \$ 10,265 |
| Child Health: | | | |
| Salaries and employee benefits | \$ 692,088 | \$ 654,702 | \$ 37,386 |
| Other operating expenditures | 98,782 | 85,763 | 13,019 |
| Total | \$ 790,870 | \$ 740,465 | \$ 50,405 |
| Child Service Coordinator: | | | |
| Salaries and employee benefits | \$ 249,556 | \$ 242,552 | \$ 7,004 |
| Other operating expenditures | 60,595 | 39,147 | 21,448 |
| Capital outlay | 9,200 | - | 9,200 |
| Total | \$ 319,351 | \$ 281,699 | \$ 37,652 |
| WIC Clinic Administration: | | | |
| Salaries and employee benefits | \$ 85,125 | \$ 71,555 | \$ 13,570 |
| Other operating expenditures | 2,584 | 2,532 | 52 |
| Capital outlay | - | - | - |
| Total | \$ 87,709 | \$ 74,087 | \$ 13,622 |
| WIC Nutrition Education: | | | |
| Salaries and employee benefits | \$ 160,575 | \$ 155,128 | \$ 5,447 |
| Other operating expenditures | 3,527 | 3,112 | 415 |
| Total | \$ 164,102 | \$ 158,240 | \$ 5,862 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|------------|------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Health (continued): | | | |
| AIDS Control: | | | |
| Salaries and employee benefits | \$ 10,916 | \$ 8,989 | \$ 1,927 |
| Other operating expenditures | 5,727 | 4,573 | 1,154 |
| Total | \$ 16,643 | \$ 13,562 | \$ 3,081 |
| Bioterrorism: | | | |
| Other operating expenditures | \$ 1,776 | \$ 936 | \$ 840 |
| Capital outlay | 1,500 | 48 | 1,452 |
| Total | \$ 3,276 | \$ 984 | \$ 2,292 |
| WIC Client Services: | | | |
| Salaries and employee benefits | \$ 369,764 | \$ 366,035 | \$ 3,729 |
| Other operating expenditures | 16,201 | 13,772 | 2,429 |
| Total | \$ 385,965 | \$ 379,807 | \$ 6,158 |
| Maternal Child Care: | | | |
| Salaries and employee benefits | \$ 474,117 | \$ 465,946 | \$ 8,171 |
| Other operating expenditures | 111,103 | 87,257 | 23,846 |
| Capital outlay | 3,000 | 2,064 | 936 |
| Total | \$ 588,220 | \$ 555,267 | \$ 32,953 |
| Breast and Cervical Cancer: | | | |
| Salaries and employee benefits | \$ 5,512 | \$ 1,577 | \$ 3,935 |
| Other operating expenditures | 9,502 | 8,136 | 1,366 |
| Total | \$ 15,014 | \$ 9,713 | \$ 5,301 |

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|-------------------------------------|---------------|---------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Health (continued): | | | |
| Adult Health: | | | |
| Salaries and employee benefits | \$ 271,275 | \$ 253,112 | \$ 18,163 |
| Other operating expenditures | 79,515 | 72,622 | 6,893 |
| Total | \$ 350,790 | \$ 325,734 | \$ 25,056 |
| Total Health | \$ 10,519,831 | \$ 9,425,296 | \$ 1,094,535 |
| Social Services: | | | |
| Administration: | | | |
| Salaries and employee benefits | \$ 10,212,068 | \$ 9,553,778 | \$ 658,290 |
| Other operating expenditures | 1,488,678 | 1,295,754 | 192,924 |
| Capital outlay | 108,120 | 105,534 | 2,586 |
| Total | \$ 11,808,866 | \$ 10,955,066 | \$ 853,800 |
| 4D Child Support: | | | |
| Salaries and employee benefits | \$ 100,827 | \$ 99,820 | \$ 1,007 |
| Other operating expenditures | 69,360 | 33,757 | 35,603 |
| Total | \$ 170,187 | \$ 133,577 | \$ 36,610 |
| Income Maintenance Programs: | | | |
| AFDC program - County participation | \$ 100,000 | \$ 47,106 | \$ 52,894 |
| AFDC Foster Care | 375,000 | 198,803 | 176,197 |
| Special assistance - Adults | 1,147,274 | 1,104,934 | 42,340 |
| Medicaid - County participation | 6,179,077 | 5,324,091 | 854,986 |
| Total | \$ 7,801,351 | \$ 6,674,934 | \$ 1,126,417 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|----------------------------------|---------------|---------------|------------------------------------|
| Expenditures (continued): | | | |
| Human Services (continued): | | | |
| Social Services (continued): | | | |
| Other Services: | | | |
| Other operating expenditures | \$ 7,140,421 | \$ 6,652,423 | \$ 487,998 |
| Total Social Services | \$ 26,920,825 | \$ 24,416,000 | \$ 2,504,825 |
| Veterans Affairs: | | | |
| Salaries and employee benefits | \$ 43,337 | \$ 42,767 | \$ 570 |
| Other operating expenditures | 100 | - | 100 |
| Total | \$ 43,437 | \$ 42,767 | \$ 670 |
| Total Human Services | \$ 38,079,680 | \$ 34,468,410 | \$ 3,611,270 |
| Cultural and Recreational: | | | |
| Recreation: | | | |
| Other operating expenditures | \$ 246,783 | \$ 246,495 | \$ 288 |
| Libraries: | | | |
| Salaries and employee benefits | \$ 1,063,821 | \$ 1,056,764 | \$ 7,057 |
| Other operating expenditures | 494,466 | 477,509 | 16,957 |
| Capital outlay | 29,441 | 29,118 | 323 |
| Total | \$ 1,587,728 | \$ 1,563,391 | \$ 24,337 |
| Total Cultural and Recreational | \$ 1,834,511 | \$ 1,809,886 | \$ 24,625 |

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit B-1

| | Budget | Actual | Variance Positive (Negative) |
|---|----------------|----------------|------------------------------------|
| Expenditures (continued): | | | |
| Education: | | | |
| Public schools - current | \$ 15,946,119 | \$ 15,946,119 | \$ - |
| Public schools - capital outlay | 2,025,408 | 1,616,926 | 408,482 |
| Public school bond fund | - | - | - |
| Community colleges - current | 133,912 | 133,912 | - |
| Community colleges - capital outlay | 1,702,250 | 1,702,250 | - |
| Total Education | \$ 19,807,689 | \$ 19,399,207 | \$ 408,482 |
| Debt Service: | | | |
| Principal retirement | \$ 4,463,564 | \$ 4,802,271 | \$ (338,707) |
| Interest and other charges | 1,996,724 | 1,615,172 | 381,552 |
| Total Debt Service | \$ 6,460,288 | \$ 6,417,443 | \$ 42,845 |
| Total Expenditures | \$ 91,438,058 | \$ 85,992,416 | \$ 5,445,642 |
| Revenues Over Expenditures | \$ (6,539,961) | \$ 664,168 | \$ 7,204,129 |
| Other Financing Sources (Uses): | | | |
| Lease proceeds | \$ - | \$ - | \$ - |
| Transfers (to) from other funds | (3,722,500) | (3,217,500) | 505,000 |
| Fund balance appropriated | 10,262,461 | - | (10,262,461) |
| Total Other Financing Sources (Uses) | \$ 6,539,961 | \$ (3,217,500) | \$ (9,757,461) |
| Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$ - | \$ (2,553,332) | \$ (2,553,332) |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 27,332,485 | |
| End of year, June 30 | | \$ 24,779,153 | |

Wilson County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

Special Revenue Funds

| | Revaluation Fund | Fire Districts Fund | Enhanced 911 Service | Transportation Fund | Total Non-major Special Revenue Funds |
|--|-----------------------------|------------------------------------|-------------------------------------|--------------------------------|--|
| Assets | | | | | |
| Cash and cash equivalents | \$ 197,549 | \$ 410,611 | \$ 337,614 | \$ 81,377 | \$ 1,027,151 |
| Restricted cash | - | - | - | - | - |
| Taxes receivable, net | - | 33,952 | - | - | 33,952 |
| Accounts receivable, net | - | - | 71,367 | 27,785 | 99,152 |
| Due from other funds | - | - | - | - | - |
| Total Assets | <u>\$ 197,549</u> | <u>\$ 444,563</u> | <u>\$ 408,981</u> | <u>\$ 109,162</u> | <u>\$ 1,160,255</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 410,611 | \$ 3,370 | \$ 25,990 | \$ 439,971 |
| Deferred revenue | - | 33,952 | - | - | 33,952 |
| Unearned revenue | - | - | - | - | - |
| Total Liabilities | <u>\$ -</u> | <u>\$ 444,563</u> | <u>\$ 3,370</u> | <u>\$ 25,990</u> | <u>\$ 473,923</u> |
| Fund Balances: | | | | | |
| Reserved: | | | | | |
| By state statute | \$ - | \$ - | \$ 71,367 | \$ 27,785 | \$ 99,152 |
| Designated for subsequent year's expenditures | - | - | - | - | - |
| Unreserved | 197,549 | - | 334,244 | 55,387 | 587,180 |
| Total Fund Balances | <u>\$ 197,549</u> | <u>\$ -</u> | <u>\$ 405,611</u> | <u>\$ 83,172</u> | <u>\$ 686,332</u> |
| Total Liabilities and Fund Balances | <u>\$ 197,549</u> | <u>\$ 444,563</u> | <u>\$ 408,981</u> | <u>\$ 109,162</u> | <u>\$ 1,160,255</u> |

Exhibit C-1

Capital Projects Funds

| Economic Development Reserve Fund | Public Buildings Fund | Grant Projects Fund | Regional Wastewater Facility | Library Construction Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|---------------------------|------------------------------------|---------------------------------|---|--|
| \$ 10,612 | \$ 804,531 | \$ - | \$ - | \$ - | \$ 815,143 | \$ 1,842,294 |
| - | 13,965 | - | - | - | 13,965 | 13,965 |
| - | - | - | - | - | - | 33,952 |
| 3,000 | - | 101,063 | - | - | 104,063 | 203,215 |
| - | - | (69,158) | - | - | (69,158) | (69,158) |
| <u>\$ 13,612</u> | <u>\$ 818,496</u> | <u>\$ 31,905</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 864,013</u> | <u>\$ 2,024,268</u> |
| \$ - | \$ 47,797 | \$ 18,808 | \$ - | \$ - | \$ 66,605 | \$ 506,576 |
| - | - | - | - | - | - | 33,952 |
| - | - | 9,510 | - | - | 9,510 | 9,510 |
| <u>\$ -</u> | <u>\$ 47,797</u> | <u>\$ 28,318</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 76,115</u> | <u>\$ 550,038</u> |
| \$ 3,000 | \$ - | \$ 3,587 | \$ - | \$ - | \$ 6,587 | \$ 105,739 |
| - | - | - | - | - | - | - |
| 10,612 | 770,699 | - | - | - | 781,311 | 1,368,491 |
| <u>\$ 13,612</u> | <u>\$ 770,699</u> | <u>\$ 3,587</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 787,898</u> | <u>\$ 1,474,230</u> |
| <u>\$ 13,612</u> | <u>\$ 818,496</u> | <u>\$ 31,905</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 864,013</u> | <u>\$ 2,024,268</u> |

Wilson County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

Special Revenue Funds

| | Revaluation Fund | Fire District Fund | Enhanced 911 Service | Transportation Fund | Total Non-major Special Revenue Funds |
|--|-----------------------------|-----------------------------------|-------------------------------------|--------------------------------|--|
| Revenues | | | | | |
| Ad valorem taxes | \$ - | \$ 1,028,671 | \$ - | \$ - | \$ 1,028,671 |
| Local option sales tax | - | 397,882 | - | - | 397,882 |
| Other taxes | - | - | 496,534 | - | 496,534 |
| Restricted intergovernmental | - | - | - | 333,721 | 333,721 |
| Sales and Services | - | - | - | 21,872 | 21,872 |
| Investment earnings | 7,898 | - | 15,708 | - | 23,606 |
| Miscellaneous | - | - | - | 3,574 | 3,574 |
| Total Revenues | <u>\$ 7,898</u> | <u>\$ 1,426,553</u> | <u>\$ 512,242</u> | <u>\$ 359,167</u> | <u>\$ 2,305,860</u> |
| Expenditures | | | | | |
| Economic Incentives | \$ - | \$ - | \$ - | \$ - | \$ - |
| Public Safety | - | 1,426,553 | 424,292 | 372,288 | 2,223,133 |
| Debt Service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Capital Projects | - | - | - | - | - |
| General Government | 121,586 | - | - | - | 121,586 |
| Total Expenditures | <u>\$ 121,586</u> | <u>\$ 1,426,553</u> | <u>\$ 424,292</u> | <u>\$ 372,288</u> | <u>\$ 2,344,719</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (113,688)</u> | <u>\$ -</u> | <u>\$ 87,950</u> | <u>\$ (13,121)</u> | <u>\$ (38,859)</u> |
| Other Financing Sources: | | | | | |
| Transfers (to) from other funds | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 |
| Debt proceeds | - | - | - | - | - |
| Total Other Financing Sources | <u>\$ 150,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 150,000</u> |
| Net Change in Fund Balances | \$ 36,312 | \$ - | \$ 87,950 | \$ (13,121) | \$ 111,141 |
| Fund Balances: | | | | | |
| Beginning of year, July 1 | 161,237 | - | 317,661 | 96,293 | 575,191 |
| End of year, June 30 | <u>\$ 197,549</u> | <u>\$ -</u> | <u>\$ 405,611</u> | <u>\$ 83,172</u> | <u>\$ 686,332</u> |

Capital Projects Funds

| Economic Development Reserve Fund | Public Buildings Fund | Grant Projects Fund | Regional Wastewater Facility | Library Construction Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|------------------------------|----------------------------|-------------------------------------|----------------------------------|--|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,028,671 |
| - | - | - | - | - | - | 397,882 |
| - | - | - | - | - | - | 496,534 |
| 352,500 | - | 340,397 | - | - | 692,897 | 1,026,618 |
| - | - | - | - | - | - | 21,872 |
| - | 21,440 | - | - | 405 | 21,845 | 45,451 |
| - | - | - | - | - | - | 3,574 |
| <u>\$ 352,500</u> | <u>\$ 21,440</u> | <u>\$ 340,397</u> | <u>\$ -</u> | <u>\$ 405</u> | <u>\$ 714,742</u> | <u>\$ 3,020,602</u> |
| | | | | | | |
| \$ 2,378,527 | \$ - | \$ - | \$ - | \$ - | \$ 2,378,527 | \$ 2,378,527 |
| - | - | - | - | - | - | 2,223,133 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 447,863 | 345,811 | - | 27,963 | 821,637 | 821,637 |
| - | - | - | 2,793 | - | 2,793 | 124,379 |
| <u>\$ 2,378,527</u> | <u>\$ 447,863</u> | <u>\$ 345,811</u> | <u>\$ 2,793</u> | <u>\$ 27,963</u> | <u>\$ 3,202,957</u> | <u>\$ 5,547,676</u> |
| | | | | | | |
| <u>\$ (2,026,027)</u> | <u>\$ (426,423)</u> | <u>\$ (5,414)</u> | <u>\$ (2,793)</u> | <u>\$ (27,558)</u> | <u>\$ (2,488,215)</u> | <u>\$ (2,527,074)</u> |
| | | | | | | |
| \$ 1,504,000 | \$ 760,000 | \$ - | \$ - | \$ - | \$ 2,264,000 | \$ 2,414,000 |
| - | 322,370 | - | - | - | 322,370 | 322,370 |
| <u>\$ 1,504,000</u> | <u>\$ 1,082,370</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,586,370</u> | <u>\$ 2,736,370</u> |
| | | | | | | |
| \$ (522,027) | \$ 655,947 | \$ (5,414) | \$ (2,793) | \$ (27,558) | \$ 98,155 | \$ 209,296 |
| | | | | | | |
| 535,639 | 114,752 | 9,001 | 2,793 | 27,558 | 689,743 | 1,264,934 |
| <u>\$ 13,612</u> | <u>\$ 770,699</u> | <u>\$ 3,587</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 787,898</u> | <u>\$ 1,474,230</u> |

Wilson County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 200/

Exhibit C-3

| | 2008 | | Variance |
|--|---------------|---------------|-------------------|
| | Budget | Actual | Positive |
| | | | (Negative) |
| Revenues: | | | |
| Investment earnings | \$ 4,000 | \$ 7,898 | \$ 3,898 |
| Expenditures: | | | |
| Revaluation expense | 220,000 | 121,586 | 98,414 |
| Revenues Over (Under) Expenditures | \$ (216,000) | \$ (113,688) | \$ 102,312 |
| Other Financing Sources: | | | |
| Transfer In: | | | |
| General Fund | 150,000 | 150,000 | - |
| Revenues and Other Financing Sources Over (Under) Expenditures | \$ (66,000) | \$ 36,312 | \$ 102,312 |
| Appropriated fund balance | 66,000 | - | (66,000) |
| Revenues, Other Financing Sources, and Appropriated Fund Balance Over (Under) Expenditures | \$ - | \$ 36,312 | \$ 36,312 |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 161,237 | |
| End of year, June 30 | | \$ 197,549 | |

Wilson County, North Carolina
Fire District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 200/

Exhibit C-4

| | 2008 | | Variance |
|------------------------------------|---------------|---------------|-------------------|
| | Budget | Actual | Positive |
| | | | (Negative) |
| Revenues: | | | |
| Ad Valorem Taxes: | | | |
| Current year | \$ 868,694 | \$ 982,943 | \$ 114,249 |
| Prior year | 48,687 | 45,728 | (2,959) |
| Total Ad Valorem Taxes | \$ 917,381 | \$ 1,028,671 | \$ 111,290 |
| Other taxes | 262,622 | 397,882 | 135,260 |
| Total Revenues | \$ 1,180,003 | \$ 1,426,553 | \$ 246,550 |
| Expenditures: | | | |
| Public Safety | 1,180,003 | 1,426,553 | (246,550) |
| Revenues Over (Under) Expenditures | \$ - | \$ - | \$ - |
| Fund Balances: | | | |
| Beginning of year, July 1 | | - | |
| End of year, June 30 | | \$ - | |

Wilson County, North Carolina
Enhanced 911 Service
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-5

| | 2008 | | Variance Positive (Negative) |
|---|-------------------|-------------------|---|
| | Budget | Actual | |
| Revenues: | | | |
| Other taxes | \$ 545,000 | \$ 496,534 | \$ (48,466) |
| Investment earnings | 1,000 | 15,708 | 14,708 |
| Total Revenues | \$ 546,000 | \$ 512,242 | \$ (33,758) |
| Expenditures: | | | |
| Salaries and employee benefits | \$ 191,967 | \$ 95,831 | \$ 96,136 |
| Operating expenses | 391,365 | 322,263 | 69,102 |
| Capital outlay | 45,600 | 6,198 | 39,402 |
| Total Expenditures | \$ 628,932 | \$ 424,292 | \$ 204,640 |
| Revenues Over (Under) Expenditures | \$ (82,932) | \$ 87,950 | \$ 170,882 |
| Other Financing Sources: | | | |
| Fund balance appropriated | 82,932 | - | (82,932) |
| Revenues and Other Financing Sources Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 87,950</u> | <u>\$ 87,950</u> |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 317,661 | |
| End of year, June 30 | | <u>\$ 405,611</u> | |

**Wilson County, North Carolina
Transportation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008**

Exhibit C-6

| | 2008 | | Variance Positive (Negative) |
|--|-------------|-------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Restricted Intergovernmental: | | | |
| Rural Operating Grant | \$ 198,635 | 198,635 | \$ - |
| Capital Grant | 79,867 | 63,154 | (16,713) |
| Public Transportation Grant | 96,219 | 71,932 | (24,287) |
| Sales & Services | 16,156 | 21,872 | 5,716 |
| Miscellaneous | - | 3,574 | 3,574 |
| | \$ 390,877 | \$ 359,167 | \$ (31,710) |
| Expenditures: | | | |
| Salaries and employee benefits | \$ 44,258 | \$ 42,336 | \$ 1,922 |
| Operating expenses | 79,284 | 257,210 | (177,926) |
| Capital outlay | 282,335 | 72,742 | 209,593 |
| | \$ 405,877 | \$ 372,288 | \$ 33,589 |
| Revenues Over (Under) Expenditures | \$ (15,000) | \$ (13,121) | \$ 1,879 |
| Other Financing Sources (Uses): | | | |
| Fund balance appropriated | 15,000 | - | (15,000) |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | \$ - | \$ (13,121) | \$ (13,121) |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 96,293 | |
| End of year, June 30 | | \$ 83,172 | |

Wilson County, North Carolina
Economic Development Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-7

| | 2008 | | Variance Positive (Negative) |
|--|---------------------|---------------------|---|
| | Budget | Actual | |
| Revenues: | | | |
| N.C. Dept. of Commerce - NC 1 Grant | \$ 165,000 | \$ 352,500 | \$ 187,500 |
| Investment earnings | - | - | - |
| Total Revenues | \$ 165,000 | \$ 352,500 | \$ 187,500 |
| Expenditures: | | | |
| Economic incentives | \$ 2,174,000 | \$ 2,378,527 | \$ (204,527) |
| Capital outlay | - | - | - |
| Debt Service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Total Expenditures | \$ 2,174,000 | \$ 2,378,527 | \$ (204,527) |
| Revenues Over (Under) Expenditures | \$ (2,009,000) | \$ (2,026,027) | \$ (17,027) |
| Other Financing Sources (Uses): | | | |
| Transfers in (out) | \$ 2,009,000 | \$ 1,504,000 | \$ (505,000) |
| Fund balance appropriated | - | - | - |
| Debt proceeds | - | - | - |
| Total Other Financing Sources (Uses) | \$ 2,009,000 | \$ 1,504,000 | \$ (505,000) |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | <u>\$ -</u> | <u>\$ (522,027)</u> | <u>\$ (522,027)</u> |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 535,639 | |
| End of year, June 30 | | <u>\$ 13,612</u> | |

Wilson County, North Carolina
Public Buildings Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2008

Exhibit C-8

| | 2008 | | Variance Positive (Negative) |
|---|----------------|--------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Investment earnings | \$ - | \$ 21,440 | \$ 21,440 |
| Expenditures: | | | |
| Capital outlay | \$ 760,000 | \$ 78,203 | \$ 681,797 |
| Other energy conservation | 418,000 | 369,660 | 48,340 |
| | | | - |
| Total Expenditures | \$ 1,178,000 | \$ 447,863 | \$ 730,137 |
| Revenues Over (Under) Expenditures | \$ (1,178,000) | \$ (426,423) | \$ 751,577 |
| Other Financing Sources (Uses): | | | |
| Fund balance appropriated | \$ 105,000 | \$ - | \$ (105,000) |
| Transfers in | 760,000 | 760,000 | - |
| Lease proceeds | 313,000 | 322,370 | 9,370 |
| Total Other Financing Sources (Uses) | \$ 1,178,000 | \$ 1,082,370 | \$ (95,630) |
| Revenues and Other Financing Sources Over (Under) Expenditures | \$ - | \$ 655,947 | \$ 655,947 |
| Fund Balances: | | | |
| Beginning of year, July 1 | | 114,752 | |
| End of year, June 30 | | \$ 770,699 | |

Wilson County, North Carolina
Grant Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-9

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues: | | | | | |
| Restricted Intergovernmental: | | | | | |
| Community Development Block Grants: | | | | | |
| Scattered Sites | | | | | |
| (#06-C-1542) | \$ 400,000 | \$ 63,750 | \$ 221,477 | \$ 285,227 | \$ (114,773) |
| Sugar Hill (#05-C-1426) | 700,000 | 566,316 | 118,910 | 685,226 | (14,774) |
| Local Match | 30,000 | 30,000 | - | 30,000 | - |
| Local Match | - | 9,510 | (9,510) | - | - |
| DSS-IDA (#06-C-1567) | 50,000 | - | 9,520 | 9,520 | (40,480) |
| Total Revenues | <u>\$ 1,180,000</u> | <u>\$ 669,576</u> | <u>\$ 340,397</u> | <u>\$ 1,009,973</u> | <u>\$ (170,027)</u> |
| Expenditures: | | | | | |
| DSS - Individual Development Account (IDA) | | | | | |
| Administration | \$ 40,000 | \$ - | \$ 7,520 | \$ 7,520 | \$ 32,480 |
| Acquisition | 10,000 | - | 2,000 | 2,000 | 8,000 |
| Total DSS-IDA | <u>\$ 50,000</u> | <u>\$ -</u> | <u>\$ 9,520</u> | <u>\$ 9,520</u> | <u>\$ 40,480</u> |
| Scattered Sites: | | | | | |
| Administration | \$ 40,000 | \$ 32,950 | \$ 1,478 | \$ 34,428 | \$ 5,572 |
| Rehabilitation | 360,000 | 33,660 | 217,139 | 250,799 | 109,201 |
| Total Scattered Sites | <u>\$ 400,000</u> | <u>\$ 66,610</u> | <u>\$ 218,617</u> | <u>\$ 285,227</u> | <u>\$ 114,773</u> |
| Sugar Hill: | | | | | |
| Administration | \$ 67,000 | \$ 54,129 | \$ 702 | \$ 54,831 | \$ 12,169 |
| Rehabilitation | 663,000 | 539,836 | 116,972 | 656,808 | 6,192 |
| Total Sugar Hill | <u>\$ 730,000</u> | <u>\$ 593,965</u> | <u>\$ 117,674</u> | <u>\$ 711,639</u> | <u>\$ 18,361</u> |
| Total Expenditures | <u>\$ 1,180,000</u> | <u>\$ 660,575</u> | <u>\$ 345,811</u> | <u>\$ 1,006,386</u> | <u>\$ 173,614</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 9,001</u> | \$ (5,414) | <u>\$ 3,587</u> | <u>\$ 3,587</u> |
| Fund Balances: | | | | | |
| Beginning of year, July 1 | | | 9,001 | | |
| End of year, June 30 | | | <u>\$ 3,587</u> | | |

**Wilson County, North Carolina
Regional Wastewater Facility
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008**

Exhibit C-10

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues | | | | | |
| Rural Center grant | \$ 80,000 | \$ 120,000 | \$ - | \$ 120,000 | \$ 40,000 |
| Local units match | 22,400 | 22,050 | - | 22,050 | (350) |
| Total Revenues | <u>\$ 102,400</u> | <u>\$ 142,050</u> | <u>\$ -</u> | <u>\$ 142,050</u> | <u>\$ 39,650</u> |
| Expenditures | | | | | |
| Engineering | \$ 88,500 | \$ 99,257 | \$ - | \$ 99,257 | \$ (10,757) |
| Environmental assessment | 8,900 | 40,000 | - | 40,000 | (31,100) |
| Administration costs | 5,000 | - | 2,793 | 2,793 | 2,207 |
| Total Expenditures | <u>\$ 102,400</u> | <u>\$ 139,257</u> | <u>\$ 2,793</u> | <u>\$ 142,050</u> | <u>\$ (39,650)</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 2,793</u> | \$ (2,793) | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balances: | | | | | |
| Beginning of year, July 1 | | | 2,793 | | |
| End of year, June 30 | | | <u>\$ -</u> | | |

Wilson County, North Carolina
Library Construction Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-11

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues | | | | | |
| Bond proceeds | \$ 5,300,000 | \$ 5,300,000 | \$ - | \$ 5,300,000 | \$ - |
| Investment earnings | 118,019 | 117,614 | 405 | 118,019 | - |
| Total Revenues | <u>\$ 5,418,019</u> | <u>\$ 5,417,614</u> | <u>\$ 405</u> | <u>\$ 5,418,019</u> | <u>\$ -</u> |
| Expenditures | | | | | |
| Legal services | \$ 10,000 | \$ - | \$ - | \$ - | \$ 10,000 |
| Professional service | 367,018 | 362,206 | - | 362,206 | 4,812 |
| Capital outlay | 5,041,001 | 5,027,850 | 27,963 | 5,055,813 | (14,812) |
| Total Expenditures | <u>\$ 5,418,019</u> | <u>\$ 5,390,056</u> | <u>\$ 27,963</u> | <u>\$ 5,418,019</u> | <u>\$ -</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 27,558</u> | <u>\$ (27,558)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balances: | | | | | |
| Beginning of year, July 1 | | | 27,558 | | |
| End of year, June 30 | | | <u>\$ -</u> | | |

Wilson County, North Carolina
New Elementary School Construction Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit C-12

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues | | | | | |
| Bond proceeds | \$ 18,263,082 | \$ - | \$ 18,241,142 | \$ 18,241,142 | \$ (21,940) |
| Investment earnings | - | - | 409,483 | 409,483 | 409,483 |
| Total Revenues | <u>\$ 18,263,082</u> | <u>\$ -</u> | <u>\$ 18,650,625</u> | <u>\$ 18,650,625</u> | <u>\$ 387,543</u> |
| Expenditures | | | | | |
| Land | \$ 1,024,800 | \$ - | \$ 1,008,564 | \$ 1,008,564 | \$ 16,236 |
| Capital outlay | 17,238,282 | - | 9,745,536 | 9,745,536 | 7,492,746 |
| Total Expenditures | <u>\$ 18,263,082</u> | <u>\$ -</u> | <u>\$ 10,754,100</u> | <u>\$ 10,754,100</u> | <u>\$ 7,508,982</u> |
| Revenues Over (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | \$ 7,896,525 | <u>\$ 7,896,525</u> | <u>\$ 7,896,525</u> |
| Fund Balances: | | | | | |
| Beginning of year, July 1 | | | - | | |
| End of year, June 30 | | | <u>\$ 7,896,525</u> | | |

Wilson County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-1

| | 2008 | | Variance Positive (Negative) |
|--|----------------|--------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Charges for services | \$ 2,365,328 | \$ 2,663,594 | \$ 298,266 |
| Expenditures: | | | |
| Operating expenses | \$ 6,048,841 | \$ 2,015,385 | \$ 4,033,456 |
| Capital outlay | 714,223 | 511,195 | 203,028 |
| Total Expenditures | \$ 6,763,064 | \$ 2,526,580 | \$ 4,236,484 |
| Revenues Over (Under) Expenditures | \$ (4,397,736) | \$ 137,014 | \$ 4,534,750 |
| Other Financing Sources (Uses): | | | |
| Investment earnings | \$ 70,000 | \$ 710,497 | \$ 640,497 |
| Fund balance appropriated | 4,327,736 | - | (4,327,736) |
| Transfer from other funds | - | - | - |
| Total Other Financing Sources (Uses) | \$ 4,397,736 | \$ 710,497 | \$ (3,687,239) |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | \$ - | \$ 847,511 | \$ 847,511 |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Reconciling Items: | | | |
| Capital outlays | | \$ 511,195 | |
| Depreciation | | (147,062) | |
| Allowance for bad debts | | 1,508 | |
| (Increase) Decrease in accrued landfill closure and costs | | (389,534) | |
| (Increase) in accrued compensated absences | | (1,688) | |
| Total Reconciling Items | | \$ (25,581) | |
| Change in Net Assets | | \$ 821,930 | |

Wilson County, North Carolina
Southeast Water District
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-2

| | 2008 | | Variance Positive (Negative) |
|--|------------|--------------|------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Charges for services | \$ 880,038 | \$ 568,945 | \$ (311,093) |
| Expenditures: | | | |
| Operating Expenditures: | | | |
| Operating expenses | \$ 555,088 | \$ 217,024 | \$ 338,064 |
| Water purchases | 120,000 | 104,735 | 15,265 |
| Total Operating Expenditures | \$ 675,088 | \$ 321,759 | \$ 353,329 |
| Debt Service: | | | |
| Interest | \$ 160,950 | \$ 160,788 | \$ 162 |
| Principal | 44,000 | 44,000 | - |
| Total Debt Service | \$ 204,950 | \$ 204,788 | \$ 162 |
| Capital outlay | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 880,038 | \$ 526,547 | \$ 353,491 |
| Revenues Over Expenditures | \$ - | \$ 42,398 | \$ 42,398 |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 432,870 | 432,870 |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | \$ - | \$ 475,268 | \$ 475,268 |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Reconciling Items: | | | |
| Capital outlay | | \$ - | |
| Principal paid on long-term debt | | 44,000 | |
| Depreciation | | (234,740) | |
| (Increase) in uncollectible accounts | | (2,483) | |
| (Increase) in accrued compensated absences | | (4,021) | |
| Total Reconciling Items | | \$ (197,244) | |
| Change in Net Assets | | \$ 278,024 | |

Wilson County, North Carolina
Southwest Water District
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2008

Exhibit D-3

| | 2008 | | Variance Positive (Negative) |
|--|---------------------|-------------------|---|
| | Budget | Actual | |
| Revenues: | | | |
| Operating Revenues: | | | |
| Charges for services | \$ 1,035,701 | \$ 631,688 | \$ (404,013) |
| Expenditures: | | | |
| Operating Expenditures: | | | |
| Operating expenses | \$ 583,088 | \$ 537,390 | \$ 45,698 |
| Water purchases | 125,000 | 130,597 | (5,597) |
| Total Operating Expenditures | <u>\$ 708,088</u> | <u>\$ 667,987</u> | <u>\$ 40,101</u> |
| Debt Service: | | | |
| Interest | \$ 282,613 | \$ 226,014 | \$ 56,599 |
| Principal | 45,000 | 45,000 | - |
| Total Debt Service | <u>\$ 327,613</u> | <u>\$ 271,014</u> | <u>\$ 56,599</u> |
| Total Expenditures | <u>\$ 1,035,701</u> | <u>\$ 939,001</u> | <u>\$ 96,700</u> |
| Revenues Over (Under) Expenditures | \$ - | \$ (307,313) | \$ (307,313) |
| Other Financing Sources (Uses): | | | |
| Transfer from other funds | - | 370,630 | 370,630 |
| Revenues and Other Financing Sources (Uses) Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 63,317</u> | <u>\$ 63,317</u> |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Reconciling Items: | | | |
| Capital Outlay | | \$ 201,048 | |
| Principal paid on long-term debt | | 45,000 | |
| Depreciation | | (234,740) | |
| Capital contributions | | - | |
| (Increase) in accrued compensated absences | | (4,020) | |
| Total Reconciling Items | | <u>\$ 7,288</u> | |
| Change in Net Assets | | <u>\$ 70,605</u> | |

Wilson County, North Carolina
Water District Capital Project Fund - Southwest II
Schedule of Revenues and Expenditures
- Budget and Actual - (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2008

Exhibit D-4

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Actual Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| Revenues: | | | | | |
| Restricted | | | | | |
| intergovernmental | \$ 1,281,000 | \$ 1,252,533 | \$ - | \$ 1,252,533 | \$ (28,467) |
| Investment earnings | - | 34,453 | - | 34,453 | 34,453 |
| Total Revenues | <u>\$ 1,281,000</u> | <u>\$ 1,286,986</u> | <u>\$ -</u> | <u>\$ 1,286,986</u> | <u>\$ 5,986</u> |
| Expenditures: | | | | | |
| Water System | | | | | |
| Construction | <u>3,950,000</u> | <u>3,964,881</u> | <u>34,453</u> | <u>3,999,334</u> | <u>(49,334)</u> |
| Revenues Over (Under) Expenditures | <u>\$ (2,669,000)</u> | <u>\$ (2,677,895)</u> | <u>\$ (34,453)</u> | <u>\$ (2,712,348)</u> | <u>\$ (43,348)</u> |
| Other Financing Sources: | | | | | |
| Proceeds from debt | \$ 2,654,000 | \$ 2,654,000 | \$ - | \$ 2,654,000 | \$ - |
| Local capital contributions | <u>15,000</u> | <u>58,348</u> | <u>-</u> | <u>58,348</u> | <u>43,348</u> |
| Total Other Financing Sources | <u>\$ 2,669,000</u> | <u>\$ 2,712,348</u> | <u>\$ -</u> | <u>\$ 2,712,348</u> | <u>\$ 43,348</u> |
| Revenues and Other Financing Sources Over (Under) Expenditures | <u>\$ -</u> | <u>\$ 34,453</u> | <u>\$ (34,453)</u> | <u>\$ -</u> | <u>\$ -</u> |

**Wilson County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2008**

Exhibit E-1

| Fiscal Year | Uncollected Balance June 30, 2007 | Additions | Collections And Credits | Uncollected Balance June 30, 2008 |
|---|--|----------------------|------------------------------------|--|
| 2007-2008 | \$ - | \$ 41,117,227 | \$ 39,769,812 | \$ 1,347,415 |
| 2006-2007 | 1,349,483 | - | 1,036,738 | 312,745 |
| 2005-2006 | 271,061 | - | 100,238 | 170,823 |
| 2004-2005 | 154,688 | - | (20,683) | 175,371 |
| 2003-2004 | 209,473 | - | 78,938 | 130,535 |
| 2002-2003 | 138,756 | - | 16,772 | 121,984 |
| 2001-2002 | 107,636 | - | 10,607 | 97,029 |
| 2000-2001 | 94,281 | - | 8,518 | 85,763 |
| 1999-2000 | 79,234 | - | 5,835 | 73,399 |
| 1998-1999 | 64,304 | - | 4,609 | 59,695 |
| 1997-1998 | 80,280 | - | 80,280 | - |
| | <u>\$ 2,549,196</u> | <u>\$ 41,117,227</u> | <u>\$ 41,091,664</u> | <u>\$ 2,574,759</u> |
| Less: Allowance for Uncollectible Accounts: | | | | |
| General Fund | | | | <u>(719,428)</u> |
| Ad Valorem Taxes Receivable - Net: | | | | |
| General Fund | | | | <u>\$ 1,855,331</u> |
| Reconcilement with Revenues: | | | | |
| Ad valorem taxes - General Fund | | | | <u>\$ 41,188,867</u> |
| Reconciling Items: | | | | |
| Interest collected | | | | \$ (322,887) |
| Taxes written off | | | | <u>225,684</u> |
| Total Reconciling Items | | | | <u>\$ (97,203)</u> |
| Total Collections and Credits | | | | <u>\$ 41,091,664</u> |

Wilson County, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2008

Exhibit E-2

| | <u>County - Wide</u> | | | <u>Total Levy</u> | |
|--|-------------------------------|-------------|---------------------------|---|--|
| | <u>Property Valuation</u> | <u>Rate</u> | <u>Amount of Levy</u> | <u>Property excluding Registered Motor Vehicles</u> | <u>Registered Motor Vehicles</u> |
| Original Levy: | | | | | |
| Property taxed at current year's rate | \$ 5,065,378,418 | 0.76 | \$ 38,380,274 | \$ 35,538,722 | \$ 2,841,552 |
| Motor vehicles taxed at prior year's rate | 246,648,437 | 0.76 | 1,874,526 | - | 1,874,526 |
| Discoveries | 149,514,658 | 0.76 | 1,194,482 | 1,121,160 | 73,322 |
| Abatements: | | | | | |
| at current year's rate | (30,705,599) | 0.76 | (235,143) | (183,789) | (51,354) |
| at prior year's rate | <u>(12,769,743)</u> | 0.76 | <u>(96,912)</u> | <u>-</u> | <u>(96,912)</u> |
| Total Property Valuation | <u>\$ 5,418,066,171</u> | | | | |
| Net Levy | | | \$ 41,117,227 | \$ 36,476,093 | \$ 4,641,134 |
| Uncollected taxes at June 30, 2008 | | | (1,347,415) | (605,701) | (741,714) |
| Current Year's Taxes Collected | | | <u>\$ 39,769,812</u> | <u>\$ 35,870,392</u> | <u>\$ 3,899,420</u> |
| Current Levy Collection Percentage | | | <u>96.72%</u> | <u>98.34%</u> | <u>84.02%</u> |

Wilson County, North Carolina
Agency Funds
Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2008

Exhibit E-3

| | <u>Balance July 1, 2007</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2008</u> |
|---------------------------|-------------------------------------|------------------|-------------------|--------------------------------------|
| Motor Vehicle Tax | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 3,712 | \$ 73,647 | \$ 72,562 | \$ 4,797 |
| | | | | |
| Liabilities: | | | | |
| Miscellaneous liabilities | \$ 3,712 | \$ 73,647 | \$ 72,562 | \$ 4,797 |

Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 N. Main Street – Tarboro, North Carolina 27886

Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA
Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprises the Wilson County's basic financial statements, and have issued our report thereon dated December 23, 2008. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report thereon has been provided to us, and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting. The significant deficiency is referenced as finding 08-1.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above is 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit the County's response and, accordingly, we express no opinion on it.

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

/s/ Flowers & Stanley, L.L.P.

Tarboro, North Carolina
December 23, 2008

Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 N. Main Street – Tarboro, North Carolina 27886

Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA
Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 And the State Single Audit Implementation Act

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2008. Wilson County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

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

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

/s/ Flowers & Stanley, L.L.P.

Tarboro, North Carolina
December 23, 2008

Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 N. Main Street – Tarboro, North Carolina 27886

Phone: 252-823-3125 Fax: 252-823-3201

Charles R. Flowers Jr., CPA
Michael L. Stanley, CPA

Eric B. Harrell, CPA

Members
North Carolina Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2008. Wilson County's major State programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control.

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

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

/s/ Flowers & Stanley, L.L.P.

Tarboro, North Carolina
December 23, 2008

Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no

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

Noncompliance material to federal awards yes no

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

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

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

Identification of major federal programs:

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

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

Dollar threshold used to distinguish
between Type A and Type B Programs \$2,870,967

Auditee qualified as low-risk auditee ___yes Xno

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___yes Xno
- Significant deficiency (ies)
identified that are not considered
to be material weaknesses ___yes Xnone reported

Noncompliance material to State awards ___yes Xno

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

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

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

Identification of major State programs:

| <u>Program Name</u> | <u>CFDA #</u> |
|--------------------------------|---------------|
| SC/SA Domiciliary Care | N/A |
| Subsidized Child Care Cluster: | |
| TANF - MOE | N/A |
| State Appropriations | N/A |
| Smart Start | N/A |
| One NC Fund Grant | N/A |

Section II - Financial Statement Findings

Finding 08-1. Auditor Prepared Financial Statements

Criteria: SAS 112, effective for years ended after December 12, 2006, requires communication of certain matters related to internal control over financial reporting.

Condition: The County contracted with the auditor to assist in drafting financial statements for the year ended June 30, 2008 because of a lack of expertise in financial reporting.

Effect: This is a significant deficiency reportable under SAS 112 requirements.

Cause: Limited administrative personnel.

Recommendation: The County Board should be aware of SAS 112 requirements and consider steps needed to increase internal control over financial reporting.

Management Response: Wilson County concurs and understands it is management's responsibility to oversee financial statements reporting. However, we must accept this degree of risk because of the high cost of mitigating this risk with limited personnel.

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008**

Section III - Federal Award Findings and Questioned Costs

NONE

Section IV - State Award Findings and Questioned Costs

NONE

**Wilson County, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2008**

Section II - Financial Statement Findings

Significant Deficiencies

08-1 - Auditor Prepared Financial Statements

Name of Contract Person: Phyllis R. Vick
Finance Director

Corrective Action: The Board will examine the possibility of future outsourcing of particular accounting related tasks, but currently has no such plans due to cost constraints.

Proposed Completion Date: N/A

Section III - Federal Award Findings and Questioned Costs

N/A

Section IV - State Award Findings and Questioned Costs

N/A

Wilson County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2008

Finding: 07-1 - Approval of Capital Lease

Status: The Local Government Commission has approved the capital lease.

Finding: 07-2 - Expenditures Exceeded Budgetary Appropriations

Status: Corrected.

Finding: 07-3 - Auditor Prepared Financial Statements

Status: The Board will examine the possibility of future outsourcing of particular accounting related tasks, but currently has no such plans due to costs constraints.

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

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

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ 11,525,866 | \$ - | \$ - |
| 730,812 | - | 730,812 |
| <u>\$ 12,256,678</u> | <u>\$ -</u> | <u>\$ 730,812</u> |
| <u>\$ 405,524</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 2,372,788 | \$ - | \$ - |
| - | - | - |
| <u>\$ 2,372,788</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 15,034,990</u> | <u>\$ -</u> | <u>\$ 730,812</u> |
| \$ 532,973 | \$ 69,538 | \$ 363,758 |
| 408,047 | 113,960 | 113,960 |
| <u>\$ 941,020</u> | <u>\$ 183,498</u> | <u>\$ 477,718</u> |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

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

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| 1,408,125 | 111,477 | 1,278,900 |
| 311,353 | - | - |
| 67,046 | 3,925 | 18,479 |
| 399,577 | 44,441 | 141,608 |
| 929,231 | - | 478,695 |
| 22,288 | 5,728 | 1,701 |
| 1,627,088 | 243,783 | 1,224,437 |
| 7,834 | - | - |
| 11,623 | 2,906 | - |
| 7,483 | 200 | - |
| <u>\$ 5,732,668</u> | <u>\$ 595,958</u> | <u>\$ 3,621,538</u> |
| | | |
| \$ 21,715 | \$ - | \$ - |
| 15,364 | - | - |
| 248,909 | - | - |
| 14,700 | - | - |
| 18,722 | - | - |
| 9,823 | - | - |
| 153,975 | - | - |
| <u>\$ 483,208</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

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

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ 176,773 | \$ - | \$ - |
| 1,661,757 | - | - |
| 308,649 | - | - |
| 1,174,052 | 656,515 | - |
| <u>\$ 3,321,231</u> | <u>\$ 656,515</u> | <u>\$ -</u> |
| 23,140 | - | - |
| 513,037 | - | - |
| - | 798,218 | - |
| - | 154,860 | - |
| - | 80,458 | - |
| <u>\$ 3,857,408</u> | <u>\$ 1,690,051</u> | <u>\$ -</u> |
| \$ 85,981 | \$ 5,058 | \$ - |
| 106,974 | 6,292 | - |
| 13,980 | 822 | - |
| 75,495 | 4,441 | - |
| <u>\$ 282,430</u> | <u>\$ 16,613</u> | <u>\$ -</u> |
| <u>\$ 24,810</u> | <u>\$ 709</u> | <u>\$ -</u> |
| <u>\$ 50,716</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number |
|--|------------------------------------|
| FEDERAL GRANTS: (continued) | |
| U.S. Department of Health and Human Services: (continued) | |
| Passed-through N.C. Department of Health and Human Services: (continued) | |
| Direct Benefit Payments: | |
| Medical Assistance Program | 93.778 |
| Temporary Assistance for Needy Families | 93.558 |
| Energy Assistance | 93.568 |
| IV-E Adoption/Foster Care | 93.658 / 93.659 |
| Total Direct Benefit Payments | |
| Total U.S. Department of Health and Human Services | |
| U.S. Department of Commerce: | |
| Passed-through N.C. Department of Commerce: | |
| Small Cities Community Development Block Grant | 14.228 |
| U.S. Department of Transportation: | |
| Passed-through N.C. Department of Transportation: | |
| Formula Grant for Other than Urbanized Areas | 20.509 |
| STATE GRANTS: | |
| N.C. Department of Transportation: | |
| RGP | N/A |
| Rural Operating Assistance | N/A |
| ROA - Workfirst | N/A |
| Total N.C. Department of Transportation | |

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ 68,841,793 | \$ 35,780,130 | \$ 4,871,266 |
| 657,544 | (1,118) | 3,834 |
| 139,441 | - | - |
| 116,016 | 24,058 | 41,212 |
| <u>\$ 69,754,794</u> | <u>\$ 35,803,070</u> | <u>\$ 4,916,312</u> |
| | | |
| <u>\$ 80,186,034</u> | <u>\$ 38,106,401</u> | <u>\$ 8,537,850</u> |
| | | |
| <u>\$ 349,907</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| <u>\$ 127,983</u> | <u>\$ 11,509</u> | <u>\$ -</u> |
| | | |
| \$ - | \$ 88,539 | \$ - |
| - | 98,352 | - |
| - | 11,744 | - |
| <u>\$ -</u> | <u>\$ 198,635</u> | <u>\$ -</u> |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

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

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ - | \$ 983 | \$ - |
| - | - | 706,411 |
| - | 235,859 | 38,107 |
| - | 1,104,935 | 1,104,935 |
| - | 65,425 | 65,425 |
| - | 6,354 | - |
| - | 92,810 | 116,422 |
| - | 58,609 | - |
| - | 94,141 | - |
| - | 540 | 303 |
| - | - | 73,975 |
| \$ - | \$ 1,659,656 | \$ 2,105,578 |
| \$ - | \$ 100,805 | \$ - |
| - | 51,688 | - |
| - | 11,257 | - |
| - | 5,503 | - |
| - | 8,294 | - |
| - | 8,895 | - |
| - | 2,682 | - |
| - | 1,273 | - |
| \$ - | \$ 190,397 | \$ - |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number |
|--|------------------------------------|
| STATE GRANTS: (continued) | |
| N.C. Department of Health and Human Services: (continued) | |
| Division of Aging and Adult Services: | |
| Access - 90% State Funds | N/A |
| In-Home Services - 90% State Funds | N/A |
| Caregiver Match - 90% State Funds | N/A |
| Congregate. Nurtition - 90% State Funds | N/A |
| Home Delivered Meals - 90% State Funds | N/A |
| Total Division of Aging and Adult Services | |
| Total N.C. Department of Health and Human Services | |
| N.C. Department of Public Instruction: | |
| Public School Building Fund | N/A |
| N.C. Department of Environment and Natural Resources: | |
| Scrap Tire Program | N/A |
| N.C. Department of Cultural Resources: | |
| Aid to Public Libraries Fund | N/A |
| N.C. Department of Commerce: | |
| One NC Fund Grant | N/A |
| N.C. Department of Corrections: | |
| Criminal Justice Partnership Program | N/A |
| N.C. Department of Juvenile Justice and Delinquency Prevention: | |
| Juvenile Crime Prevention Programs | N/A |

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ - | \$ 15,857 | \$ - |
| - | 151,336 | - |
| - | 7,832 | - |
| - | 18,284 | - |
| - | 90,335 | - |
| <u>\$ -</u> | <u>\$ 283,644</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 2,133,697</u> | <u>\$ 2,105,578</u> |
| <u>\$ -</u> | <u>\$ 291,926</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 91,629</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 151,873</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 352,500</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 60,260</u> | <u>\$ -</u> |
| <u>\$ -</u> | <u>\$ 269,291</u> | <u>\$ -</u> |

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2008

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number |
|--|------------------------------------|
| STATE GRANTS: (continued) | |
| N.C. Department of Insurance: | |
| Safe Kids Grant | N/A |
| N.C. Department of Crime Control and Public Safety: | |
| T.A.L.L. 1 Project Excell | N/A |
| Emergencny Management Grants | N/A |
| Total N.C. Department of Crime Control and Public Safety | |
| Total Financial Assistance | |

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

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

| <u>Federal Expenditures</u> | <u>State Expenditures</u> | <u>Local Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| <u>\$ -</u> | <u>\$ 1,050</u> | <u>\$ -</u> |
| \$ - | \$ 13,146 | \$ - |
| - | 26,397 | - |
| <u>\$ -</u> | <u>\$ 39,543</u> | <u>\$ -</u> |
| <u><u>\$ 95,698,914</u></u> | <u><u>\$ 41,708,314</u></u> | <u><u>\$ 11,374,240</u></u> |