

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2012**



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Wilson County, North Carolina
Comprehensive Annual Financial Report
For The Year Ended June 30, 2012

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INTRODUCTORY SECTION

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Letter of Transmittal



November 1, 2012

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

State laws along with policies and procedures of the North Carolina Local Government Commission require, that all general purpose local governments in the State publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of Wilson County for the fiscal year ended June 30, 2012.

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

Wilson County Government's financial statements have been audited by Flowers & Stanley L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF WILSON COUNTY

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

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

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

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

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

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

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

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

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

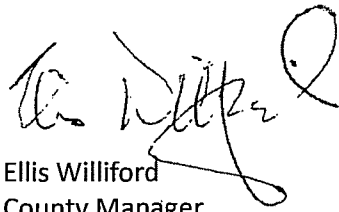
The County is in the process of developing a capital project fund (Capital Improvements Projects Fund) to record and plan for future building and equipment improvements. The Wilson County CIP for 2013-2017 is expected to be presented for approval prior to January 1, 2013 and will serve as a mechanism for future planning. The CIP will address many of the capital improvements needed within the county and will be revised and updated annually to correspond with changing revenues and the current economic environment.

ACKNOWLEDGEMENTS

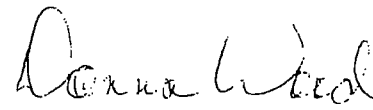
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Office. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit also must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

Respectfully submitted,

WILSON COUNTY, NORTH CAROLINA

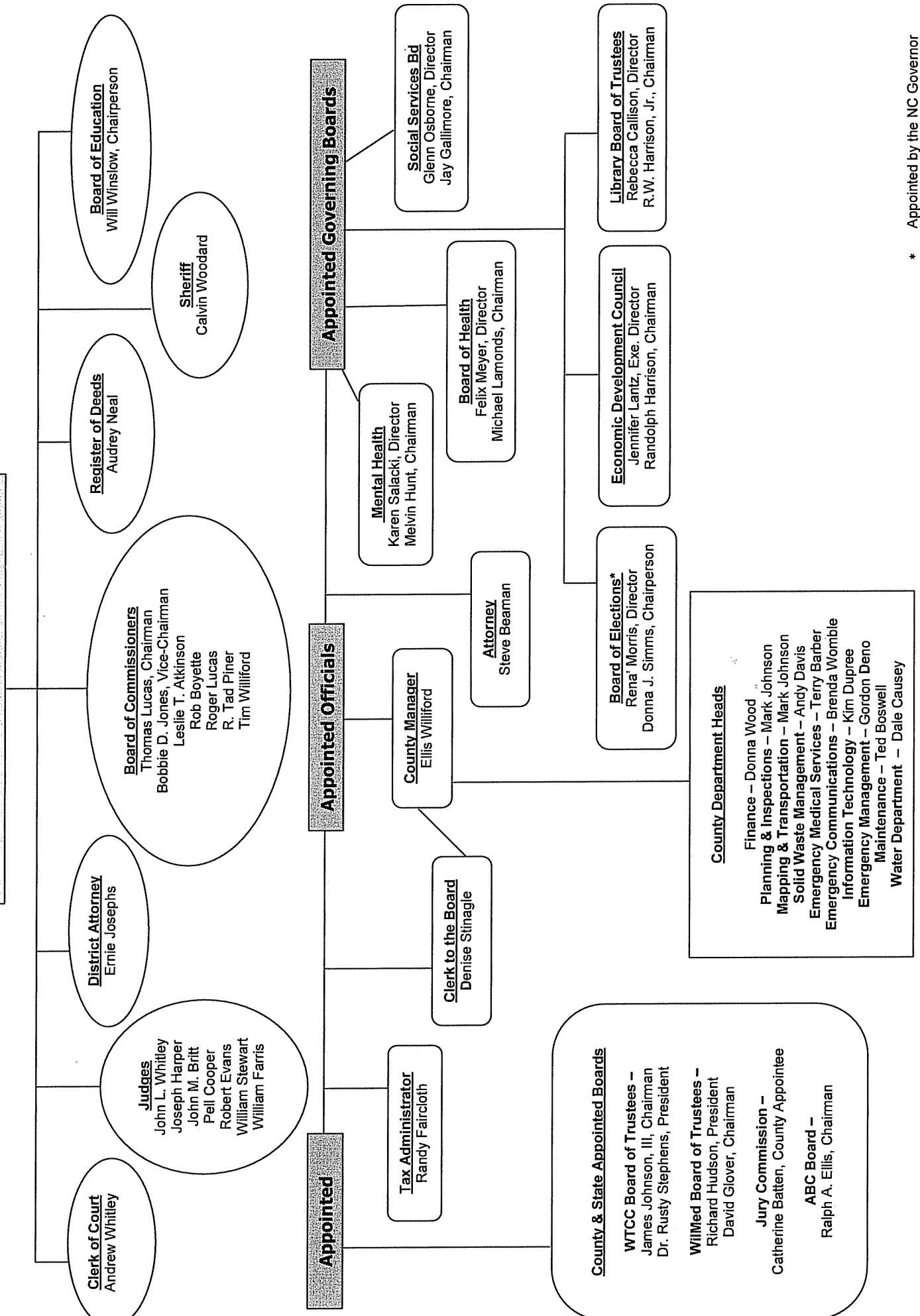


Ellis Williford
County Manager



Donna Wood
Finance Director

Wilson County Elected Officials



* Appointed by the NC Governor

Wilson County
List of Principal Officials
June 30, 2012

Elected Officials

Commissioner	District 2	Thomas Lucas, Chairman
Commissioner	District 3	Bobbie D. Jones, Vice Chairman
Commissioner	District 1	Leslie T. Atkinson
Commissioner	District 4	Roger Lucas
Commissioner	District 5	Rob Boyette
Commissioner	District 6	Tim Williford
Commissioner	District 7	Tad Piner
Sheriff		Calvin Woodard
Register of Deeds		Audrey Neal

Administrative Officials

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

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FINANCIAL SECTION

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Flowers & Stanley, L.L.P.

Certified Public Accountants

3403 North Main Street – Tarboro, North Carolina 27886

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Michael L. Stanley, CPA

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

American Institute of
Certified Public Accountants

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2012, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Wilson County ABC Board, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the 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 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2012, 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, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 3 through 12 and 81 and 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires concerning the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County's basic financial statements. The combining and individual nonmajor fund statements, budgetary schedules and other schedules, as well as the accompanying Schedule of Expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act, are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund statements, budgetary schedules, other schedules and the Schedule of Expenditures of federal and State awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of federal and State awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Flowers & Stanley, LLP

Tarboro, North Carolina
November 1, 2012

Management Discussion and Analysis

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Wilson County 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, 2012. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

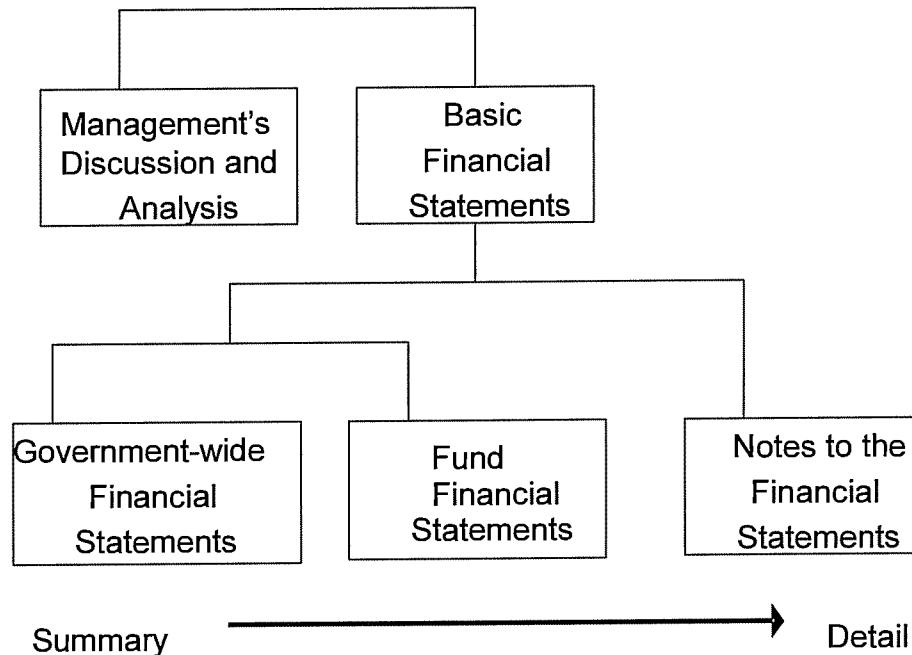
Financial Highlights

- The assets of Wilson County's governmental activities and business type activities exceeded its liabilities at the close of the most recent fiscal year by \$48,559,346.
- Wilson County's total net assets increased by \$7,636,492.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$38,380,457, after a net increase in fund balance of \$3,995,838. Approximately 21.2 percent of this total amount, or \$8,129,078, is restricted.
- At of the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,471,968, or 21.8 percent of total general fund expenditures for the fiscal year.
- The County holds the following bond ratings:
 - Moody's Aa2
 - Standard & Poor's AA-
 - Fitch AA

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements, Exhibits 3 through 9, are the Fund Financial Statements. These statements focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary funds statements and 4) the fiduciary fund statements.

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

Management Discussion and Analysis Wilson County

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

Proprietary Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 30 of this report.

Other Information

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

Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial condition. The assets of Wilson County exceeded liabilities by \$48,559,346 as of June 30, 2012.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current and						
other assets	\$ 45,647,581	\$ 40,477,273	\$ 18,468,200	\$ 18,631,397	\$ 64,115,781	\$ 59,108,670
Restricted assets	505,656	861,945	-	-	505,656	861,945
Capital assets	24,954,913	22,196,032	27,447,437	27,456,467	52,402,350	49,652,499
Other assets	2,617,562	-	-	-	2,617,562	-
Total Assets	<u>\$ 73,725,712</u>	<u>\$ 63,535,250</u>	<u>\$ 45,915,637</u>	<u>\$ 46,087,864</u>	<u>\$ 119,641,349</u>	<u>\$ 109,623,114</u>
Liabilities						
Long-term liabilities						
outstanding	\$ 52,956,003	\$ 50,515,938	\$ 13,596,847	\$ 13,556,295	\$ 66,552,850	\$ 64,072,233
Other liabilities	4,182,763	4,262,053	346,390	365,974	4,529,153	4,628,027
Total Liabilities	<u>\$ 57,138,766</u>	<u>\$ 54,777,991</u>	<u>\$ 13,943,237</u>	<u>\$ 13,922,269</u>	<u>\$ 71,082,003</u>	<u>\$ 68,700,260</u>
Net Assets						
Invested in capital						
assets, net of						
related debt	\$ 18,731,886	\$ 16,914,580	\$ 17,343,940	\$ 17,157,058	\$ 36,075,826	\$ 34,071,638
Restricted	8,066,366	7,616,890	-	-	8,066,366	7,616,890
Unrestricted	(10,211,306)	(15,774,211)	14,628,460	15,008,537	4,417,154	(765,674)
Total Net Assets	<u>\$ 16,586,946</u>	<u>\$ 8,757,259</u>	<u>\$ 31,972,400</u>	<u>\$ 32,165,595</u>	<u>\$ 48,559,346</u>	<u>\$ 40,922,854</u>

The county's net assets increased by \$7,636,492 for the fiscal year ended June 30, 2012. One of the largest portions \$36,075,826 (74.3%) reflects the County's investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net assets \$8,066,366 (16.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,417,154 (9.1%) is unrestricted.

Management Discussion and Analysis
Wilson County

Wilson County's Changes in Net Assets
Figure 3

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 13,397,401	\$ 12,699,733	\$ 4,182,771	\$ 3,842,422	\$ 17,580,172	\$ 16,542,155
Intergovernmental	18,398,248	19,282,450	-	-	18,398,248	19,282,450
Grants & Contributions:						
Capital	1,960,955	3,172,685	-	-	1,960,955	3,172,685
General Revenues:						
Property taxes	48,652,157	48,432,721	-	-	48,652,157	48,432,721
Local Option Sales Tax	11,202,801	10,236,298	-	-	11,202,801	10,236,298
Other taxes & licenses	499,644	687,322	-	-	499,644	687,322
Investment earnings	68,897	73,441	30,207	38,538	99,104	111,979
Grants & other contributions not restricted to specific programs						
	250,345	225,000	-	-	250,345	225,000
Miscellaneous	156,371	259,932	-	-	156,371	259,932
Transfers	-	20,600	-	(20,600)	-	-
Total Revenues	<u>\$ 94,586,819</u>	<u>\$ 95,090,182</u>	<u>\$ 4,212,978</u>	<u>\$ 3,860,360</u>	<u>\$ 98,799,797</u>	<u>\$ 98,950,542</u>
Expenses:						
General Government	\$ 7,651,150	\$ 8,882,777	\$ -	\$ -	\$ 7,651,150	\$ 8,882,777
Public Safety	19,815,892	19,196,921	-	-	19,815,892	19,196,921
Transportation	49,967	50,724	-	-	49,967	50,724
Environmental Protection	284,161	300,558	-	-	284,161	300,558
Economic & Physical						
Development	3,025,416	3,042,014	-	-	3,025,416	3,042,014
Human Services	33,731,053	34,454,057	-	-	33,731,053	34,454,057
Culture & Recreational	1,813,114	2,002,703	-	-	1,813,114	2,002,703
Education	18,847,287	18,596,063	-	-	18,847,287	18,596,063
Interest & Other charges	1,539,092	1,439,974	-	-	1,539,092	1,439,974
Landfill	-	-	2,535,925	2,408,065	2,535,925	2,408,065
Water	-	-	1,870,248	1,813,444	1,870,248	1,813,444
Total Expenses	<u>\$ 86,757,132</u>	<u>\$ 87,965,791</u>	<u>\$ 4,406,173</u>	<u>\$ 4,221,509</u>	<u>\$ 91,163,305</u>	<u>\$ 92,187,300</u>
Increase (Decrease) in Net Assets	\$ 7,829,687	\$ 7,124,391	\$ (193,195)	\$ (361,149)	\$ 7,636,492	\$ 6,763,242
Net Assets, July 1	8,757,259	1,632,868	32,165,595	32,526,744	40,922,854	34,159,612
Net Assets, June 30	<u>\$ 16,586,946</u>	<u>\$ 8,757,259</u>	<u>\$ 31,972,400</u>	<u>\$ 32,165,595</u>	<u>\$ 48,559,346</u>	<u>\$ 40,922,854</u>

Governmental Activities

Of the total net assets, governmental activities reported a \$16,586,946 balance and represents an increase of \$7,829,687 in comparison to the fiscal year 2011. While the debt for the school projects is carried in the county's general fund, the assets are included as assets of the Board of Education. Expenditures for education were \$18,847,287, an increase of \$251,224, over the previous year. Operating grants in the amount of \$18,398,248, sales and services in the amount of \$13,397,401 and local option sales taxes of \$11,202,801, along with the ad valorem tax collections totaling \$48,652,157 were the main sources of funding of Wilson County's governmental activities. Key elements of the increase are as follows:

- Continued diligence in the collection of property taxes with collection percentage of 96.47%.
- Increase in County sales tax collection
- Management of expenditures through use of debt service planning and various operating budgets

Business-type Activities

Business-type activities' net assets decreased by \$193,195. A key element of this decrease is as follows:

- Increased costs in operation of landfill and water department
- However, water fees were also increased to help cover the cost of providing services

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$38,380,457 an increase of \$3,995,838. This increase is due the in part to the aggressive tax collection effort in the current year, increase in collection of fees for the County's Emergency Management Services, increase in sales tax collections and the management of operating budgets.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, Wilson County's fund balance available in the General Fund was \$19,471,968, while total fund balance for the general fund was \$36,998,944. The Governing Body of Wilson County has determined the County should maintain an available fund balance of 18% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The County currently has an available fund balance of 21.7% percent of total general fund expenditures, while total fund balance represents 41.4% 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 \$2,101,452. This increase was primarily attributable to Restricted Intergovernmental Revenues.

Proprietary Funds

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

Unrestricted net assets of Solid Waste and Water Districts for the fiscal year 2012 amounted to \$14,628,460.

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, 2012 amounts to \$52,402,350 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

Major capital asset transactions during this year include:

- Purchased land for economic development;
- Purchased new vehicles and equipment for Public Safety Department;
- Purchased new servers for Information Technology Department;
- Purchased new equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Constructed Building for Solid Waste Landfill.

Wilson County's Capital Assets
Figure 4

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,377,871	\$ 760,308	\$ 3,208,714	\$ 3,208,714	\$ 6,586,585	\$ 3,969,022
Buildings & improvements	29,647,876	29,336,148	1,913,046	1,260,965	31,560,922	30,597,113
Equipment/Plant distribution	8,576,638	7,911,309	28,374,946	28,221,115	36,951,584	36,132,424
Vehicles	4,411,621	4,410,541	486,311	385,528	4,897,932	4,796,069
Construction in progress	-	4,773	-	-	-	4,773
Total	\$ 46,014,006	\$ 42,423,079	\$ 33,983,017	\$ 33,076,322	\$ 79,997,023	\$ 75,499,401
Accumulated depreciation	21,059,093	20,227,047	6,535,580	5,619,855	27,594,673	25,846,902
Net Assets	\$ 24,954,913	\$ 22,196,032	\$ 27,447,437	\$ 27,456,467	\$ 52,402,350	\$ 49,652,499

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

Long-term Debt

At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$12,975,000, which is backed by the full faith and credit of the County.

Wilson County's
Outstanding General Obligation Bonds
Figure 5

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
All Bonds	\$12,975,000	\$14,760,000	\$ 9,204,000	\$ 9,347,000	\$22,179,000	\$24,107,000

Management Discussion and Analysis
Wilson County

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$467,392,631. 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 7.21% a slight decrease from fiscal year 2011 ratio of 7.44%.

The County's general obligation debt per capita, at June 30, 2012 was \$159.72, while the County's \$51,542,178 gross debt per capita is \$634.49.

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

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 2012-2013

Governmental activities

The 2013 General Fund's adopted budget increased \$2,604,887 from the budget for the fiscal year ended June 30, 2012. The increase in the budget for 2013 is primarily due to budgeting for capital projects and cost of living adjustments for employees, which had been delayed from prior years due to the economy.

Requests for information

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

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

Wilson County, North Carolina
Statement of Net Assets
June 30, 2012

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
Assets				
Current Assets:				
Cash and cash equivalents	\$ 35,377,773	\$ 18,079,567	\$ 53,457,340	\$ 1,543,455
Receivable (net)	3,301,223	307,371	3,608,594	2,169
Due from other governments	6,486,202	63,018	6,549,220	-
Due from component unit	121,875		121,875	-
Internal Balances	(18,244)	18,244	-	-
Inventories	-	-	-	684,639
Prepaid expenses	-	-	-	14,015
Deferred charge-issuance costs	103,689	-	103,689	-
Deferred charge-refunding	275,063	-	275,063	-
Capital Lease Receivable	261,756	-	261,756	-
Total Current Assets	\$ 45,909,337	\$ 18,468,200	\$ 64,377,537	\$ 2,244,278
Restricted Assets:				
Cash and cash equivalents	\$ 505,656	\$ -	\$ 505,656	\$ -
Other Assets:				
Capital Lease Receivable	\$ 2,355,806	\$ -	\$ 2,355,806	\$ -
Capital Assets:				
Land, improvements, and construction in progress	\$ 3,377,871	\$ 3,208,714	\$ 6,586,585	\$ 319,449
Other capital assets, net of depreciation	21,577,042	24,238,723	45,815,765	1,290,975
Total Capital Assets	\$ 24,954,913	\$ 27,447,437	\$ 52,402,350	\$ 1,610,424
Total Assets	\$ 73,725,712	\$ 45,915,637	\$ 119,641,349	\$ 3,854,702

(continued)

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

Wilson County, North Carolina
Statement of Net Assets
June 30, 2012

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilson County ABC Board
(continued)				
Liabilities				
Current Liabilities:				
Accounts payable & accrued expenses	\$ 3,350,975	\$ 171,723	\$ 3,522,698	\$ 349,719
Unearned revenue	374,258	-	374,258	-
Accrued interest payable	276,673	36,092	312,765	-
Customer deposits	-	138,575	138,575	-
Due to other governments	-	-	-	40,625
Due to primary government	-	-	-	121,875
Deferred credit - bond premium	180,857	-	180,857	-
Total Current Liabilities	\$ 4,182,763	\$ 346,390	\$ 4,529,153	\$ 512,219
Long-term Liabilities:				
Due within one year	\$ 5,125,088	\$ 202,411	\$ 5,327,499	\$ -
Due in more than one year	47,830,915	13,394,436	61,225,351	215,540
Total Long-term Liabilities	\$ 52,956,003	\$ 13,596,847	\$ 66,552,850	\$ 215,540
Total Liabilities	\$ 57,138,766	\$ 13,943,237	\$ 71,082,003	\$ 727,759
Net Assets				
Invested in capital assets, net of related debt	\$ 18,731,886	\$ 17,343,940	\$ 36,075,826	\$ 1,610,424
Restricted For:				
Public Safety	883,183	-	883,183	-
Register of Deeds	146,252	-	146,252	-
Stabilization by State Statue	7,036,931	-	7,036,931	-
Working Capital	-	-	-	196,500
Capital Outlay	-	-	-	220,112
Unrestricted (deficit)	(10,211,306)	14,628,460	4,417,154	1,099,907
Total Net Assets	\$ 16,586,946	\$ 31,972,400	\$ 48,559,346	\$ 3,126,943

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, 2012

<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	\$ 7,651,150	\$ 779,845	\$ 591,303	\$ -
Public Safety	19,815,892	4,779,443	672,914	558,044
Transportation	49,967	213,920	238,893	-
Environmental Protection	284,161	-	47,739	-
Economic and Physical Development	3,025,416	-	34,970	16,154
Human Services	33,731,053	7,564,365	16,798,936	-
Cultural and Recreation	1,813,114	59,828	13,493	177,278
Education	18,847,287	-	-	1,209,479
Interest on long-term debt	1,539,092	-	-	-
Total Governmental Activities	<u>\$ 86,757,132</u>	<u>\$ 13,397,401</u>	<u>\$ 18,398,248</u>	<u>\$ 1,960,955</u>
Business-type Activities:				
Landfill	\$ 2,535,925	\$ 2,610,208	\$ -	\$ -
Water	1,870,248	1,572,563	-	-
Total Business-type Activities	<u>\$ 4,406,173</u>	<u>\$ 4,182,771</u>	<u>\$ -</u>	<u>\$ -</u>
Total Primary Government	<u>\$ 91,163,305</u>	<u>\$ 17,580,172</u>	<u>\$ 18,398,248</u>	<u>\$ 1,960,955</u>
Component Units:				
ABC Board	<u>\$ 5,046,842</u>	<u>\$ 5,108,978</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Grants and contributions not restricted to specific programs

Investment earnings, unrestricted

Miscellaneous, including loss on disposition of fixed assets

Transfers

Total General Revenues and Transfers/Distribution

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Wilson County ABC Board</u>
\$ (6,280,002)	\$ -	\$ (6,280,002)	
(13,805,491)	-	(13,805,491)	
402,846	-	402,846	
(236,422)	-	(236,422)	
(2,974,292)	-	(2,974,292)	
(9,367,752)	-	(9,367,752)	
(1,562,515)	-	(1,562,515)	
(17,637,808)	-	(17,637,808)	
(1,539,092)	-	(1,539,092)	
<u>\$ (53,000,528)</u>	<u>\$ -</u>	<u>\$ (53,000,528)</u>	
\$ -	\$ 74,283	\$ 74,283	
-	(297,685)	(297,685)	
<u>\$ -</u>	<u>\$ (223,402)</u>	<u>\$ (223,402)</u>	
<u>\$ (53,000,528)</u>	<u>\$ (223,402)</u>	<u>\$ (53,223,930)</u>	
			<u>\$ 62,136</u>
\$ 48,652,157	\$ -	\$ 48,652,157	\$ -
11,202,801	-	11,202,801	-
499,644	-	499,644	-
250,345	-	250,345	-
68,897	30,207	99,104	8,450
156,371	-	156,371	8,167
-	-	-	-
<u>\$ 60,830,215</u>	<u>\$ 30,207</u>	<u>\$ 60,860,422</u>	<u>\$ 16,617</u>
\$ 7,829,687	\$ (193,195)	\$ 7,636,492	\$ 78,753
8,757,259	32,165,595	40,922,854	3,048,190
		-	
<u>\$ 16,586,946</u>	<u>\$ 31,972,400</u>	<u>\$ 48,559,346</u>	<u>\$ 3,126,943</u>

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

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Fund Financial Statements

Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2012

Exhibit 3

	Major Funds	Non-Major	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
Assets			
Cash and cash equivalents	\$ 32,060,757	\$ 1,672,463	\$ 33,733,220
Restricted cash	505,656	-	505,656
Taxes receivable, net	2,267,538	63,456	2,330,994
Accounts and other receivables, net	482,967	-	482,967
Due from other governments	6,432,089	54,113	6,486,202
Due from other funds	-	-	-
Due from component unit	121,875	-	121,875
	\$ 41,870,882	\$ 1,790,032	\$ 43,660,914
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,239,652	\$ 335,553	\$ 2,575,205
Deferred revenue	2,267,538	63,456	2,330,994
Unearned revenue	364,748	9,510	374,258
Total Liabilities	\$ 4,871,938	\$ 408,519	\$ 5,280,457
Fund Balances:			
Restricted:			
Stabilization by State Statue	\$ 7,036,931	\$ 54,113	\$ 7,091,044
Register of Deeds	146,252	-	146,252
Public Safety	-	891,782	891,782
Committed:			
Human Services	2,297,353	-	2,297,353
Tax Revaluation	505,656	-	505,656
Economic Development	459,219	-	459,219
Assigned:			
Subsequent year's expenditures	6,173,312	273,487	6,446,799
Public Safety	1,309,313	-	1,309,313
Cultural and Recreational	58,159	-	58,159
Transportation	-	162,131	162,131
Unassigned	19,012,749	-	19,012,749
Total Fund Balances	\$ 36,998,944	\$ 1,381,513	\$ 38,380,457
Total Liabilities and Fund Balances	\$ 41,870,882	\$ 1,790,032	\$ 43,660,914

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

**Wilson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2012**

Exhibit 3

Reconciliation of the governmental fund balance to net assets:

Total fund balances	\$ 38,380,457
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.	24,954,913
Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds.	378,752
Premium collected on issue of COPS	(180,857)
The assets and liabilities of the internal service fund are not included in the fund financial statement, but are included in the governmental activities	850,539
Certain long-term assets are not receivable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the the Statement of Net Assets.	2,617,562
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	487,262
Liabilities for earned but deferred revenues in fund statements.	2,330,994
Some liabilities, including bonds payable, other postemployment benefits and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds.	(53,232,676)
Net Assets of Governmental Activities	\$ 16,586,946

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

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Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2012

Exhibit 4

	<u>Major Funds</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues			
Ad valorem taxes	\$ 47,276,901	\$ 1,209,819	\$ 48,486,720
Local option sales taxes	10,925,633	277,168	11,202,801
Other taxes and licenses	499,644	-	499,644
Unrestricted intergovernmental	250,345	-	250,345
Restricted intergovernmental	19,194,818	1,281,258	20,476,076
Permits and fees	400,205	-	400,205
Sales and service	12,577,733	30,613	12,608,346
Investment earnings	67,267	1,630	68,897
Miscellaneous	161,113	183,307	344,420
	<u>\$ 91,353,659</u>	<u>\$ 2,983,795</u>	<u>\$ 94,337,454</u>
Expenditures			
Current:			
General Government	\$ 7,399,100	\$ -	\$ 7,399,100
Public Safety	16,686,151	2,530,667	19,216,818
Transportation	47,857	-	47,857
Environmental Protection	269,781	-	269,781
Economic and			
Physical Development	5,571,988	41,424	5,613,412
Human Services	32,955,787	-	32,955,787
Cultural and Recreational	1,649,070	-	1,649,070
Intergovernmental:			
Education	18,417,173	-	18,417,173
Capital projects	-	991,925	991,925
Debt Service:			
Principal	5,004,797	-	5,004,797
Interest and other charges	1,439,934	-	1,439,934
	<u>\$ 89,441,638</u>	<u>\$ 3,564,016</u>	<u>\$ 93,005,654</u>

(continued)

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

Wilson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2012

Exhibit 4

	Major Funds	Non-Major	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
(continued)			
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,912,021	\$ (580,221)	\$ 1,331,800
Other Financing Sources (Uses):			
Transfers out	\$ -	\$ (133,888)	\$ (133,888)
Transfers in	133,888	-	133,888
Notes Payable issued	5,235,125	-	5,235,125
Capital Lease Proceeds	46,475	-	46,475
Capital Lease Receivable	(2,617,562)	-	(2,617,562)
Total Other Financing Sources (Uses):	\$ 2,797,926	\$ (133,888)	\$ 2,664,038
Net Change in Fund Balance	\$ 4,709,947	\$ (714,109)	\$ 3,995,838
Fund Balances:			
Beginning of year, July 1	32,288,997	2,095,622	34,384,619
End of year, June 30	\$ 36,998,944	\$ 1,381,513	\$ 38,380,457

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, 2012

Exhibit 4

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

Net changes in fund balances - total governmental funds	\$ 3,995,838
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.	2,763,090
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.	165,437
Cost of capital asset disposed of during the year, not recognized on modified accrual basis.	(4,209)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(171,425)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	2,617,562
Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	850,539
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	(108,533)
Net pension obligations	23,535
Other postemployment benefits	(2,204,252)
Accrued interest	(97,895)
Total Changes in Net Assets of Governmental Activities	\$ 7,829,687

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, 2012

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 46,000,000	\$ 46,038,090	\$ 47,276,901	\$ 1,238,811
Local option sales tax	9,575,000	9,575,000	10,925,633	1,350,633
Other taxes and licenses	470,850	393,000	499,644	106,644
Unrestricted intergovernmental	244,400	244,400	250,345	5,945
Restricted intergovernmental	16,907,183	18,430,023	19,191,656	761,633
Permits and fees	354,500	354,500	400,205	45,705
Sales and services	10,774,570	11,304,768	12,577,733	1,272,965
Investment earnings	100,000	100,000	66,344	(33,656)
Miscellaneous	57,500	145,674	161,113	15,439
	\$ 84,484,003	\$ 86,585,455	\$ 91,349,574	\$ 4,764,119
Expenditures:				
Current:				
General Government	\$ 8,186,514	\$ 8,292,185	\$ 7,399,100	\$ 893,085
Public Safety	16,626,802	17,353,785	16,686,151	667,634
Transportation	47,857	47,857	47,857	-
Environmental Protection	301,019	306,439	269,781	36,658
Economic and Physical Development	1,569,728	4,243,104	4,136,195	106,909
Human Services	35,720,315	38,521,593	32,955,787	5,565,806
Cultural and Recreational	1,576,694	1,720,698	1,649,070	71,628
Intergovernmental:				
Education	17,970,119	18,417,176	18,417,173	3
Debt Service:				
Principal retirement	5,004,803	5,004,803	5,004,797	6
Interest and other charges	1,439,941	1,439,941	1,439,934	7
	\$ 88,443,792	\$ 95,347,581	\$ 88,005,845	\$ 7,341,736
Revenues Over (Under) Expenditures	\$ (3,959,789)	\$ (8,762,126)	\$ 3,343,729	\$ 12,105,855

(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, 2012

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
(continued)				
Other Financing Sources (Uses):				
Transfers to other funds	\$ (1,679,000)	\$ (1,679,000)	\$ (1,679,000)	\$ -
Transfers from other funds	-	131,790	133,888	2,098
Notes Payable issued	-	5,300,000	5,235,125	(64,875)
Capital Lease Proceeds	-	62,512	46,475	(16,037)
Capital Lease Receivable	-	(2,650,000)	(2,617,562)	32,438
Fund balance appropriated	5,638,789	7,596,824	-	(7,596,824)
	\$ 3,959,789	\$ 8,762,126	\$ 1,118,926	\$ (7,643,200)
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	\$ -	\$ -	\$ 4,462,655	\$ 4,462,655
Fund Balances:				
Beginning of year, July 1			31,571,414	
End of year, June 30			\$ 36,034,069	
Legally budgeted Tax Revaluation Fund and Economic Development Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			923	
Restricted intergovernmental			3,162	
Transfer in from General Fund			1,679,000	
Expenditures			(1,435,793)	
Fund Balance, beginning			717,583	
Fund Balance, ending (Exhibit 4)			\$ 36,998,944	

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, 2012

Exhibit 6

	<u>Business-type Activities</u>			<u>Total</u>	<u>Governmental</u>
	<u>Solid</u>	<u>Water</u>	<u>Water</u>		<u>Internal</u>
	<u>Waste</u>	<u>Distribution</u>	<u>Distribution</u>		<u>Service Fund</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		
	<u>Solid</u>	<u>Southeast</u>	<u>Southwest</u>		
	<u>Fund</u>	<u>District</u>	<u>District</u>		
Assets					
Current Assets:					
Cash and cash equivalents	\$ 17,177,819	\$ 769,487	\$ 132,261	\$ 18,079,567	\$ 1,644,553
Receivables, net	110,963	91,157	105,251	307,371	-
Due from other governments	63,018	-	-	63,018	-
Total Current Assets	<u>\$ 17,351,800</u>	<u>\$ 860,644</u>	<u>\$ 237,512</u>	<u>\$ 18,449,956</u>	<u>\$ 1,644,553</u>
Non-Current Assets:					
Capital Assets:					
Land & construction in progress	\$ 3,081,656	\$ 48,389	\$ 78,669	\$ 3,208,714	\$ -
Other capital assets, net of depreciation	2,365,398	8,954,194	12,919,131	24,238,723	-
Capital Assets, Net	<u>\$ 5,447,054</u>	<u>\$ 9,002,583</u>	<u>\$ 12,997,800</u>	<u>\$ 27,447,437</u>	<u>\$ -</u>
Total Non-Current Assets	<u>\$ 5,447,054</u>	<u>\$ 9,002,583</u>	<u>\$ 12,997,800</u>	<u>\$ 27,447,437</u>	<u>\$ -</u>
Total Assets	<u>\$ 22,798,854</u>	<u>\$ 9,863,227</u>	<u>\$ 13,235,312</u>	<u>\$ 45,897,393</u>	<u>\$ 1,644,553</u>
Liabilities					
Current Liabilities:					
Accounts payable	\$ 136,557	\$ 17,095	\$ 18,071	\$ 171,723	\$ 775,770
Customer deposits	-	67,387	71,188	138,575	-
Due to other funds	-	-	-	-	-
Current portion of bonds	-	78,575	123,836	202,411	-
Accrued interest	-	13,329	22,763	36,092	-
Liabilities Payable from Restricted Assets:					
Accounts payable	-	-	-	-	-
Total Current Liabilities	<u>\$ 136,557</u>	<u>\$ 176,386</u>	<u>\$ 235,858</u>	<u>\$ 548,801</u>	<u>\$ 775,770</u>

(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, 2012

Exhibit 6

	<u>Business-type Activities</u>			<u>Total</u>	<u>Governmental</u> <u>Activities</u>
	<u>Solid</u> <u>Waste</u> <u>Fund</u>	<u>Water</u> <u>Distribution</u> <u>Fund</u> <u>Southeast</u> <u>District</u>	<u>Water</u> <u>Distribution</u> <u>Fund</u> <u>Southwest</u> <u>District</u>		<u>Internal</u> <u>Service Fund</u>
Liabilities (continued)					
Non-current Liabilities:					
Accrued landfill closure and postclosure care costs	\$ 3,178,251	\$ -	\$ -	\$ 3,178,251	\$ -
Compensated absences	31,438	13,777	13,777	58,992	-
Other postemployment benefits	203,105	26,501	26,501	256,107	-
Bonds	-	3,571,706	6,329,380	9,901,086	-
Total Non-current Liabilities	<u>\$ 3,412,794</u>	<u>\$ 3,611,984</u>	<u>\$ 6,369,658</u>	<u>\$ 13,394,436</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 3,549,351</u>	<u>\$ 3,788,370</u>	<u>\$ 6,605,516</u>	<u>\$ 13,943,237</u>	<u>\$ 775,770</u>
Net Assets					
Invested in capital assets, net of related debt	\$ 5,447,054	\$ 5,352,302	\$ 6,544,584	\$ 17,343,940	\$ -
Unrestricted	13,802,449	722,555	85,212	14,610,216	868,783
Restricted	-	-	-	-	-
Total Net Assets	<u>\$ 19,249,503</u>	<u>\$ 6,074,857</u>	<u>\$ 6,629,796</u>	<u>\$ 31,954,156</u>	<u>\$ 868,783</u>
The assets and liabilities of the internal service fund are not included in the fund financial statement, but are included in the Business Activities of the Statement of Net Assets				18,244	
Total Net Assets - Business-type Activities				<u>\$ 31,972,400</u>	

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

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Wilson County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

Exhibit 7

	Business-type Activities				Governmental Activities
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total Business-type Activities	Internal Service Fund
Operating Revenues					
Charges for services	\$ 2,610,208	\$ 738,376	\$ 834,187	\$ 4,182,771	\$ 5,656,547
Operating Expenses					
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and employee benefits	1,031,685	126,235	126,233	1,284,153	-
Operating expense	1,160,066	101,745	117,228	1,379,039	4,787,764
Landfill closure	175,590	-	-	175,590	-
Depreciation	179,859	271,846	350,092	801,797	-
Water purchase	-	161,940	168,937	330,877	-
Total Operating Expenses	<u>\$ 2,547,200</u>	<u>\$ 661,766</u>	<u>\$ 762,490</u>	<u>\$ 3,971,456</u>	<u>\$ 4,787,764</u>
Operating Income (Loss)	<u>\$ 63,008</u>	<u>\$ 76,610</u>	<u>\$ 71,697</u>	<u>\$ 211,315</u>	<u>\$ 868,783</u>
Non-Operating Revenues (Expenses)					
Interest/investment revenue	\$ 30,207	\$ -	\$ -	\$ 30,207	\$ -
Bad debt	(888)	(5,395)	(5,825)	(12,108)	-
Interest expense	-	(161,127)	(279,726)	(440,853)	-
Total Non-Operating Revenue (Expenses)	<u>\$ 29,319</u>	<u>\$ (166,522)</u>	<u>\$ (285,551)</u>	<u>\$ (422,754)</u>	<u>\$ -</u>
Income (Loss) before Contributions	<u>\$ 92,327</u>	<u>\$ (89,912)</u>	<u>\$ (213,854)</u>	<u>\$ (211,439)</u>	<u>\$ 868,783</u>
Transfers to other funds	-	-	-	-	-
Change in Net Assets	<u>\$ 92,327</u>	<u>\$ (89,912)</u>	<u>\$ (213,854)</u>	<u>\$ (211,439)</u>	<u>\$ 868,783</u>
Total Net Assets - Beginning	19,157,176	6,164,769	6,843,650	32,165,595	-
Total Net Assets - Ending	<u>\$ 19,249,503</u>	<u>\$ 6,074,857</u>	<u>\$ 6,629,796</u>	<u>\$ 31,954,156</u>	<u>\$ 868,783</u>

Change in net assets, per above \$ (211,439)

Internal Service Funds are used by management to charge the cost of health insurance to individual funds. A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities in the Statement of Activities.

18,244

Total Change in Net Assets - Business-type Activities \$ (193,195)

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, 2012

Exhibit 8

	<u>Business-type Activities</u>			<u>Governmental Activities</u>	
	<u>Solid Waste Fund</u>	<u>Water Distribution Fund Southeast District</u>	<u>Water Distribution Fund Southwest District</u>	<u>Total Business-type Activities</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:					
Cash received from customers	\$ 2,643,280	\$ 729,054	\$ 824,736	\$ 4,197,070	\$ 5,656,547
Cash paid for goods & services	(1,210,373)	(252,879)	(290,105)	(1,753,357)	(4,625,210)
Cash paid to employees for services	(983,047)	(120,117)	(120,115)	(1,223,279)	-
Customer deposits received	-	9,919	14,635	24,554	-
Net Cash Provided by Operating Activities	<u>\$ 449,860</u>	<u>\$ 365,977</u>	<u>\$ 429,151</u>	<u>\$ 1,244,988</u>	<u>\$ 1,031,337</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Flows from Capital and Related Financing Activities:					
Acquisition & construction of capital assets	\$ (792,767)	\$ -	\$ -	\$ (792,767)	\$ -
Principal paid on debt	-	(76,076)	(119,836)	(195,912)	-
Interest paid on debt	-	(161,402)	(280,148)	(441,550)	-
Capital contributions	-	-	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>\$ (792,767)</u>	<u>\$ (237,478)</u>	<u>\$ (399,984)</u>	<u>\$ (1,430,229)</u>	<u>\$ -</u>
Cash Flows from Investing Activities:					
Interest on investments	\$ 30,207	\$ -	\$ -	\$ 30,207	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (312,700)</u>	<u>\$ 128,499</u>	<u>\$ 29,167</u>	<u>\$ (155,034)</u>	<u>\$ 1,031,337</u>
Cash and Cash Equivalents:					
Beginning of year, July 1	17,490,519	640,988	103,094	18,234,601	613,216
End of year, June 30	<u>\$ 17,177,819</u>	<u>\$ 769,487</u>	<u>\$ 132,261</u>	<u>\$ 18,079,567</u>	<u>\$ 1,644,553</u>

(continued)

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

Wilson County, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Fiscal Year Ended June 30, 2012

Exhibit 8

	<u>Business-type Activities</u>			<u>Governmental Activities</u>	
	<u>Solid Waste Fund</u>	<u>Water Distribution Fund Southeast District</u>	<u>Water Distribution Fund Southwest District</u>	<u>Total Business-type Activities</u>	<u>Internal Service Fund</u>
(continued)					
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 63,008	\$ 76,610	\$ 71,697	\$ 211,315	\$ 868,783
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation (net)	\$ 179,859	\$ 271,846	\$ 350,092	\$ 801,797	\$ -
Provision for uncollectible accounts	(888)	(5,395)	(5,825)	(12,108)	-
Changes in Assets and Liabilities:					
(Increase) Decrease in accounts receivable/due from	33,960	(3,927)	(3,626)	26,407	-
Increase in accrued landfill closure costs	175,590	-	-	175,590	-
Increase in other postemployee benefits	45,862	7,166	7,166	60,194	-
Increase (decrease) in accounts payable	(50,307)	10,806	(3,940)	(43,441)	162,554
Increase in customer deposits	-	9,919	14,635	24,554	-
Increase (Decrease) in accrued vacation pay	2,776	(1,048)	(1,048)	680	-
Total Adjustments	<u>\$ 386,852</u>	<u>\$ 289,367</u>	<u>\$ 357,454</u>	<u>\$ 1,033,673</u>	<u>\$ 162,554</u>
Net Cash Provided by Operating Activities	<u>\$ 449,860</u>	<u>\$ 365,977</u>	<u>\$ 429,151</u>	<u>\$ 1,244,988</u>	<u>\$ 1,031,337</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, 2012**

Exhibit 9

Assets	Agency Fund
Cash and cash equivalents	<u>\$ 108,823</u>
 Liabilities and Net Assets	
Liabilities:	
Miscellaneous Liabilities	\$ 50,345
Intergovernmental payable	<u>58,478</u>
Net Assets	<u>\$ 108,823</u>

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012**

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements

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

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

Fund Financial Statements

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The County reports the following major governmental funds:

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

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

Internal Service Fund - The County has an Employee Health Self Insurance Fund for the accumulation and allocation of health insurance costs.

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

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

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Governmental Fund Financial Statements

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Wilson County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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, Fire District Fund, Emergency Telephone Service Fund, Economic Development Fund, Public Buildings Fund, Transportation Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Block Projects Fund, School Capital Projects Fund and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

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

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).

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the ABC Board consists of materials and supplies held for consumption or resale.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

	<u>Years</u>
Buildings	50
Improvements	5-25
Infrastructure	20-50
Furniture and equipment	3-10
Vehicles	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	5-20

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

8. Long-term Obligations

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

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

9. Compensated Absences

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

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

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

Assigned for subsequent year's expenditures - portion of fund balance that has been budgeted by the Board of Commissioners for 2012-2013 expenditures.

Assigned for Public Safety - portion of fund balance that has been budgeted by the Board of Commissioners for EMS capital expenditures.

Assigned for Cultural and Recreation - portion of fund balance that has been budgeted by the Board of Commissioners for Library capital expenditures.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes 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 \$(21,793,511) 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)	\$ 46,014,006
Less accumulated depreciation	(21,059,093)
Net Capital Assets	\$ 24,954,913
Deferred charges related to refunding bond issued	378,752
Premium collected on issue of COPS	(180,857)
Long-term assets in capital lease receivable recorded on the government-wide statement of net assets but not fund statements because it is not a current financial source of funds	2,617,562
Internal Service Fund used by management to charge the cost of health insurance to individual funds. The assets and liabilities of Internal Service are included in the governmental activities in the Statement of Net Assets.	850,539

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

(continued)

Description	Amount
Accrued interest receivable included in the government-wide statements, as these are not available financial resources, therefore deferred in the fund statement	487,262
Liabilities for revenue deferred but earned and therefore reserved in the fund statements but not in the government-wide.	2,330,994
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(41,438,684)
Compensated absences	(1,952,949)
Accrued interest payable	(276,673)
Unfunded Separation Allowance	(569,908)
Other postemployment benefits	(8,994,462)
Total Adjustment	\$ (21,793,511)

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 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 \$3,833,849 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities.	\$ 4,429,506
Cost of disposed capital asset not recorded in fund statements	(4,209)
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the Statement of Activities but not in the fund statements	(1,666,416)

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

(continued)

Description	Amount
New debt and premium on new debt issued during the year is recorded as a source of Funds on the funds statements; it has no effect on the Statement of Activities - it affects only the government-wide Statement of Net Assets	(5,281,600)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Assets in the government-wide statements	5,130,785
Internal Service Fund used by management to charge the cost of Health insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities	850,539
Expenses reported on fund statements that are capitalized on government-wide statements for bond issuance and refunding	(131,458)
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)	33,563
Amortization of refunding costs not recorded on fund statements	(20,610)
Compensated absences	(108,533)
Other Pension Costs	23,535
Other postemployment benefits	(2,204,252)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund statements - capital lease receivable	2,617,562
Increase in deferred tax revenue at end of year	146,195
Increase in accrued taxes receivable at end of year	19,242
Total Adjustment	\$ 3,833,849

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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 under-collateralization, 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, 2012

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, 2012, the County's deposits had a carrying amount of \$37,756,592 and a bank balance of \$38,751,915. Of the bank balance, \$512,668 was covered by federal depository insurance, \$192,110 in non-interest bearing deposits and \$38,047,137 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2012, Wilson County had \$4,360 cash on hand.

At June 30, 2012, the carrying amount of deposits for Wilson County ABC Board was \$1,538,355 and the bank balance was \$1,477,105. Of the bank balance, \$516,826 was covered by federal depository insurance and \$960,279 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2012, Wilson County ABC Board had \$5,100 cash on hand.

2. Investments

As of June 30, 2012, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
N.C. Capital Management Trust:				
Cash Portfolio	\$13,308,187	\$ -	N/A	N/A
Term Portfolio*	<u>3,002,680</u>	<u>3,002,680</u>	N/A	N/A
Total	<u>\$16,310,867</u>	<u>\$ 3,002,680</u>		
	=====	=====		

* Because the N.C. Capital Management Trust Term Portfolio had a duration of .17 years, it was presented as an investment with a maturity of less than 6 months.

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, 2012

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2012. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

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, 2012, 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>
2009	\$ 1,562,328	\$ 371,063	\$ 1,933,391
2010	1,587,763	234,202	1,821,965
2011	1,584,847	91,132	1,675,979
Total	<u>\$ 4,734,938</u>	<u>\$ 696,397</u>	<u>\$ 5,431,335</u>
	=====	=====	=====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

4. Receivables

Receivables at the government-wide level at June 30, 2012, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from other Governments	Other	Total
Governmental Activities:					
General	\$ 1,092,104	\$ 3,134,064	\$ 9,049,651	\$ -	\$ 13,275,819
Other governmental	-	82,765	54,113	-	136,878
Total Receivables	<u>\$ 1,092,104</u>	<u>\$ 3,216,829</u>	<u>\$ 9,103,764</u>	<u>\$ -</u>	<u>\$ 13,412,697</u>
Allowance for Doubtful Accounts	-	(885,835)	-	-	(885,835)
Total Governmental Activities	<u>\$ 1,092,104</u>	<u>\$ 2,330,994</u>	<u>\$ 9,103,764</u>	<u>\$ -</u>	<u>\$ 12,526,862</u>
Business-type Activities:					
Landfill	\$ 129,151	-	\$ 63,018	-	\$ 192,169
Water & Sewer	309,223	-	-	-	309,223
Total Receivables	<u>\$ 438,374</u>	<u>\$ -</u>	<u>\$ 63,018</u>	<u>\$ -</u>	<u>\$ 501,392</u>
Allowance for Doubtful Accounts	(131,003)	-	-	-	(131,003)
Total Governmental Activities	<u>\$ 307,371</u>	<u>\$ -</u>	<u>\$ 63,018</u>	<u>\$ -</u>	<u>\$ 370,389</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 1,995,561	\$ -
White goods disposal tax	-	6,470
Scrap tire tax	-	25,548
Capital Lease Receivable	2,617,562	-
NC Administrative		
Reimbursement and Other	4,436,528	31,000
Transportation	17,519	-
Emergency Telephone	36,594	-
Total	\$ 9,103,764	\$ 63,018

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

The future minimum lease payments receivable as of June 30, 2012 were as follows:

Year Ending June 30		
2013	\$	261,756
2014		261,756
2015		261,756
2016		261,756
2017		261,756
Thereafter		1,308,782
Total	\$	2,617,562

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

5. **Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassify</u>	<u>Ending Balances</u>
Governmental Activities:					
Capital Assets not Being Depreciated:					
Land	\$ 760,308	\$ 2,617,563	\$ -	\$ -	\$ 3,377,871
Construction in progress	4,773	-	-	(4,773)	-
Total	<u>\$ 765,081</u>	<u>\$ 2,617,563</u>	<u>\$ -</u>	<u>\$ (4,773)</u>	<u>\$ 3,377,871</u>
Capital Assets Being Depreciated:					
Buildings	\$ 22,929,630	\$ 19,283	\$ -	\$ 4,773	\$ 22,953,686
Other improvements	6,406,518	287,672	-	-	6,694,190
Furniture & equipment	7,911,309	1,019,917	403,544	48,956	8,576,638
Vehicles	4,410,541	485,071	319,282	(164,709)	4,411,621
Total	<u>\$ 41,657,998</u>	<u>\$ 1,811,943</u>	<u>\$ 722,826</u>	<u>\$ (110,980)</u>	<u>\$ 42,636,135</u>
Less Accumulated Depreciation for:					
Buildings	\$ 9,436,767	\$ 432,365	\$ -	\$ -	\$ 9,869,132
Other improvements	1,640,721	195,709	-	-	1,836,430
Furniture & equipment	5,929,198	571,328	399,335	44,197	6,145,388
Vehicles	3,220,361	467,014	319,282	(159,950)	3,208,143
Total	<u>\$ 20,227,047</u>	<u>\$ 1,666,416</u>	<u>\$ 718,617</u>	<u>\$ (115,753)</u>	<u>\$ 21,059,093</u>
Total Capital Assets Being Depreciated, Net					
	<u>\$ 21,430,951</u>				<u>\$ 21,577,042</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 22,196,032</u>				<u>\$ 24,954,913</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Capital Assets (continued)

Primary Government

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

General Government	\$ 400,996
Public Safety	926,465
Economic and Physical Development	10,096
Human Services	186,094
Cultural and Recreational	140,380
Environmental Protection	2,385

Total	\$ 1,666,416
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	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities:					
Solid Waste:					
Capital Assets not					
Being Depreciated:					
Land	\$ 3,081,656	\$ -	\$ -	\$ -	\$ 3,081,656
Capital Assets					
Being Depreciated:					
Buildings	\$ 120,645	\$ 645,623	\$ -	\$ -	\$ 766,268
Infrastructure	1,140,320	-	-	6,458	1,146,778
Furniture & equipment	2,132,558	147,144	-	8,512	2,288,214
Vehicles	309,453	-	-	100,783	410,236
Total	\$ 3,702,976	\$ 792,767	\$ -	\$ 115,753	\$ 4,611,496
Less Accumulated					
Depreciation for:					
Buildings	\$ 3,619	\$ 5,641	\$ -	\$ -	\$ 9,260
Infrastructure	23,019	25,218	-	-	48,237
Furniture & equipment	1,695,035	112,310	-	14,970	1,822,315
Vehicles	228,813	36,690	-	100,783	366,286
Total	\$ 1,950,486	\$ 179,859	\$ -	\$ 115,753	\$ 2,246,098
Total Capital Assets					
Being Depreciated, Net	\$ 1,752,490				\$ 2,365,398
Solid Waste					
Capital Assets, Net	\$ 4,834,146				\$ 5,447,054

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Capital Assets (continued)

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities (continued):					
Southeast Water District:					
Capital Assets not Being Depreciated:					
Land	\$ 48,389	\$ -	\$ -	\$ -	\$ 48,389
Capital Assets Being Depreciated:					
Plant and distribution system	\$ 9,415,090	\$ -	\$ -	\$ 1,449,861	\$ 10,864,951
Office and maintenance equipment	1,461,974	-	1,825	(1,449,861)	10,288
Vehicles	41,211	-	-	-	41,211
Total	<u>\$ 10,918,275</u>	<u>\$ -</u>	<u>\$ 1,825</u>	<u>\$ -</u>	<u>\$ 10,916,450</u>
Less Accumulated Depreciation for:					
Plant and distribution system	\$ 1,160,292	\$ 271,435	\$ -	\$ 479,518	\$ 1,911,245
Office and maintenance equipment	490,732	411	1,825	(479,518)	9,800
Vehicles	41,211	-	-	-	41,211
Total	<u>\$ 1,692,235</u>	<u>\$ 271,846</u>	<u>\$ 1,825</u>	<u>\$ -</u>	<u>\$ 1,962,256</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 9,226,040</u>				<u>\$ 8,954,194</u>
Southeast Water District Capital Assets, Net	<u>\$ 9,274,429</u>				<u>\$ 9,002,583</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Capital Assets (continued):

	Beginning Balances	Increases	Decreases	Reclassify	Ending Balances
Business-type Activities (continued):					
Southwest Water District:					
Capital Assets not Being Depreciated:					
Land	\$ 78,669	\$ -	\$ -	\$ -	\$ 78,669
Capital Assets Being Depreciated:					
Plant and distribution system	\$ 14,556,339	\$ -	\$ -	\$ 648,026	\$ 15,204,365
Office and maintenance equipment	655,154	-	-	(648,026)	7,128
Vehicles	34,864	-	-	-	34,864
Total	<u>\$ 15,246,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,246,357</u>
Less Accumulated Depreciation for:					
Plant and distribution system	\$ 1,760,946	\$ 350,092	\$ -	\$ 174,196	\$ 2,285,234
Office and maintenance equipment	181,324	-	-	(174,196)	7,128
Vehicles	34,864	-	-	-	34,864
Total	<u>\$ 1,977,134</u>	<u>\$ 350,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,226</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 13,269,223</u>				<u>\$ 12,919,131</u>
Southwest Water District					
Capital Assets, Net	<u>\$ 13,347,892</u>				<u>\$ 12,997,800</u>
Business-type Activities:					
Capital Assets, Net	<u>\$ 27,456,467</u>				<u>\$ 27,447,437</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Construction Commitments

The government has no active construction projects as of June 30, 2012.

Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2012, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets not Being Depreciated:				
Land	\$ 319,449	\$ -	\$ -	\$ 319,449
Capital Assets Being Depreciated:				
Buildings	\$ 1,484,021	\$ 3,603	\$ -	\$ 1,487,624
Furniture & equipment	476,716	3,721	-	480,437
Vehicles	23,500	-	-	23,500
Leasehold improvements	31,128	5,525	-	36,653
Total	<u>\$ 2,015,365</u>	<u>\$ 12,849</u>	<u>\$ -</u>	<u>\$ 2,028,214</u>
Less Accumulated Depreciation for:				
Buildings	\$ 303,715	\$ 29,851	\$ -	\$ 333,566
Furniture & equipment	353,111	33,496	-	386,607
Vehicles	392	4,700	-	5,092
Leasehold improvements	8,170	3,804	-	11,974
Total	<u>\$ 665,388</u>	<u>\$ 71,851</u>	<u>\$ -</u>	<u>\$ 737,239</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 1,349,977</u>			<u>\$ 1,290,975</u>
Capital Assets, Net	<u>\$ 1,669,426</u>			<u>\$ 1,610,424</u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Depreciation expense was charged to functions as follows:

Warehouse and delivery	\$	13,441
Administrative		12,097
Store expenses		46,313
Total Depreciation Expense	\$	<u>71,851</u>
		=====

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,099,160	\$ 916,262	\$ 276,673	\$ 3,292,095
Other governmental	334,915	638	-	335,553
Total	<u>\$ 2,434,075</u>	<u>\$ 916,900</u>	<u>\$ 276,673</u>	<u>\$ 3,627,648</u>
Business-type Activities:				
Solid Waste	\$ 101,379	\$ 35,178	\$ -	\$ 136,557
Water Distribution Funds:				
Southeast District	16,694	401	13,329	30,424
Southwest District	17,670	401	22,763	40,834
Total	<u>\$ 135,743</u>	<u>\$ 35,980</u>	<u>\$ 36,092</u>	<u>\$ 207,815</u>

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012**

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.

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.96% and 7.05%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.88% and 6.90% respectively, of annual covered payroll. The contribution requirements of members and of Wilson County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$1,886,755, \$1,741,789, and \$1,361,998, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010, were \$71,424, \$65,720, and \$64,039 respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Law Enforcement Officers Special Separation Allowance

Plan Description

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>87</u>
Total	<u>105</u> =====

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012**

Contributions

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

The annual required contribution for the current year was determined as part of the December 31, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases.

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	\$ 188,734
Interest on net pension obligation	29,672
Adjustment to annual required contribution	<u>(35,402)</u>
Annual pension cost	\$ 183,004
Contributions made	<u>(206,539)</u>
Increase (decrease) in net pension obligation	\$ (23,535)
Net Pension obligation, beginning of year	593,443
Net Pension obligation, end of year	<u><u>\$ 569,908</u></u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

3 Year Trend Information			
For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 170,529	64.72%	\$ 571,680
2011	196,797	88.94%	593,443
2012	183,004	112.86%	569,908

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,876,003. The covered payroll (annual payroll of active employees covered by the plan) was \$3,425,288, and the ratio of the UAAL to the covered payroll was 54.77%.

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

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012 were \$215,689, which consisted of \$173,108 from the County and \$42,581 from the law enforcement officers.

Registers of Deeds' Supplemental Pension Fund

Plan Description

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

The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2012, the County's required and actual contributions were \$4,434.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Other Post-Employment Benefits

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

A separate report was not issued for the plan.

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

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

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

The current ARC rate is 9.90% of annual covered payroll. For the current year, the County contributed \$552,570 or 1.9% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$20,903.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

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

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

Annual required contribution	\$ 2,808,685
Interest on net OPEB obligation	186,433
Adjustment to annual required contribution	<u>(178,102)</u>
Annual OPEB cost (expense)	\$ 2,817,016
Contributions made	<u>(552,570)</u>
Increase (decrease) in net OPEB obligation	\$ 2,264,446
Net OPEB obligation, beginning of year	6,986,123
Net OPEB obligation, end of year	<u><u>\$ 9,250,569</u></u>

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

For Year Ended June 30	Annual OPEB Cost	of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 2,707,166	13.0%	\$ 2,353,929
2010	2,707,166	14.8%	4,660,834
2011	2,817,016	17.5%	6,986,123
2012	2,817,016	18.6%	9,250,569

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Other Employment Benefits

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

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, are \$3,178,251.

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, 2012, those funds are held in investments with a cost and market value of \$4,669,689. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred/Unearned Revenues

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

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Prepaid taxes not yet earned	\$ -	\$ 374,258
Taxes receivable (net) (General)	2,267,538	-
Taxes receivable (net) (Special Revenue)	63,456	-
Total	<u>\$ 2,330,994</u>	<u>\$ 374,258</u>
	=====	=====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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 \$82.3 million for any one occurrence, general liability coverage of \$2 million per occurrence. The pool is reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$750,000 of aggregate annual losses in excess of \$250,000 per occurrence for property coverage. The County is self-funded for Workers Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$400,000 for regular employees and \$500,000 for law enforcement and Emergency Management Technicians up to a limit of \$1 million per occurrence.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to and purchase coverage of \$500,000 per structure through the NFIP. The County also is eligible to and has purchased commercial flood insurance of \$255,300 on one structure.

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

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The County operates a limited risk, self-insurance program to provide health benefits to County employees. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The Interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Administrative services are contracted with BCBSNC. Aggregate stop loss is purchased in the amount of 125% of expected annual claims and losses above \$138,000 on any one claim. Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$4,344,214 in claims were incurred for benefits during the year ended June 30, 2012. Changes in the fund's claims liability amount was as follows:

	Year Ended June 30, 2012
Unpaid claims, beginning of year	\$ 613,216
Incurred claims (including IBNRs)	4,625,210
Claim payments	(4,462,656)
Unpaid claims, end of year	\$ 775,770

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

In accordance with G.S. 18B-700(i) each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

6. 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 May 2, 2007 for software and equipment requiring five annual installments of \$88,907.
2. Lease executed on October 9, 2009 for 12 monitors/defibrillators requiring five annual installments of \$56,589.
3. 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.
4. Lease executed on August 11, 2011 for multitasking copier in Administration requiring sixty monthly installments of \$488.
5. Lease executed on August 11, 2011 for multitasking copier in the Health Department requiring sixty monthly installments of \$488.

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>2012</u>
Equipment	\$ 298,509
Buildings	1,091,055
Total	\$ 1,389,564
	=====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Year Ending <u>June 30</u>	General Long-Term <u>Debt</u>
2013	\$ 164,135
2014	166,052
2015	168,007
2016	113,412
2017	104,710
2018 - 2022	550,632
2023	267,710
Total minimum lease payments	<u>\$ 1,534,658</u>
Less: amount representing interest	670,220
Present value of the minimum lease payments	<u>\$ 864,438</u> =====

General Obligation Indebtedness

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The County's general obligation bonds payable at June 30, 2012 is comprised of the following individual issues:

	Balance <u>6-30-12</u>
General Obligation Bonds:	
\$4,545,000 Refunding Bonds 2003 - November 1, 2003; 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	\$ 765,000
\$5,300,000 Library Bonds Series 2003 - February 2, 2003; due in annual principal installments of \$350,000 through February 2018; interest at 3.25% to 3.6%; payable on February 1 and August 1	2,150,000
\$10,200,000 Advance Refunding Bonds 2010 - December 29, 2010; due in annual principal installments ranging from \$140,000 to \$2,145,000 through April 2017; interest at 2.0% to 4.0%; payable on October 1 and April 1	10,060,000
Total	<u>\$ 12,975,000</u> =====

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The County's financing debt at June 30, 2012 is comprised of the following notes payable:

	<u>Balance</u> <u>6-30-12</u>
Notes Payable:	
\$5,600,000 Financing Agreement - School Improvements July 31, 2001; Refinanced June 4, 2010 due in semi-annual fixed principal and interest payments of \$192,322; interest at 2.73% through October 27, 2015, payable on October 27 and April 27	\$ 1,346,260
\$5,000,000 Financing Agreement - School Improvements April 2, 2002; Refinanced June 4, 2010 due in semi-annual fixed principal payments of \$163,944 plus interest at 2.99% through October 26, 2016; payable on October 26 and April 26	1,475,502
\$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	59,722
\$5,000,000 Financing Agreement - School Improvements August 30, 1999; Refinanced June 4, 2010 due in semi-annual principal and interest payments of \$170,016 through August 31, 2014; interest at 2.73%; payable on February 28 and August 31	850,083
\$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	302,054
\$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%	501,999
\$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%	81,682

(continued)

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

	Balance 6-30-12
Notes Payable: (continued)	
\$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%	231,377
\$18,000,000 Notes Payable - Certificates of Participation - School Facilities Project September 12, 2007; due in annual principal and interest payments beginning April 1, 2010 through April 1, 2028; variable interest from 3.5% to 5%	17,100,000
Installment Purchases:	
\$903,313 School Renovations Qualified Zone Academy Bond - July 2, 2002; due in annual payments of \$54,209 through July 2019; non-interest bearing	415,442
\$5,235,125 Economic Development Park, backed by an inter-local agreement between the County of Wilson and the City of Wilson, each sharing one-half the amount of annual debt service; annual principal and interest payments beginning June 8, 2013 through June 8 2022; interest rate of 3.69%	5,235,125
Total	<u>\$ 27,599,246</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

	Balance 6-30-12
Water Department General Obligation:	
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	\$ 3,455,000
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	3,241,000
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	2,508,000
Notes Payable Water Department:	
Serviced by the Southwest Water District;	
2009 DENR Drinking Water Revolving Loan	
\$576,724 due in annual installments of	
\$28,837 (beginning 2009) plus	
interest at 2.100% through May 1, 2029	490,214
Serviced by the Southeast Water District;	
2009 DENR Drinking Water Revolving Loan	
\$481,507 due in annual installments of	
\$24,076 (beginning 2009) plus	
interest at 2.100% through May 1, 2029	409,283
Total	<u>\$ 10,103,497</u> =====

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2012, including interest payments, are as follows:

June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,880,000	\$ 369,313	\$ 149,500	\$ 415,097	\$ 3,029,500	\$ 784,410
2014	2,825,000	301,600	156,000	408,351	2,981,000	709,951
2015	2,415,000	214,150	163,000	401,311	2,578,000	615,461
2016	2,405,000	118,950	170,000	317,654	2,575,000	436,604
2017	2,050,000	65,250	176,500	386,279	2,226,500	451,529
2018-2022	400,000	14,400	1,005,000	1,804,616	1,405,000	1,819,016
2023-2027	-	-	1,241,500	1,557,258	1,241,500	1,557,258
2028-2032	-	-	1,533,500	1,251,493	1,533,500	1,251,493
2033-2037	-	-	1,887,000	873,585	1,887,000	873,585
2038-2042	-	-	2,090,000	423,925	2,090,000	423,925
2043-2047	-	-	632,000	59,443	632,000	59,443
Total	\$ 12,975,000	\$ 1,083,663	\$ 9,204,000	\$ 7,899,012	\$ 22,179,000	\$ 8,982,675

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2012, including interest payments, are as follows:

June 30	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,116,940	\$ 1,115,328	\$ 52,911	\$ 18,889	\$ 2,169,851	\$ 1,134,217
2014	2,462,596	1,048,091	52,911	17,778	2,515,507	1,065,869
2015	3,001,002	965,579	52,911	16,667	3,053,913	982,246
2016	2,337,483	871,791	52,911	15,556	2,390,394	887,347
2017-2021	1,987,310	787,950	52,911	14,445	2,040,221	802,395
2022-2026	8,793,915	2,734,969	264,564	55,557	9,058,479	2,790,526
2027-2031	5,750,000	1,049,675	264,564	27,778	6,014,564	1,077,453
2032-2036	1,150,000	50,312	105,814	3,333	1,255,814	53,645
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	\$ 27,599,246	\$ 8,623,695	\$ 899,497	\$ 170,003	\$ 28,498,743	\$ 8,793,698

At June 30, 2012, the County had a legal debt margin of \$467,392,628.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Advance Refundings

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

Debt Related to Capital Activities - Of the total Governmental Activities listed only \$6,397,001 relates to assets the County holds title.

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, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion of Balance
Governmental Activities:					
General					
obligation debt	\$ 14,760,000	\$ -	\$ 1,785,000	\$ 12,975,000	\$ 2,880,000
Capitalized leases	1,030,353	46,475	212,390	864,438	128,148
Notes payable	25,497,516	5,235,125	3,133,395	27,599,246	2,116,940
Compensated absences	1,844,416	108,533	-	1,952,949	-
Unfunded Special Separation Allowance	593,443	183,004	206,539	569,908	-
Other postemployment benefits	6,790,210	2,729,347	525,095	8,994,462	-
Total Governmental Activities	\$ 50,515,938	\$ 8,302,484	\$ 5,862,419	\$ 52,956,003	\$ 5,125,088

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Long-Term Obligation Activity (continued)

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Current Portion of Balance
Business-type Activities:					
Water Districts:					
General Obligation Debt	\$ 9,347,000	\$ -	\$ 143,000	\$ 9,204,000	\$ 149,500
Notes payable	952,409	-	52,912	899,497	52,911
Compensated absences	29,651	-	2,097	27,554	-
Other postemployment benefits	38,670	14,332	-	53,002	-
Total	<u>\$ 10,367,730</u>	<u>\$ 14,332</u>	<u>\$ 198,009</u>	<u>\$ 10,184,053</u>	<u>\$ 202,411</u>
Solid Waste:					
Accrued landfill closure & postclosure care costs	\$ 3,002,661	\$ 175,590	\$ -	\$ 3,178,251	\$ -
Compensated absences	28,662	2,776	-	31,438	-
Other postemployment benefits	157,243	73,338	27,476	203,105	-
Total	<u>\$ 3,188,566</u>	<u>\$ 251,704</u>	<u>\$ 27,476</u>	<u>\$ 3,412,794</u>	<u>\$ -</u>
Total Business-type Activities	<u>\$ 13,556,296</u>	<u>\$ 266,036</u>	<u>\$ 225,485</u>	<u>\$ 13,596,847</u>	<u>\$ 202,411</u>
Discretely Presented Component Units					
Long-term Liabilities:					
Compensated absences	\$ 42,064	\$ -	\$ 800	\$ 41,264	\$ -
Accrued liabilities	91,209	43,213	-	134,422	-
Total Long-term Liabilities	<u>\$ 133,273</u>	<u>\$ 43,213</u>	<u>\$ 800</u>	<u>\$ 175,686</u>	<u>\$ -</u>

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

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012**

Interfund Balances and Activity

Transfers to/from other funds at June 30, 2012, consist of the following:

From the Capital Project fund to the General Fund to provide resources Emergency Capital Projects	\$ 131,790
From the New Elementary School Capital Project to the General Fund to provide resources payment of New Elementary School debt interest	2,098
Total Other Government Fund Transfers	\$ 133,888

Fund Balance

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

Total Fund Balance - General Fund	\$ 36,998,944
Less:	
Stabilization by State Statute	7,036,931
Appropriated Fund Balance in 2012 budget	6,173,312
Register of Deeds	146,252
Human Services	2,297,353
Tax Revaluation	505,656
Public Safety	1,309,313
Cultural and Recreational	58,159
Remaining Fund Balance	\$ 19,471,968

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

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

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 \$445,500 to the Council for the fiscal year ended June 30, 2012. 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, 2012. Complete financial statements for the Council can be obtained from the Council's administrative offices at 126 West Nash Street, Wilson, North Carolina 27893.

Rocky Mount-Wilson Airport Authority

The County, in conjunction with the City of Wilson, City of Rocky Mount, County of Edgecombe, and County of Nash, participates in the Rocky Mount-Wilson Airport Authority (the "Airport"). Each participating city appoints two members and each participating County appoints one member to the seven-member board. The Airport is a joint venture established to facilitate economic expansion within the region and improve the quality of life for its citizens. The County has an ongoing financial responsibility for the Airport because it and the other participants are legally obligated, under the intergovernmental agreement that created the Airport, to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$47,857 to the Airport during the fiscal year ended June 30, 2012. 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, 2012. 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, 2012

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 \$301,500 and \$1,714,497 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2012. 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, 2012. 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, 2012, the County contributed \$0 to the Beacon Center. None of the participating governments have an equity interest in the Beacon Center, so no equity interest has been reflected in the financial statements at June 30, 2012. Complete financial statements for the Beacon Center may be obtained from the Center's offices at 500 Nash Medical Arts Mall, Rocky Mount, North Carolina 27804.

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

Effective July 1, 2012, The Beacon Center, Eastpointe Human Services and Southeastern Regional Mental Health, Developmental Disabilities and Substance Abuse Services and the Counties of Bladen, Columbus, Duplin, Edgecombe, Greene, Lenoir, Nash, Robeson, Sampson, Scotland, Wayne and Wilson merged Beacon and Southeastern Regional into Eastpointe (New Catchment Area). This merger took place in order to operate as an LME/MCO under North Carolina's 1915(b)/(c) Medicaid Waiver Program as a single prepaid inpatient health plan for mental health, developmental disabilities and substance abuse services beginning no later than January 1, 2013, and to continue to manage the provision of high quality, cost-effective behavioral health services to consumers who are citizens of Bladen, Columbus, Duplin, Edgecombe, Green, Lenoir, Nash, Robeson, Sampson, Scotland, Wayne and Wilson Counties. Following the merger, Eastpointe, as the surviving LME/MCO entity is governed by an Area Board. The Area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. The number of directors on the Area Board, their Qualifications and the Area Board's organization is consistent with the provisions of N.C. General Statute §122C-118.1, as it may be hereinafter amended, or of any successor statute governing organization and membership of the governing board of an LME. The three counties in the New Catchment Area with the largest population each have three (3) representatives on the Area Board. Each other county in the New Catchment Area have two (2) representatives on the Area Board. The identification of the counties, which have such population for this purpose shall be re-examined every three (3) years based on any changes in population. The population numbers used will be those published by the N.C. Department of Health and Human Services.

As of July 1, 2012, Wilson County has two representatives on the board. Each participant in the joint venture will make an annual appropriation with the majority of funding coming from other sources. None of the participating governments have an equity interest in Eastpointe, so no equity interest will be reflected in the financial statements. Further information regarding the LME/MCO can be obtained from Eastpointe's Corporate office at 514 East Main Street, P.O. Box 369, Beulaville, N.C. 28518.

**Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012**

VI. Jointly Governed Organization

Upper Coastal Plain Council of Governments

The County, in conjunction with 5 other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$37,640 to the Council during the fiscal year ended June 30, 2012.

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	\$ 73,863,290	\$ 42,799,442
Temporary Assistance for Needy Families	560,784	-
Low Income Home Energy		
Assistance Block Grant	182,200	-
Special Assistance for Adults	-	983,063
Food Stamp Program	25,077,675	-
Adoption Subsidies	461,022	399,417
	<u>\$ 100,144,971</u>	<u>\$ 44,181,922</u>
	=====	=====
Total		

Wilson County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2012

XII Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

XIII Summary Disclosure of Subsequent Events

Issuance of Debt

September 20, 2012, the County entered into a \$300,000 installment contract to finance the purchase of telephone switching equipment for the County. This is a 3-year contract with payments in arrears and an annual interest rate of 1.44%

Wilson County Water Districts are in the process of refunding up to \$9,700,000 in existing debt on Series 2003, 2004A and 2006 bonds USDA General Obligation Bonds. The Refunding Bonds will be sold to the County and the County will purchase them with the proceeds from County issued Limited Obligation Bonds. The County will pledge the District Refunding Bonds and the payments thereon to secure payment of the Limited Obligation Bonds.

Recycling Transfer Facility

In September 2012, the solid Waste department began construction on a Recycling Transfer Facility. The Recycling Facility will be located at the County Landfill. The Facility will allow single stream materials to be dumped inside this facility and then loaded into transfer trailers for hauling to a regional Material Recovery Facility for the collection of recycling. This facility will assist the public recycling programs become more cost effective.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Law Enforcement Officers' Special Separation Allowance

- Schedule of Funding Progress
- Schedule of Employer Contributions

Other Postemployment Benefits

- Schedule of Funding Progress
- Schedule of Employer Contributions

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

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/94	\$ -	\$ 215,111	\$ 215,111	0.00%	\$ 1,326,932	16.21%
12/31/95	-	278,703	278,703	0.00%	1,359,862	20.49%
12/31/96	-	319,619	319,619	0.00%	1,502,886	21.27%
12/31/97	-	357,219	357,219	0.00%	1,636,804	21.82%
12/31/98	-	386,832	386,832	0.00%	1,703,087	22.71%
12/31/99	-	430,641	430,641	0.00%	1,865,945	23.08%
12/31/00	-	699,004	699,004	0.00%	1,951,257	35.82%
12/31/01	-	797,139	797,139	0.00%	2,070,144	38.51%
12/31/02	-	802,713	802,713	0.00%	2,075,538	38.67%
12/31/03	-	854,938	854,938	0.00%	2,238,943	38.18%
12/31/04	-	1,031,697	1,031,697	0.00%	2,453,246	42.05%
12/31/05	-	1,124,959	1,124,959	0.00%	2,779,417	40.47%
12/31/06	-	1,228,224	1,228,224	0.00%	2,944,282	41.72%
12/31/07	-	1,414,602	1,414,602	0.00%	3,362,573	42.07%
12/31/08	-	1,548,728	1,548,728	0.00%	3,862,507	40.10%
12/31/09	-	1,965,544	1,965,544	0.00%	3,795,700	51.78%
12/31/10	-	1,855,164	1,855,164	0.00%	3,741,831	49.58%
12/31/11	-	1,876,003	1,876,003	0.00%	3,425,288	54.77%

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

Exhibit A-2

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2000	\$ 53,230	49.40%
2001	59,626	54.46%
2002	81,236	46.17%
2003	88,384	44.76%
2004	90,553	58.17%
2005	109,217	63.36%
2006	116,674	59.93%
2007	125,341	77.77%
2008	145,656	80.82%
2009	165,667	63.53%
2010	198,819	64.72%
2011	188,734	88.94%
2012	187,337	112.86%

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	12/31/11
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

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

Exhibit A-3

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

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

Exhibit A-4

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,707,166	13.00%
2010	2,707,166	15.00%
2011	2,817,016	17.50%
2012	2,817,016	19.62%

Notes to the Required Schedules:

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

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

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

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Major Governmental Funds

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 45,788,090	\$ 46,853,188	\$ 1,065,098
Penalties and interest	250,000	423,713	173,713
Total	\$ 46,038,090	\$ 47,276,901	\$ 1,238,811
Local Option Sales Taxes	\$ 9,575,000	\$ 10,925,633	\$ 1,350,633
Other Taxes and Licenses:			
Franchise tax	\$ 75,000	\$ 99,253	\$ 24,253
Rental vehicle sales tax	29,000	37,447	8,447
Privilege and civil licenses	3,000	7,570	4,570
Beer and wine tax	36,000	120,501	84,501
Excise tax	250,000	234,873	(15,127)
Total	\$ 393,000	\$ 499,644	\$ 106,644
Unrestricted Intergovernmental:			
Housing Authority	\$ 19,400	\$ 6,595	\$ (12,805)
Wilson County ABC Board:			
Profit distribution	225,000	243,750	18,750
Total	\$ 244,400	\$ 250,345	\$ 5,945
Restricted Intergovernmental:			
General Fund	\$ 2,834,268	\$ 2,910,595	\$ 76,327
Library	178,410	177,278	(1,132)
Health Services	1,591,815	1,471,016	(120,799)
Social Services	13,659,830	14,509,739	849,909
Court facility fees	165,700	123,028	(42,672)
Total	\$ 18,430,023	\$ 19,191,656	\$ 761,633

(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, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues (continued):			
Permits and Fees:			
Building permits and inspection fees	\$ 64,000	\$ 76,131	\$ 12,131
Register of deeds	290,500	324,074	33,574
Total	\$ 354,500	\$ 400,205	\$ 45,705
Sales and Services:			
Jail fees and Sheriff fees	\$ 936,160	\$ 1,047,589	\$ 111,429
Rents, concessions, and fees	8,268,608	8,079,964	(188,644)
Ambulance service fees	1,200,000	2,409,304	1,209,304
Communication Center	900,000	1,040,876	140,876
Total	\$ 11,304,768	\$ 12,577,733	\$ 1,272,965
Investment Earnings	\$ 100,000	\$ 66,344	\$ (33,656)
Miscellaneous:			
Sale of fixed assets	\$ 58,000	\$ 52,979	\$ (5,021)
Other	87,674	108,134	20,460
Total	\$ 145,674	\$ 161,113	\$ 15,439
Total Revenues	\$ 86,585,455	\$ 91,349,574	\$ 4,764,119
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	\$ 61,361	\$ 61,361	\$ -
Other operating expenditures	23,212	23,042	170
Total	\$ 84,573	\$ 84,403	\$ 170

(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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures: (continued)			
General Government: (continued)			
Administration:			
Salaries and employee benefits	\$ 405,546	\$ 403,300	\$ 2,246
Other operating expenditures	9,710	8,800	910
Capital outlay	32,171	29,642	2,529
Total	<u>\$ 447,427</u>	<u>\$ 441,742</u>	<u>\$ 5,685</u>
Human Resources:			
Salaries and employee benefits	\$ 133,330	\$ 132,901	\$ 429
Other operating expenditures	53,960	39,384	14,576
Total	<u>\$ 187,290</u>	<u>\$ 172,285</u>	<u>\$ 15,005</u>
Board of Elections:			
Salaries and employee benefits	\$ 281,335	\$ 235,153	\$ 46,182
Other operating expenditures	114,755	60,957	53,798
Capital outlay	-	-	-
Total	<u>\$ 396,090</u>	<u>\$ 296,110</u>	<u>\$ 99,980</u>
Finance:			
Salaries and employee benefits	\$ 446,490	\$ 362,775	\$ 83,715
Other operating expenditures	29,680	23,005	6,675
Total	<u>\$ 476,170</u>	<u>\$ 385,780</u>	<u>\$ 90,390</u>
Office of Tax Supervisor:			
Salaries and employee benefits	\$ 849,231	\$ 840,014	\$ 9,217
Other operating expenditures	317,333	267,460	49,873
Data processing charges	84,700	83,838	862
Capital outlay	38,090	38,090	-
Total	<u>\$ 1,289,354</u>	<u>\$ 1,229,402</u>	<u>\$ 59,952</u>

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Technology Services:			
Salaries and employee benefits	\$ 373,697	\$ 369,984	\$ 3,713
Data processing charges	158,502	149,367	9,135
Other operating expenditures	60,520	51,768	8,752
Capital outlay	30,693	30,693	-
Total	<u>\$ 623,412</u>	<u>\$ 601,812</u>	<u>\$ 21,600</u>
Register of Deeds:			
Salaries and employee benefits	\$ 343,112	\$ 301,941	\$ 41,171
Other operating expenditures	139,378	124,289	15,089
Total	<u>\$ 482,490</u>	<u>\$ 426,230</u>	<u>\$ 56,260</u>
Public Buildings:			
Other operating expenditures	\$ 759,787	\$ 636,070	\$ 123,717
Capital outlay	286,892	281,420	5,472
Total	<u>\$ 1,046,679</u>	<u>\$ 917,490</u>	<u>\$ 129,189</u>
Court Facilities:			
Salaries and employee benefits	\$ 380,633	\$ 368,738	\$ 11,895
Other operating expenditures	228,928	192,450	36,478
Capital outlay	76,249	75,971	278
Total	<u>\$ 685,810</u>	<u>\$ 637,159</u>	<u>\$ 48,651</u>
Central Service:			
Other operating expenditures	<u>\$ 1,538,644</u>	<u>\$ 1,192,683</u>	<u>\$ 345,961</u>

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
General Government (continued):			
Other:			
Upper Coastal Plain COG	\$ 47,829	\$ 47,829	\$ -
Other area projects	986,417	966,175	20,242
Total	\$ 1,034,246	\$ 1,014,004	\$ 20,242
Total General Government	\$ 8,292,185	\$ 7,399,100	\$ 893,085
Public Safety:			
Sheriff:			
Salaries and employee benefits	\$ 5,057,793	\$ 4,876,420	\$ 181,373
Other operating expenditures	1,388,744	1,300,125	88,619
Capital outlay	271,980	269,069	2,911
Total	\$ 6,718,517	\$ 6,445,614	\$ 272,903
Jail:			
Salaries and employee benefits	\$ 2,325,459	\$ 2,193,444	\$ 132,015
Other operating expenditures	1,047,534	1,025,657	21,877
Capital outlay	18,838	18,058	780
Total	\$ 3,391,831	\$ 3,237,159	\$ 154,672
Animal Control:			
Salaries and employee benefits	\$ 426,056	\$ 424,941	\$ 1,115
Other operating expenditures	113,600	112,843	757
Total	\$ 539,656	\$ 537,784	\$ 1,872

(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, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Public Safety (continued):			
Emergency Communications:			
Salaries and employee benefits	\$ 1,774,569	\$ 1,709,661	\$ 64,908
Other operating expenditures	261,142	216,605	44,537
Total	\$ 2,035,711	\$ 1,926,266	\$ 109,445
Emergency Management:			
Salaries and employee benefits	\$ 146,270	\$ 146,167	\$ 103
Other operating expenditures	101,505	64,739	36,766
Capital outlay	13,195	13,195	-
Total	\$ 260,970	\$ 224,101	\$ 36,869
Emergency Medical Servicing:			
Salaries and employee benefits	\$ 3,123,657	\$ 3,051,130	\$ 72,527
Other operating expenditures	810,854	803,688	7,166
Capital outlay	472,589	460,409	12,180
Total	\$ 4,407,100	\$ 4,315,227	\$ 91,873
Total Public Safety	\$ 17,353,785	\$ 16,686,151	\$ 667,634
Transportation:			
Rocky Mount/Wilson Airport	\$ 47,857	\$ 47,857	\$ -
Environmental Protection:			
Forestry Program:			
Other operating expenditures	\$ 87,108	\$ 70,903	\$ 16,205

(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, 2012**

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Environmental Protection: (continued)			
Soil Conservation:			
Salaries and employee benefits	\$ 196,761	\$ 180,584	\$ 16,177
Other operating expenditures	22,570	18,294	4,276
Total	<u>\$ 219,331</u>	<u>\$ 198,878</u>	<u>\$ 20,453</u>
 Total Environmental Protection	 <u>\$ 306,439</u>	 <u>\$ 269,781</u>	 <u>\$ 36,658</u>
 Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	\$ 449,258	\$ 416,148	\$ 33,110
Other operating expenditures	57,886	46,331	11,555
Capital outlay	27,400	25,257	2,143
Total	<u>\$ 534,544</u>	<u>\$ 487,736</u>	<u>\$ 46,808</u>
 Planning and Zoning:			
Salaries and employee benefits	\$ 547,910	\$ 537,049	\$ 10,861
Other operating expenditures	65,150	48,347	16,803
Total	<u>\$ 613,060</u>	<u>\$ 585,396</u>	<u>\$ 27,664</u>
 Other:			
Economic Development:			
Operating	\$ 195,500	\$ 195,500	\$ -
Capital	2,900,000	2,867,563	32,437
Total	<u>\$ 3,095,500</u>	<u>\$ 3,063,063</u>	<u>\$ 32,437</u>
 Total Economic and Physical Development	 <u>\$ 4,243,104</u>	 <u>\$ 4,136,195</u>	 <u>\$ 106,909</u>

(continued)

Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services:			
Mental Health	\$ 351,448	\$ -	\$ 351,448
Diversified Opportunities	\$ 29,250	\$ 29,250	\$ -
Senior Center:			
Salaries and employee benefits	\$ 58,351	\$ 58,339	\$ 12
Other operating expenditures	65,110	57,176	7,934
Capital outlay	5,480	5,413	67
Total	\$ 128,941	\$ 120,928	\$ 8,013
Home and Community Care Block Grant:			
Operating Expenses	628,994	628,994	-
Total	\$ 628,994	\$ 628,994	\$ -
Temporary Care Giver:			
Salaries and employee benefits	\$ 12,525	\$ 12,344	\$ 181
Other operating expenditures	39,506	26,024	13,482
Total	\$ 52,031	\$ 38,368	\$ 13,663
Health:			
Administration:			
Salaries and employee benefits	\$ 1,100	\$ 678	\$ 422
Other operating expenditures	578,400	318,082	260,318
Capital outlay	94,007	35,725	58,282
Total	\$ 673,507	\$ 354,485	\$ 319,022

(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, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Health Promotion:			
Salaries and employee benefits	\$ 20,536	\$ 17,223	\$ 3,313
Other operating expenditures	17,790	12,496	5,294
Capital outlay	2,000	1,633	367
Total	\$ 40,326	\$ 31,352	\$ 8,974
Tuberculosis Control:			
Salaries and employee benefits	\$ 86,622	\$ 27,098	\$ 59,524
Other operating expenditures	40,589	23,703	16,886
Capital outlay	4,100	3,405	695
Total	\$ 131,311	\$ 54,206	\$ 77,105
Home Health:			
Salaries and employee benefits	\$ 4,242,733	\$ 3,530,735	\$ 711,998
Other operating expenditures	2,120,564	2,051,726	68,838
Capital outlay	235,660	202,360	33,300
Total	\$ 6,598,957	\$ 5,784,821	\$ 814,136
Family Planning:			
Salaries and employee benefits	\$ 574,209	\$ 543,270	\$ 30,939
Other operating expenditures	221,896	190,875	31,021
Capital outlay	5,818	408	5,410
Total	\$ 801,923	\$ 734,553	\$ 67,370

(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, 2012**

	<u>Budget</u>	<u>Actual</u>	Exhibit B-1 Variance Positive (Negative)
			<u>(Negative)</u>
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Maternal Health:			
Salaries and employee benefits	\$ 255,810	\$ 148,692	\$ 107,118
Other operating expenditures	37,482	21,593	15,889
Capital outlay	12,618	7,378	5,240
Total	<u>\$ 305,910</u>	<u>\$ 177,663</u>	<u>\$ 128,247</u>
Environmental Health:			
Salaries and employee benefits	\$ 415,486	\$ 415,031	\$ 455
Other operating expenditures	37,605	21,686	15,919
Capital outlay	14,600	10,542	4,058
Total	<u>\$ 467,691</u>	<u>\$ 447,259</u>	<u>\$ 20,432</u>
Immunization:			
Salaries and employee benefits	\$ 50,374	\$ 44,147	\$ 6,227
Other operating expenditures	90,419	81,977	8,442
Total	<u>\$ 140,793</u>	<u>\$ 126,124</u>	<u>\$ 14,669</u>
Communicable Diseases:			
Salaries and employee benefits	\$ 351,622	\$ 270,263	\$ 81,359
Other operating expenditures	44,927	21,239	23,688
Total	<u>\$ 396,549</u>	<u>\$ 291,502</u>	<u>\$ 105,047</u>

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	\$ 54,207	\$ 34,184	\$ 20,023
Other operating expenditures	12,498	3,794	8,704
Capital outlay	3,700	2,547	1,153
Total	\$ 70,405	\$ 40,525	\$ 29,880
Child Health:			
Salaries and employee benefits	\$ 661,293	\$ 600,857	\$ 60,436
Other operating expenditures	92,900	65,184	27,716
Total	\$ 754,193	\$ 666,041	\$ 88,152
Child Service Coordinator:			
Salaries and employee benefits	\$ 331,328	\$ 317,521	\$ 13,807
Other operating expenditures	40,895	12,821	28,074
Capital outlay	8,552	6,970	1,582
Total	\$ 380,775	\$ 337,312	\$ 43,463
WIC Clinic Administration:			
Salaries and employee benefits	\$ 86,406	\$ 86,402	\$ 4
Other operating expenditures	775	198	577
Total	\$ 87,181	\$ 86,600	\$ 581
WIC Nutrition Education:			
Salaries and employee benefits	\$ 134,155	\$ 132,354	\$ 1,801
Other operating expenditures	8,523	2,664	5,859
Total	\$ 142,678	\$ 135,018	\$ 7,660

(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, 2012**

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
AIDS Control:			
Salaries and employee benefits	\$ 14,079	\$ 143	\$ 13,936
Other operating expenditures	2,030	1,614	416
Total	<u>\$ 16,109</u>	<u>\$ 1,757</u>	<u>\$ 14,352</u>
Bioterrorism:			
Salaries and employee benefits	\$ 26,683	\$ 21,766	\$ 4,917
Other operating expenditures	13,480	6,526	6,954
Total	<u>\$ 40,163</u>	<u>\$ 28,292</u>	<u>\$ 11,871</u>
WIC Client Services:			
Salaries and employee benefits	\$ 500,695	\$ 500,595	\$ 100
Other operating expenditures	14,046	13,203	843
Total	<u>\$ 514,741</u>	<u>\$ 513,798</u>	<u>\$ 943</u>
Maternal Child Care:			
Salaries and employee benefits	\$ 617,710	\$ 519,546	\$ 98,164
Other operating expenditures	118,295	82,872	35,423
Total	<u>\$ 736,005</u>	<u>\$ 602,418</u>	<u>\$ 133,587</u>
Breast and Cervical Cancer:			
Salaries and employee benefits	\$ 7,365	\$ 7,362	\$ 3
Other operating expenditures	15,008	9,224	5,784
Total	<u>\$ 22,373</u>	<u>\$ 16,586</u>	<u>\$ 5,787</u>

(continued)

**Wilson County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Health (continued):			
Adult Health:			
Salaries and employee benefits	\$ 257,603	\$ 242,601	\$ 15,002
Other operating expenditures	19,907	14,236	5,671
Total	\$ 277,510	\$ 256,837	\$ 20,673
Total Health	\$ 12,599,100	\$ 10,687,149	\$ 1,911,951
Social Services:			
Administration:			
Salaries and employee benefits	\$ 11,957,912	\$ 11,540,644	\$ 417,268
Other operating expenditures	2,106,309	1,781,113	325,196
Capital outlay	291,683	257,306	34,377
Total	\$ 14,355,904	\$ 13,579,063	\$ 776,841
4D Child Support:			
Salaries and employee benefits	\$ 103,327	\$ 103,084	\$ 243
Other operating expenditures	113,648	43,708	69,940
Total	\$ 216,975	\$ 146,792	\$ 70,183
Income Maintenance Programs:			
AFDC program - County participation	\$ 100,000	\$ 13,227	\$ 86,773
AFDC Foster Care	538,800	300,384	238,416
Special assistance - Adults	1,007,025	983,063	23,962
Medicaid - County participation	1,500,000	625,253	874,747
Total	\$ 3,145,825	\$ 1,921,927	\$ 1,223,898

(continued)

ADDITIONAL FINANCIAL DATA

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

- Schedule of Ad Valorem Taxes Receivable.
- Analysis of Current Tax Levy – County-Wide Levy
- Analysis of Current Tax Levy – Fire Districts
- Statement of Changes in Assets and Liabilities – Agency Funds

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**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, 2012**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Human Services (continued):			
Social Services: (continued)			
Other Services:			
Other operating expenditures	\$ 6,538,592	\$ 5,455,788	\$ 1,082,804
Homeless Prevention and Rapid Re-Housing:			
Salaries and employee benefits	\$ 83,715	\$ 55,811	\$ 27,904
Other operating expenditures	120,014	111,039	8,975
Total	\$ 203,729	\$ 166,850	\$ 36,879
Subsidized Employment Program:			
Other operating expenditures	\$ 222,600	\$ 132,757	\$ 89,843
Total Social Services	\$ 24,683,625	\$ 21,403,177	\$ 3,280,448
Veterans Affairs:			
Salaries and employee benefits	\$ 47,904	\$ 47,848	\$ 56
Other operating expenditures	300	73	227
Total	\$ 48,204	\$ 47,921	\$ 283
Total Human Services	\$ 38,521,593	\$ 32,955,787	\$ 5,565,806
Cultural and Recreational:			
Recreation:			
Other operating expenditures	\$ 88,570	\$ 88,570	\$ -

(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, 2012**

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Cultural and Recreational: (continued)			
Libraries:			
Salaries and employee benefits	\$ 1,127,500	\$ 1,102,379	\$ 25,121
Other operating expenditures	446,378	401,637	44,741
Capital outlay	58,250	56,484	1,766
Total	\$ 1,632,128	\$ 1,560,500	\$ 71,628
Total Cultural and Recreational	\$ 1,720,698	\$ 1,649,070	\$ 71,628
Education:			
Public schools - current	\$ 16,241,122	\$ 16,241,122	\$ -
Public schools - capital outlay	40,015	40,014	1
Public school bond fund	120,042	120,040	2
Community colleges - current	1,714,497	1,714,497	-
Community colleges - capital outlay	301,500	301,500	-
Total Education	\$ 18,417,176	\$ 18,417,173	\$ 3
Debt Service:			
Principal retirement	\$ 5,004,803	\$ 5,004,797	\$ 6
Interest and other charges	1,439,941	1,439,934	7
Total Debt Service	\$ 6,444,744	\$ 6,444,731	\$ 13
Total Expenditures	\$ 95,347,581	\$ 88,005,845	\$ 7,341,736
Revenues Over Expenditures	\$ (8,762,126)	\$ 3,343,729	\$ 12,105,855

(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, 2012

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
(continued)			
Other Financing Sources (Uses):			
Transfers to Other Funds:			
Tax Revaluation Fund	\$ (75,000)	\$ (75,000)	\$ -
Economic Development Fund	(1,604,000)	(1,604,000)	-
Transfers from Other Funds:			
Capital Projects Fund	131,790	131,790	-
New Elementary School Capital Project	-	2,098	2,098
Notes Payable	5,300,000	5,235,125	(64,875)
Capital Lease Proceeds	62,512	46,475	(16,037)
Capital Lease Receivable	(2,650,000)	(2,617,562)	32,438
Fund balance appropriated	7,596,824	-	(7,596,824)
Total Other Financing Sources (Uses)	\$ 8,762,126	\$ 1,118,926	\$ (7,643,200)
Revenues and Other Financing			
Sources Over (Under) Expenditures			
and Other Financing Uses			
	\$ -	\$ 4,462,655	\$ 4,462,655
Fund Balances:			
Beginning of year, July 1		31,571,414	
End of year, June 30		\$ 36,034,069	

Wilson County, North Carolina
Legally Budgeted Tax Revaluation Fund and Economic Development
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended June 30, 2012

Exhibit B-2

	Revaluation Fund	Economic Development	Total Combined Funds
Revenues			
Restricted intergovernmental	\$ -	\$ 3,162	\$ 3,162
Investment earnings	923	-	923
Total Revenues	\$ 923	\$ 3,162	\$ 4,085
Expenditures			
Current:			
General Government:			
Economic incentives	-	1,435,793	1,435,793
Revenues Over (Under) Expenditures	\$ 923	\$ (1,432,631)	\$ (1,431,708)
Other Financing Sources (Uses):			
Transfers In:			
General Fund	75,000	1,604,000	1,679,000
Net Change in Fund Balance	\$ 75,923	\$ 171,369	\$ 247,292
Fund Balances:			
Beginning of year, July 1	429,733	287,850	717,583
End of year, June 30	\$ 505,656	\$ 459,219	\$ 964,875

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

**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, 2012**

Exhibit B-3

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Investment earnings	\$ 500	\$ 923	\$ 423
Expenditures:			
Current:			
General Government:			
Tax listing	75,500	-	75,500
Revenues Over (Under) Expenditures	\$ (75,000)	\$ 923	\$ 75,923
Other Financing Sources:			
Transfer In:			
General Fund	75,000	75,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 75,923	\$ 75,923
Fund Balances:			
Beginning of year, July 1		429,733	
End of year, June 30		\$ 505,656	

**Wilson County, North Carolina
Economic Development Reserve
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012**

Exhibit B-4

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted intergovernmental	\$ -	\$ 3,162	\$ 3,162
Expenditures:			
Current:			
General Government:			
Economic incentives	1,604,000	1,435,793	168,207
Revenues Over (Under) Expenditures	\$ (1,604,000)	\$ (1,432,631)	\$ 171,369
Other Financing Sources:			
Transfer In:			
General Fund	1,604,000	1,604,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 171,369	\$ 171,369
Fund Balances:			
Beginning of year, July 1		287,850	
End of year, June 30		\$ 459,219	

Non-Major Governmental Funds

**Wilson County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

Special Revenue Funds

	Fire Districts Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Community Grant Fund
Assets					
Cash and cash equivalents	\$ 294,808	\$ 893,128	\$ 185,722	\$ -	\$ 25,318
Restricted cash	-	-	-	-	-
Taxes receivable, net	63,456	-	-	-	-
Accounts receivable, net	-	36,594	17,519	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 358,264	\$ 929,722	\$ 203,241	\$ -	\$ 25,318
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 294,808	\$ 1,346	\$ 23,591	\$ -	\$ 15,808
Deferred revenue	63,456	-	-	-	-
Unearned revenue	-	-	-	-	9,510
Due to other funds	-	-	-	-	-
Total Liabilities	\$ 358,264	\$ 1,346	\$ 23,591	\$ -	\$ 25,318
Fund Balances:					
Restricted:					
Stabilization by State Statute	\$ -	\$ 36,594	\$ 17,519	\$ -	\$ -
Community Development Projects	-	-	-	-	-
School Capital	-	-	-	-	-
Public Safety	-	891,782	-	-	-
Assigned:					
Subsequent year's expenditures	-	-	-	-	-
Transportation	-	-	162,131	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	\$ -	\$ 928,376	\$ 179,650	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 358,264	\$ 929,722	\$ 203,241	\$ -	\$ 25,318

Exhibit C-1

Capital Projects Funds					
Total Non-major Special Revenue Funds	Public Buildings Fund	New Elementary Construction Fund	Community Development Projects Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 1,398,976	\$ 273,487	\$ -	\$ -	\$ 273,487	\$ 1,672,463
-	-	-	-	-	-
63,456	-	-	-	-	63,456
54,113	-	-	-	-	54,113
-	-	-	-	-	-
<u>\$ 1,516,545</u>	<u>\$ 273,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,487</u>	<u>\$ 1,790,032</u>
\$ 335,553	\$ -	\$ -	\$ -	\$ -	\$ 335,553
63,456	-	-	-	-	63,456
9,510	-	-	-	-	9,510
-	-	-	-	-	-
<u>\$ 408,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,519</u>
\$ 54,113	\$ -	\$ -	\$ -	\$ -	\$ 54,113
-	-	-	-	-	-
-	-	-	-	-	-
891,782	-	-	-	-	891,782
-	-	-	-	-	-
-	273,487	-	-	273,487	273,487
162,131	-	-	-	-	162,131
-	-	-	-	-	-
<u>\$ 1,108,026</u>	<u>\$ 273,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,487</u>	<u>\$ 1,381,513</u>
<u>\$ 1,516,545</u>	<u>\$ 273,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,487</u>	<u>\$ 1,790,032</u>

Wilson County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds				
	Fire District Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Community Grant Fund
Revenues					
Ad valorem taxes	\$ 1,209,819	\$ -	\$ -	\$ -	\$ -
Local option sales tax	277,168	-	-	-	-
Other taxes	-	-	-	-	-
Restricted intergovernmental	-	997,174	238,893	12,924	28,500
Sales and Services	-	-	30,613	-	-
Investment earnings	-	1,630	-	-	-
Miscellaneous	-	-	183,307	-	-
Total Revenues	<u>\$ 1,486,987</u>	<u>\$ 998,804</u>	<u>\$ 452,813</u>	<u>\$ 12,924</u>	<u>\$ 28,500</u>
Expenditures					
Economic Development	\$ -	\$ -	\$ -	\$ 12,924	\$ 28,500
Public Safety	1,486,987	594,827	448,853	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Projects	-	558,044	-	-	-
General Government	-	-	-	-	-
Total Expenditures	<u>\$ 1,486,987</u>	<u>\$ 1,152,871</u>	<u>\$ 448,853</u>	<u>\$ 12,924</u>	<u>\$ 28,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ (154,067)</u>	<u>\$ 3,960</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources:					
Transfers to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers from other funds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balances	\$ -	\$ (154,067)	\$ 3,960	\$ -	\$ -
Fund Balances:					
Beginning of year, July 1	-	1,082,443	175,690	-	-
End of year, June 30	<u>\$ -</u>	<u>\$ 928,376</u>	<u>\$ 179,650</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit C-2

Total Non-major Special Revenue Funds	Capital Projects Funds			Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Public Buildings Fund	New Elementary Construction Fund	Community Development Projects Fund		
\$ 1,209,819	\$ -	\$ -	\$ -	\$ -	\$ 1,209,819
277,168	-	-	-	-	277,168
-	-	-	-	-	-
1,277,491	-	-	3,767	3,767	1,281,258
30,613	-	-	-	-	30,613
1,630	-	-	-	-	1,630
183,307	-	-	-	-	183,307
<u>\$ 2,980,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,767</u>	<u>\$ 3,767</u>	<u>\$ 2,983,795</u>
\$ 41,424	\$ -	\$ -	\$ -	\$ -	\$ 41,424
2,530,667	-	-	-	-	2,530,667
-	-	-	-	-	-
-	-	-	-	-	-
558,044	-	430,114	3,767	433,881	991,925
-	-	-	-	-	-
<u>\$ 3,130,135</u>	<u>\$ -</u>	<u>\$ 430,114</u>	<u>\$ 3,767</u>	<u>\$ 433,881</u>	<u>\$ 3,564,016</u>
\$ (150,107)	\$ -	\$ (430,114)	\$ -	\$ (430,114)	\$ (580,221)
\$ -	\$ (131,790)	\$ (2,098)	\$ -	\$ (133,888)	\$ (133,888)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (131,790)</u>	<u>\$ (2,098)</u>	<u>\$ -</u>	<u>\$ (133,888)</u>	<u>\$ (133,888)</u>
\$ (150,107)	\$ (131,790)	\$ (432,212)	\$ -	\$ (564,002)	\$ (714,109)
1,258,133	405,277	432,212	-	837,489	2,095,622
<u>\$ 1,108,026</u>	<u>\$ 273,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,487</u>	<u>\$ 1,381,513</u>

Wilson County, North Carolina
Fire District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

Exhibit C-3

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 1,167,578	\$ 1,152,736	\$ (14,842)
Prior year	61,890	57,083	(4,807)
Total Ad Valorem Taxes	\$ 1,229,468	\$ 1,209,819	\$ (19,649)
Other taxes	244,572	277,168	32,596
Total Revenues	\$ 1,474,040	\$ 1,486,987	\$ 12,947
Expenditures:			
Public Safety	1,474,040	1,486,987	(12,947)
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Wilson County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

Exhibit C-4

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted intergovernmental:			
NC 911 Board	\$ 439,130	\$ 439,130	\$ -
NC 911 Grant	558,044	558,044	-
Investment earnings	748	1,630	882
Total Revenues	<u>\$ 997,922</u>	<u>\$ 998,804</u>	<u>\$ 882</u>
Expenditures:			
Implemental functions	\$ 115,963	\$ 72,907	\$ 43,056
Telephone	150,832	137,949	12,883
Furniture	16,716	11,993	4,723
Software maintenance	70,302	55,134	15,168
Hardware maintenance	70,000	14,091	55,909
Training	8,000	4,520	3,480
Capital outlay	558,044	558,044	-
S.L.2011-158 Expenditures	298,871	298,233	638
Total Expenditures	<u>\$ 1,288,728</u>	<u>\$ 1,152,871</u>	<u>\$ 135,857</u>
Revenues Over (Under) Expenditures	<u>\$ (290,806)</u>	<u>\$ (154,067)</u>	<u>\$ 136,739</u>
Other Financing Sources:			
Transfer in	\$ -	\$ -	\$ -
Fund balance appropriated	290,806		(290,806)
Total Other Financing Sources	<u>\$ 290,806</u>	<u>\$ -</u>	<u>\$ (290,806)</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (154,067)</u>	<u>\$ (154,067)</u>
Fund Balances:			
Beginning of year, July 1		1,082,443	
End of year, June 30		<u>\$ 928,376</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, 2012**

Exhibit C-5

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Restricted Intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 184,417	\$ (42,828)
Capital Grant	38,700	-	(38,700)
Public Transportation Grant	76,674	54,476	(22,198)
Sales & Services	45,005	30,613	(14,392)
Miscellaneous	145,000	183,307	38,307
Total Revenues	\$ 532,624	\$ 452,813	\$ (79,811)
Expenditures:			
Salaries and employee benefits	\$ 50,475	\$ 47,971	\$ 2,504
Operating expenses	460,134	400,882	59,252
Capital outlay	43,000	-	43,000
Total Expenditures	\$ 553,609	\$ 448,853	\$ 104,756
Revenues Over (Under) Expenditures	\$ (20,985)	\$ 3,960	\$ 24,945
Other Financing Sources (Uses):			
Fund balance appropriated	20,985	-	(20,985)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 3,960	\$ 3,960
Fund Balances:			
Beginning of year, July 1		175,690	
End of year, June 30		\$ 179,650	

Wilson County, North Carolina
Economic Development Grant Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

Exhibit C-6

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Rural Economic Development :			
Reuse and Restoration Grant	\$ 41,397	\$ 12,924	\$ (28,473)
North Carolina Eastern Region Grant	20,000	-	(20,000)
Total Revenues	\$ 61,397	\$ 12,924	\$ (48,473)
Expenditures:			
Operating	\$ 20,000	\$ -	\$ 20,000
Capital outlay	41,397	12,924	28,473
Total Expenditures	\$ 61,397	\$ 12,924	\$ 48,473
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -
Fund Balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

Wilson County, North Carolina
Community Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012

Exhibit C-7

	<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:					
NC Tomorrow Grant	\$ 50,000	\$ -	\$ 28,500	\$ 28,500	\$ (21,500)
Expenditures:					
NC Tomorrow Grant					
Administration	\$ 5,000	\$ -	\$ 3,500	\$ 3,500	\$ 1,500
Rehabilitation	45,000	-	25,000	25,000	20,000
Total Expenditures	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 21,500</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</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, 2012

Exhibit C-8

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Anticipated Revenue	\$ -	\$ -	\$ -
Expenditures:			
Capital outlay	264,675	-	264,675
Revenues Over (Under) Expenditures	\$ (264,675)	\$ -	\$ 264,675
Other Financing Sources (Uses):			
Fund balance appropriated	\$ 396,465	\$ -	\$ (396,465)
Transfers out	(131,790)	(131,790)	-
Total Other Financing Sources (Uses)	\$ 264,675	\$ (131,790)	\$ (396,465)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ (131,790)	\$ (131,790)
Fund Balances:			
Beginning of year, July 1		405,277	
End of year, June 30		\$ 273,487	

Wilson County, North Carolina
New Elementary School Construction Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012

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					
Bond Proceeds	\$ 18,263,082	\$ 18,241,142	\$ -	\$ 18,241,142	\$ (21,940)
Investment earnings	515,133	515,133	-	515,133	-
Sales tax refunds-earnings	432,212	-	-	-	(432,212)
Total Revenues	<u>\$ 19,210,427</u>	<u>\$ 18,756,275</u>	<u>\$ -</u>	<u>\$ 18,756,275</u>	<u>\$ (454,152)</u>
Expenditures					
Land	\$ 1,024,800	\$ 1,008,564	\$ -	\$ 1,008,564	\$ 16,236
Capital outlay	18,099,098	17,231,068	430,114	17,661,182	437,916
Total Expenditures	<u>\$ 19,123,898</u>	<u>\$ 18,239,632</u>	<u>\$ 430,114</u>	<u>\$ 18,669,746</u>	<u>\$ 454,152</u>
Revenues Over (Under) Expenditures	\$ 86,529	\$ 516,643	\$ (430,114)	\$ 86,529	\$ -
Other Financing Sources (Uses):					
Transfer Out	<u>(86,529)</u>	<u>(84,431)</u>	<u>(2,098)</u>	<u>(86,529)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 432,212</u>	<u>\$ (432,212)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1			432,212		
End of year, June 30			<u>\$ -</u>		

**Wilson County, North Carolina
Community Development Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances (Uses) - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2012**

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:					
Restricted Intergovernmental:					
Community Development Block Grants:					
Scattered Sites					
(#09-C-2011)	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Program Income (SSH)	24,969	19,221	3,767	22,988	(1,981)
Total Revenues	<u>\$ 424,969</u>	<u>\$ 419,221</u>	<u>\$ 3,767</u>	<u>\$ 422,988</u>	<u>\$ (1,981)</u>
Expenditures:					
Scattered Sites:					
(#09-C-2011)	<u>\$ 424,969</u>	<u>\$ 419,221</u>	<u>\$ 3,767</u>	<u>\$ 422,988</u>	<u>\$ (1,981)</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

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Wilson County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

Exhibit D-1

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 2,176,371	\$ 2,610,208	\$ 433,837
Expenditures:			
Operating expenses	\$ 7,540,688	\$ 2,187,280	\$ 5,353,408
Capital outlay	1,124,990	792,767	332,223
Total Expenditures	\$ 8,665,678	\$ 2,980,047	\$ 5,685,631
Revenues Over (Under) Expenditures	\$ (6,489,307)	\$ (369,839)	\$ 6,119,468
Other Financing Sources (Uses):			
Investment earnings	\$ 52,000	\$ 30,207	\$ (21,793)
Fund balance appropriated	6,437,307		(6,437,307)
Transfer (to)/ from other funds	-	-	-
Total Other Financing Sources (Uses)	\$ 6,489,307	\$ 30,207	\$ (6,459,100)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ (339,632)	\$ (339,632)

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

Reconciling Items:	
Capital outlays	\$ 792,767
Depreciation	(179,859)
Allowance for bad debts	(2,583)
(Increase) Decrease in accrued landfill closure and costs	(175,590)
(Increase) in accrued compensated absences	(2,776)
Total Reconciling Items	\$ 431,959
Change in Net Assets	\$ 92,327

Wilson County, North Carolina
Southeast Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

Exhibit D-2

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 945,664	\$ 738,376	\$ (207,288)
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 533,186	\$ 221,862	\$ 311,324
Water purchases	175,000	161,940	13,060
Total Operating Expenditures	\$ 708,186	\$ 383,802	\$ 324,384
Debt Service:			
Interest	\$ 161,402	\$ 161,402	\$ -
Principal	76,076	76,075	1
Total Debt Service	\$ 237,478	\$ 237,477	\$ 1
Capital outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ 945,664	\$ 621,279	\$ 324,385
Revenues Over Expenditures	\$ -	\$ 117,097	\$ 117,097
Other Financing Sources (Uses):			
Transfers to other funds	\$ -	\$ -	\$ -
Fund balance appropriated	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	\$ 117,097	\$ 117,097
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Capital outlay		\$ -	
Principal paid on long-term debt		76,075	
Allowance for bad debt		(5,395)	
Depreciation		(271,846)	
Increase in accrued interest		275	
Increase in postemployment benefit		(7,166)	
Increase in accrued compensated absences		1,048	
Total Reconciling Items		\$ (207,009)	
Change in Net Assets		\$ (89,912)	

Wilson County, North Carolina
Southwest Water District
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

Exhibit D-3

	2012		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating Revenues:			
Charges for services	\$ 1,237,500	\$ 834,187	\$ (403,313)
Expenditures:			
Operating Expenditures:			
Operating expenses	\$ 272,519	\$ 237,343	\$ 35,176
Water purchases	180,000	168,937	11,063
Capital outlay	-	-	-
Total Operating Expenditures	<u>\$ 452,519</u>	<u>\$ 406,280</u>	<u>\$ 46,239</u>
Debt Service:			
Interest	\$ 280,149	\$ 280,147	\$ 2
Principal	119,837	119,836	1
Total Debt Service	<u>\$ 399,986</u>	<u>\$ 399,983</u>	<u>\$ 3</u>
Total Expenditures	<u>\$ 852,505</u>	<u>\$ 806,263</u>	<u>\$ 46,242</u>
Revenues Over (Under) Expenditures	<u>\$ 384,995</u>	<u>\$ 27,924</u>	<u>\$ (357,071)</u>
Other Financing Sources (Uses):			
Transfers to other funds	\$ -	\$ -	\$ -
Fund balance appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u><u>\$ 384,995</u></u>	<u><u>\$ 27,924</u></u>	<u><u>\$ (357,071)</u></u>

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

Reconciling Items:	
Capital Outlay	\$ -
Principal paid on long-term debt	119,836
Depreciation	(350,092)
Allowance for bad debts	(5,825)
Decrease in accrued interest	421
Increase in other postemployment benefit	(7,166)
Decrease in accrued compensated absences	1,048
Total Reconciling Items	<u>\$ (241,778)</u>
Change in Net Assets	<u><u>\$ (213,854)</u></u>

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Wilson County, North Carolina
Hospital - Self Insurance
Schedule of Revenues and Expenditures, Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2012

Exhibit E

	2012		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Insurance premiums	\$ 5,400,000	\$ 5,656,547	\$ 256,547
Expenditures:			
Operating Expenditures:			
Insurance claims and expenses	5,400,000	4,787,764	612,236
Revenues Over (Under) Expenditures	\$ -	\$ 868,783	\$ 868,783

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

Reconciling Items:	
Total revenues	\$ 5,656,547
Total expenditures	4,787,764
Revenues Over Expenditures	\$ 868,783
Reconciling items:	
No reconciling items	-
Change in Net Assets	\$ 868,783

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**Wilson County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2012**

Exhibit F

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Fines and Forfeitures Fund				
Assets:				
Cash and cash equivalents	\$ 28,510	\$ 409,080	\$ 409,929	\$ 27,661
Liabilities:				
Intergovernmental payable	\$ 28,510	\$ 409,080	\$ 409,929	\$ 27,661
NC DMV Interest				
Assets:				
Cash and cash equivalents	\$ 4,011	\$ 63,182	\$ 63,421	\$ 3,772
Liabilities:				
Intergovernmental payable	\$ 4,011	\$ 63,182	\$ 63,421	\$ 3,772
Deed of Trust Fee Fund				
Assets:				
Cash and cash equivalents	\$ 805	\$ 33,557	\$ 30,890	\$ 3,472
Liabilities:				
Intergovernmental payable	\$ 805	\$ 33,557	\$ 30,890	\$ 3,472
Social Services Trust Fund				
Assets:				
Cash and cash equivalents	\$ 34,882	\$ 188,475	\$ 207,688	\$ 15,669
Liabilities:				
Miscellaneous liabilities	\$ 34,882	\$ 188,475	\$ 207,688	\$ 15,669
Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 21,891	\$ 256,326	\$ 253,948	\$ 24,269
Liabilities:				
Miscellaneous liabilities	\$ 21,891	\$ 256,326	\$ 253,948	\$ 24,269

(continued)

Wilson County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For The Fiscal Year Ended June 30, 2012

Exhibit F

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
(continued)				
Sheriff Account Fund				
Assets:				
Cash and cash equivalents	\$ 2,081	\$ 58,539	\$ 50,213	\$ 10,407
Liabilities:				
Miscellaneous liabilities	\$ 2,081	\$ 58,539	\$ 50,213	\$ 10,407
Tax Collections Held for Municipalities				
Assets:				
Cash and cash equivalents	\$ 78,077	\$ 31,584,197	\$ 31,638,701	\$ 23,573
Liabilities:				
Intergovernmental payable	\$ 78,077	\$ 31,584,197	\$ 31,638,701	\$ 23,573
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 170,257	\$ 32,593,356	\$ 32,654,790	\$ 108,823
Liabilities:				
Miscellaneous liabilities	\$ 58,854	\$ 503,340	\$ 511,849	\$ 50,345
Intergovernmental payable	111,403	32,090,016	32,142,941	58,478
Total Liabilities	\$ 170,257	\$ 32,593,356	\$ 32,654,790	\$ 108,823

Wilson County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2012

Exhibit G-1

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections And Credits	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 47,428,433	\$ 45,754,592	\$ 1,673,841
2010-2011	1,576,675	-	1,125,541	451,134
2009-2010	351,795	-	161,921	189,874
2008-2009	211,386	-	58,906	152,480
2007-2008	146,792	-	24,423	122,369
2006-2007	138,601	-	18,739	119,862
2005-2006	113,052	-	10,634	102,418
2004-2005	139,116	-	7,877	131,239
2003-2004	103,230	-	6,512	96,718
2002-2003	99,390	-	5,261	94,129
2001-2002	80,950	-	80,950	-
	<u>\$ 2,960,987</u>	<u>\$ 47,428,433</u>	<u>\$ 47,255,356</u>	<u>\$ 3,134,064</u>
Less: Allowance for Uncollectible Accounts:				
General Fund				<u>(866,526)</u>
Ad Valorem Taxes Receivable - Net:				
General Fund				<u>\$ 2,267,538</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				<u>\$ 47,276,901</u>
Reconciling Items:				
Interest collected				\$ (479,345)
Taxes written off				<u>457,800</u>
Total Reconciling Items				<u>\$ (21,545)</u>
Total Collections and Credits				<u>\$ 47,255,356</u>

Wilson County, North Carolina
Analysis of Current Tax Levy
County-Wide
For the Fiscal Year Ended June 30, 2012

Exhibit G-2

	<u>County - Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 6,180,616,428	0.73	\$ 45,158,944	\$ 42,636,115	\$ 2,522,829
Motor vehicles taxed at prior year's rate	208,573,664	0.76	1,540,101	-	1,540,101
Discoveries	125,457,924	0.73	1,170,279	1,170,279	-
Abatements:					
at current year's rate	(15,271,675)	0.73	(187,487)	(158,305)	(29,182)
at prior year's rate	<u>(12,691,234)</u>	0.73	<u>(253,404)</u>	<u>(206,583)</u>	<u>(46,821)</u>
Total Property Valuation	<u>\$ 6,486,685,107</u>				
Net Levy			\$ 47,428,433	\$ 43,441,506	\$ 3,986,927
Uncollected taxes at June 30, 2012			(1,673,841)	(1,078,722)	(595,119)
Current Year's Taxes Collected			<u>\$ 45,754,592</u>	<u>\$ 42,362,784</u>	<u>\$ 3,391,808</u>
Current Levy Collection Percentage			<u>96.47%</u>	<u>97.52%</u>	<u>85.07%</u>

Wilson County, North Carolina
Analysis of Current Tax Levy
Fire Districts
For the Fiscal Year Ended June 30, 2012

Exhibit G-3

	Original Levy	Accounts Receivable
Tri County	\$ 27,694	\$ 2,682
Green Hornet	15,401	549
Moyton	50,201	3,573
Polly Watson	8,128	716
Sims	52,927	1,377
East Nash	240,584	11,460
Lee Woodard	86,465	3,761
Toisnot	87,878	1,339
Rock Ridge	170,909	5,380
Silver Lake	119,781	3,307
Sanoca	73,209	4,541
Beulah	62,477	2,881
Cross Roads	111,267	5,589
Bakertown	40,796	1,846
Contentnea	52,718	868
West Edgecombe	2,364	194
	\$ 1,202,799	\$ 50,063
Tota Original Levy	\$ 1,202,799	\$ 50,063
Less uncollected taxes at June 30, 2012	(50,063)	
Current Year's Taxes Collected	\$ 1,152,736	
Current Levy Collection Percentage	95.84%	

**Wilson County, North Carolina
 Analysis of Current Tax Levy
 Secondary Market Disclosure
 For the Fiscal Year Ended June 30, 2012**

Exhibit G-4

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio	100%
Real Property ¹	\$ 4,715,489,339
Personal Property	1,141,746,126
Public Service Companies ²	83,300,049
Motor Vehicles	546,149,593
	\$ 6,486,685,107
	0.73
Tax Rate per \$100	\$ 47,352,801
Penalties	75,632
Net Levy (includes discoveries, releases and abatements) - all rates	\$ 47,428,433

¹ Percentage of appraised value has been established by statute

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

Note 1:

The next revaluation of real property will become effective with the 2105-16 levy and will be reflected in the collections for the fiscal year ending June 30, 2016

County-wide	\$ 47,428,433
Special Fire Districts	1,202,798
Solid Waste District	1,152,431
	\$ 49,783,662

STATISTICAL SECTION

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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County of Wilson, North Carolina

STATISTICAL SECTION

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

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

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

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

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

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

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

Table 12	Demographic and Economic Statistics
Table 13	Principal Employers

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

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

Wilson County, North Carolina

Net Assets by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 12,972,219	\$ 15,155,221	\$ 15,487,589	\$ 14,991,356
Restricted	937,367	781,388	555,274	371,922
Unrestricted	(13,621,124)	(11,316,939)	(10,855,063)	(6,047,533)
Total Governmental Activities Net Assets	<u>\$ 288,462</u>	<u>\$ 4,619,670</u>	<u>\$ 5,187,800</u>	<u>\$ 9,315,745</u>
Business-Type Activities				
Invested in capital assets, net of related debt	\$ 11,243,245	\$ 15,184,837	\$ 15,816,055	\$ 16,358,676
Restricted	1,358,361	229,576	735,625	853,665
Unrestricted	11,219,945	11,614,608	11,752,866	12,905,047
Total Business-Type Activities Net Assets	<u>\$ 23,821,551</u>	<u>\$ 27,029,021</u>	<u>\$ 28,304,546</u>	<u>\$ 30,117,388</u>
Primary Government				
Invested in capital assets, net of related debt	\$ 24,215,464	\$ 30,340,058	\$ 31,303,644	\$ 31,350,032
Restricted	2,295,728	1,010,964	1,290,899	1,225,587
Unrestricted	(2,401,179)	297,669	897,803	6,857,514
Total Primary Government Net Assets	<u>\$ 24,110,013</u>	<u>\$ 31,648,691</u>	<u>\$ 33,492,346</u>	<u>\$ 39,433,133</u>

Source: Annual audited financial statements of this entity.

Data from Exhibit 1

Table 1

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 17,033,706	\$ 17,651,796	\$ 16,779,850	\$ 16,394,856	\$ 16,914,580	\$ 18,731,886
392,360	105,716	138,754	170,006	7,616,890	8,066,366
(4,605,305)	(15,129,108)	(19,608,823)	(14,931,994)	(15,774,211)	(10,211,306)
<u>\$ 12,820,761</u>	<u>\$ 2,628,404</u>	<u>\$ (2,690,219)</u>	<u>\$ 1,632,868</u>	<u>\$ 8,757,259</u>	<u>\$ 16,586,946</u>
\$ 17,056,014	\$ 17,117,626	\$ 17,026,441	\$ 17,013,528	\$ 17,157,058	\$ 17,343,940
208,676	-	-	-	-	-
14,169,801	15,487,424	15,978,199	15,513,216	15,008,537	14,628,460
<u>\$ 31,434,491</u>	<u>\$ 32,605,050</u>	<u>\$ 33,004,640</u>	<u>\$ 32,526,744</u>	<u>\$ 32,165,595</u>	<u>\$ 31,972,400</u>
\$ 34,089,720	\$ 34,769,422	\$ 33,806,291	\$ 33,408,384	\$ 34,071,638	\$ 36,075,826
601,036	105,716	138,754	170,006	7,616,890	8,066,366
9,564,496	358,316	(3,630,624)	581,222	(765,674)	4,417,154
<u>\$ 44,255,252</u>	<u>\$ 35,233,454</u>	<u>\$ 30,314,421</u>	<u>\$ 34,159,612</u>	<u>\$ 40,922,854</u>	<u>\$ 48,559,346</u>

Wilson County, North Carolina
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Expenses</u>				
Governmental Activities:				
General government	\$ 6,307,395	\$ 6,817,807	\$ 6,466,351	\$ 6,553,323
Public Safety	12,143,486	10,831,686	12,833,721	14,849,173
Transportation	219,597	200,307	40,214	42,714
Environmental protection	217,295	207,065	212,708	252,393
Economic and Physical Development	1,156,616	1,493,714	983,743	3,934,651
Human Services	28,612,948	29,069,912	30,330,025	33,260,796
Cultural and recreational	2,169,079	1,702,256	1,853,427	2,204,386
Education	27,937,205	17,090,645	19,054,402	18,044,198
Interest on long-term debt	2,630,171	2,295,615	2,015,382	1,822,016
Total Government Activities Expenses	<u>\$ 81,393,792</u>	<u>\$ 69,709,007</u>	<u>\$ 73,789,973</u>	<u>\$ 80,963,650</u>
Business-type Activities:				
Landfill	\$ 1,700,448	\$ 1,777,405	\$ 2,049,988	\$ 1,940,209
Water	-	636,434	923,078	1,273,440
Total Business-type Activities Expenses	<u>\$ 1,700,448</u>	<u>\$ 2,413,839</u>	<u>\$ 2,973,066</u>	<u>\$ 3,213,649</u>
Total Primary Government Expenses	<u>\$ 83,094,240</u>	<u>\$ 72,122,846</u>	<u>\$ 76,763,039</u>	<u>\$ 84,177,299</u>
<u>Program Revenues</u>				
Governmental Activities:				
Charges for services:				
General government	\$ 2,074,435	\$ 2,076,215	\$ 1,270,940	\$ 696,166
Public Safety	1,472,028	2,219,604	2,552,892	3,283,339
Transportation	165,032	14,197	197,240	136,165
Environmental protection	268,651	-	-	-
Economic and Physical Development	-	-	-	847,902
Human Services	5,271,060	5,550,997	5,622,203	5,928,961
Cultural and recreational	33,179	30,252	26,712	-
Operating grants and contributions	17,298,505	14,616,199	15,167,547	15,170,468
Capital grants and contributions	75,000	103,319	5,537	663,049
Total Government Activities Program Revenues	<u>\$ 26,657,890</u>	<u>\$ 24,610,783</u>	<u>\$ 24,843,071</u>	<u>\$ 26,726,050</u>
Business-type activities:				
Charges for services:				
Landfill	\$ 2,130,498	\$ 2,181,138	\$ 2,170,435	\$ 2,838,813
Water	-	486,929	773,861	924,420
Operating grants and contributions	280,431	207,160	305,991	-
Capital grants and contributions	5,219,364	2,642,750	689,615	659,357
Total Business-type Program Revenues	<u>\$ 7,630,293</u>	<u>\$ 5,517,977</u>	<u>\$ 3,939,902</u>	<u>\$ 4,422,590</u>
Total Primary Government Program Revenues	<u>\$ 34,288,183</u>	<u>\$ 30,128,760</u>	<u>\$ 28,782,973</u>	<u>\$ 31,148,640</u>
<u>Net (Expense)/Revenue</u>				
Governmental activities	\$ (54,735,902)	\$ (45,098,224)	\$ (48,946,902)	\$ (54,237,600)
Business-type activities	5,929,845	3,104,138	966,836	1,208,941
Total Primary Government Net Expense	<u>\$ (48,806,057)</u>	<u>\$ (41,994,086)</u>	<u>\$ (47,980,066)</u>	<u>\$ (53,028,659)</u>

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

Table 2

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 8,591,788	\$ 9,716,338	\$ 9,168,058	\$ 8,957,720	\$ 8,882,777	\$ 7,651,150	
16,009,343	17,310,695	19,485,200	19,306,051	19,196,921	19,815,892	
40,214	44,199	59,660	50,861	50,724	49,967	
984,553	263,185	294,273	301,191	300,558	284,161	
1,634,504	3,802,793	3,332,631	3,533,157	3,042,014	3,025,416	
34,779,448	34,831,798	35,791,530	34,813,467	34,454,057	33,731,053	
1,947,966	2,012,515	2,122,205	2,014,077	2,002,703	1,813,114	
18,739,332	30,153,307	28,193,496	18,848,568	18,596,063	18,847,287	
1,719,772	2,168,694	2,170,700	2,067,724	1,439,974	1,539,092	
<u>\$ 84,446,920</u>	<u>\$ 100,303,524</u>	<u>\$ 100,617,753</u>	<u>\$ 89,892,816</u>	<u>\$ 87,965,791</u>	<u>\$ 86,757,132</u>	
\$ 2,352,221	\$ 2,552,162	\$ 2,379,231	\$ 2,549,099	\$ 2,408,065	\$ 2,535,925	
1,634,317	1,655,504	1,711,393	1,849,152	1,813,444	1,870,248	
<u>\$ 3,986,538</u>	<u>\$ 4,207,666</u>	<u>\$ 4,090,624</u>	<u>\$ 4,398,251</u>	<u>\$ 4,221,509</u>	<u>\$ 4,406,173</u>	
<u>\$ 88,433,458</u>	<u>\$ 104,511,190</u>	<u>\$ 104,708,377</u>	<u>\$ 94,291,067</u>	<u>\$ 92,187,300</u>	<u>\$ 91,163,305</u>	
\$ 975,562	\$ 785,436	\$ 882,443	\$ 952,104	\$ 775,757	\$ 779,845	
3,915,444	3,928,008	4,083,112	3,569,290	4,585,775	4,779,443	
-	21,872	49,892	70,637	51,861	213,920	
-	-	-	200	-	-	
40,388	-	-	-	-	-	
7,067,283	6,251,536	7,995,214	7,472,782	7,252,008	7,564,365	
-	25,744	28,841	32,653	34,332	59,828	
15,399,555	17,415,740	18,101,406	20,207,494	19,282,450	18,398,248	
1,229,134	63,154	1,653,878	1,701,926	3,172,685	1,960,955	
<u>\$ 28,627,366</u>	<u>\$ 28,491,490</u>	<u>\$ 32,794,786</u>	<u>\$ 34,007,086</u>	<u>\$ 35,154,868</u>	<u>\$ 33,756,604</u>	
\$ 2,689,342	\$ 2,663,594	\$ 2,470,560	\$ 2,347,945	\$ 2,327,996	\$ 2,610,208	
1,118,400	1,200,633	1,367,028	1,514,292	1,514,426	1,572,563	
-	803,500	-	-	-	-	
682,515	-	321,336	-	-	-	
<u>\$ 4,490,257</u>	<u>\$ 4,667,727</u>	<u>\$ 4,158,924</u>	<u>\$ 3,862,237</u>	<u>\$ 3,842,422</u>	<u>\$ 4,182,771</u>	
<u>\$ 33,117,623</u>	<u>\$ 33,159,217</u>	<u>\$ 36,953,710</u>	<u>\$ 37,869,323</u>	<u>\$ 38,997,290</u>	<u>\$ 37,939,375</u>	
\$ (55,819,554)	\$ (71,812,034)	\$ (67,822,967)	\$ (55,885,730)	\$ (52,810,923)	\$ (53,000,528)	
503,719	460,061	68,300	(536,014)	(379,087)	(223,402)	
<u>\$ (55,315,835)</u>	<u>\$ (71,351,973)</u>	<u>\$ (67,754,667)</u>	<u>\$ (56,421,744)</u>	<u>\$ (53,190,010)</u>	<u>\$ (53,223,930)</u>	

Wilson County, North Carolina
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

General Revenues and Other Changes in Net Assets

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Taxes:				
Property taxes	\$ 35,906,253	\$ 35,162,109	\$ 35,072,321	\$ 41,687,531
Local option sales tax	11,019,159	12,320,877	13,831,678	14,060,662
Other taxes and licenses	1,314,359	1,334,276	1,221,216	1,311,338
Grants and contributions not restricted to specific programs	40,156	33,030	39,387	150,110
Investment earnings, unrestricted	467,322	269,418	509,443	1,059,383
Miscellaneous, unrestricted	230,662	184,933	35,288	57,855
Special Item - Economic Development Incentive	-	-	(1,316,150)	-
Transfers	-	124,789	121,849	-
Total Governmental Activities	<u>48,977,911</u>	<u>49,429,432</u>	<u>49,515,032</u>	<u>58,326,879</u>
Business-type Activities:				
Grants and contributions not restricted to specific programs	\$ -	\$ -	\$ -	\$ 603,901
Investment earnings, unrestricted	113,324	103,332	308,689	-
Miscellaneous, unrestricted	-	-	-	-
Transfers	-	-	-	-
Total Business-type Activities	<u>\$ 113,324</u>	<u>\$ 103,332</u>	<u>\$ 308,689</u>	<u>\$ 603,901</u>
Total Primary Government	<u>49,091,235</u>	<u>49,532,764</u>	<u>49,823,721</u>	<u>58,930,780</u>
<u>Change in Net Assets</u>				
Governmental activities	\$ (5,757,991)	\$ 4,331,208	\$ 568,130	\$ 4,212,228
Business activities	6,043,169	3,207,470	1,275,525	1,812,842
Total Primary Government	<u>\$ 285,178</u>	<u>\$ 7,538,678</u>	<u>\$ 1,843,655</u>	<u>\$ 6,025,070</u>

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

Table 2 (cont.)

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 40,579,339	\$ 42,242,034	\$ 47,418,462	\$ 47,985,145	\$ 48,432,721	\$ 48,652,157	
16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	
1,352,912	1,284,311	1,279,712	644,480	687,322	499,644	
163,537	230,929	150,000	225,000	225,000	250,345	
1,337,881	1,472,840	526,767	84,638	73,441	68,897	
(216,677)	69,334	(353,399)	284,644	259,932	156,371	
-	-	-	-	-	-	
-	-	-	-	20,600	-	
<u>59,324,570</u>	<u>61,619,677</u>	<u>62,504,344</u>	<u>60,188,817</u>	<u>59,935,314</u>	<u>60,830,215</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
813,384	710,498	331,290	58,118	38,538	30,207	
-	-	-	-	-	-	
-	-	-	-	(20,600)	-	
<u>\$ 813,384</u>	<u>\$ 710,498</u>	<u>\$ 331,290</u>	<u>\$ 58,118</u>	<u>\$ 17,938</u>	<u>\$ 30,207</u>	
<u>60,137,954</u>	<u>62,330,175</u>	<u>62,835,634</u>	<u>60,246,935</u>	<u>59,953,252</u>	<u>60,860,422</u>	
\$ 3,505,016	\$ (10,192,357)	\$ (5,318,623)	\$ 4,323,087	\$ 7,124,391	\$ 7,829,687	
1,317,103	1,170,559	399,590	(477,896)	(361,149)	(193,195)	
<u>\$ 4,822,119</u>	<u>\$ (9,021,798)</u>	<u>\$ (4,919,033)</u>	<u>\$ 3,845,191</u>	<u>\$ 6,763,242</u>	<u>\$ 7,636,492</u>	

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ 6,295,114	\$ 5,590,940	\$ 6,805,195	\$ 6,647,780
Unreserved	16,169,953	18,248,145	17,004,072	20,781,811
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 22,465,067</u>	<u>\$ 23,839,085</u>	<u>\$ 23,809,267</u>	<u>\$ 27,429,591</u>
All Other Governmental Funds				
Reserved	\$ 43,787	\$ 42,358	\$ 76,170	\$ 111,785
Unreserved, reported in:				
Capital projects funds	8,720,941	4,156,597	808,450	391,411
Special revenue funds	379,686	591,837	693,014	678,835
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,144,414</u>	<u>\$ 4,790,792</u>	<u>\$ 1,577,634</u>	<u>\$ 1,182,031</u>

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

Table 3

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 7,316,558	\$ 7,421,733	\$ 6,729,102	\$ 7,194,610	\$ -	\$ -
20,015,927	17,357,420	16,563,965	19,247,970	-	-
-	-	-	-	6,022,889	7,183,183
-	-	-	-	2,729,890	2,803,009
-	-	-	-	5,638,789	7,540,784
-	-	-	-	17,897,429	19,471,968
<u>\$ 27,332,485</u>	<u>\$ 24,779,153</u>	<u>\$ 23,293,067</u>	<u>\$ 26,442,580</u>	<u>\$ 32,288,997</u>	<u>\$ 36,998,944</u>
\$ 155,536	\$ 105,739	\$ 169,578	\$ 231,955	\$ -	\$ -
632,456	8,677,836	2,049,401	1,571,911	-	-
476,942	587,180	849,967	1,180,163	-	-
-	-	-	-	1,594,001	945,895
-	-	-	-	426,262	273,487
-	-	-	-	75,359	162,131
<u>\$ 1,264,934</u>	<u>\$ 9,370,755</u>	<u>\$ 3,068,946</u>	<u>\$ 2,984,029</u>	<u>\$ 2,095,622</u>	<u>\$ 1,381,513</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:				
Ad valorem taxes	\$ 33,372,358	\$ 34,519,070	\$ 35,832,972	\$ 44,221,746
Local option sales tax	11,019,159	12,541,711	13,831,678	14,060,662
Other taxes and licenses	1,314,359	1,113,442	1,221,216	1,311,338
Unrestricted intergovernmental revenues	39,300	33,030	161,236	150,110
Restricted intergovernmental revenues	17,623,961	14,719,518	14,856,079	16,554,579
Permits and fees	656,213	655,455	626,106	632,501
Sales and services	8,378,572	9,235,810	9,360,886	9,661,919
Investment earnings	467,324	269,418	509,443	1,059,383
Miscellaneous	107,483	184,931	35,288	93,816
Total Revenues	<u>\$ 72,978,729</u>	<u>\$ 73,272,385</u>	<u>\$ 76,434,904</u>	<u>\$ 87,746,054</u>
Expenditures:				
General Government	\$ 6,039,680	\$ 6,762,042	\$ 6,306,162	\$ 6,562,852
Public Safety	9,535,602	10,773,069	12,633,284	14,128,077
Transportation	219,597	200,307	40,214	42,714
Environmental Protection	763,527	802,731	432,007	252,393
Economic and physical development	580,270	869,869	739,832	943,982
Human Services	28,646,147	29,139,537	30,323,668	33,246,126
Cultural and Recreational	1,595,773	1,652,665	1,746,978	1,883,042
Intergovernmental :				
Education	15,667,024	15,667,024	17,715,734	17,715,244
Capital projects	15,119,329	4,516,850	3,172,462	3,984,999
Debt Service:				
Principal retirement	3,856,276	4,599,716	4,521,740	4,348,150
Interest and fees	2,673,746	2,284,863	2,045,799	1,870,754
Bond Issuance cost	-	-	-	-
Total Expenditures	<u>\$ 84,696,971</u>	<u>\$ 77,268,673</u>	<u>\$ 79,677,880</u>	<u>\$ 84,978,333</u>
Excess of Revenues Over (Under) expenditures	<u>\$ (11,718,242)</u>	<u>\$ (3,996,288)</u>	<u>\$ (3,242,976)</u>	<u>\$ 2,767,721</u>
Other Financing Sources (Uses):				
Debt proceeds	\$ -	\$ -	\$ -	\$ 457,000
Refunding Bonds Issued	-	-	-	-
Premium on refunding Bonds	-	-	-	-
Payment to Refunded Bond Escrow	-	-	-	-
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Installment purchase obligations issued	6,203,319	-	-	-
Capital lease obligation issued	-	891,897	-	-
Payment for Note on Land	-	-	-	-
Operating transfer from component unit	123,178	124,789	-	-
Sales of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 6,326,497</u>	<u>\$ 1,016,686</u>	<u>\$ -</u>	<u>\$ 457,000</u>
Net Change in Fund Balances	<u>\$ (5,391,745)</u>	<u>\$ (2,979,602)</u>	<u>\$ (3,242,976)</u>	<u>\$ 3,224,721</u>
Debt service as a percentage of noncapital expenditures	10.36%	10.45%	9.39%	8.32%

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

Table 4

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 40,968,449	\$ 42,217,538	\$ 47,155,793	\$ 47,998,574	\$ 48,337,108	\$ 48,486,720
16,107,578	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801
1,352,912	1,284,311	1,279,712	1,206,796	687,322	499,644
163,537	208,151	150,000	268,665	225,000	250,345
19,742,308	19,660,135	19,997,001	21,575,164	22,886,533	20,476,076
660,740	544,339	428,857	421,293	384,117	400,205
8,224,319	8,306,220	12,368,929	11,424,648	11,884,218	12,608,346
1,337,881	1,472,840	526,767	84,638	73,441	68,897
93,362	72,906	217,505	294,269	213,499	344,420
<u>\$ 88,651,086</u>	<u>\$ 90,086,669</u>	<u>\$ 95,607,366</u>	<u>\$ 94,238,957</u>	<u>\$ 94,927,536</u>	<u>\$ 94,337,454</u>
\$ 9,300,101	\$ 8,291,245	\$ 8,797,504	\$ 8,472,516	\$ 8,290,694	\$ 7,399,100
15,208,085	16,598,002	18,484,597	18,052,745	15,929,725	19,216,818
40,214	43,921	56,403	47,857	47,857	47,857
260,307	244,530	264,780	278,506	281,693	269,781
2,327,428	3,445,811	3,165,096	2,764,400	5,066,317	5,613,412
34,681,279	34,468,410	34,590,796	33,432,009	33,127,310	32,955,787
1,681,971	1,809,886	1,866,074	1,769,221	1,745,106	1,649,070
18,739,332	19,399,207	20,866,815	18,689,717	18,596,063	18,417,173
1,572,530	11,575,737	8,108,572	853,109	421,594	991,925
4,509,787	4,802,271	4,582,563	4,900,826	4,918,749	5,004,797
1,749,254	1,615,172	2,665,170	2,165,489	1,568,512	1,439,934
-	-	-	-	144,909	-
<u>\$ 90,070,288</u>	<u>\$ 102,294,192</u>	<u>\$ 103,448,370</u>	<u>\$ 91,426,395</u>	<u>\$ 90,138,529</u>	<u>\$ 93,005,654</u>
<u>\$ (1,419,202)</u>	<u>\$ (12,207,523)</u>	<u>\$ (7,841,004)</u>	<u>\$ 2,812,562</u>	<u>\$ 4,789,007</u>	<u>\$ 1,331,800</u>
\$ 1,405,000	\$ 18,563,512	\$ -	\$ -	\$ -	\$ -
-	-	-	-	10,200,000	-
-	-	-	-	386,487	-
-	-	-	-	(10,438,084)	-
-	-	-	-	1,927,903	133,888
-	(803,500)	-	-	(1,907,303)	(133,888)
-	-	-	-	-	5,235,125
-	-	-	252,034	-	46,475
-	-	-	-	-	(2,617,562)
-	-	-	-	-	-
-	-	53,109	-	-	-
<u>\$ 1,405,000</u>	<u>\$ 17,760,012</u>	<u>\$ 53,109</u>	<u>\$ 252,034</u>	<u>\$ 169,003</u>	<u>\$ 2,664,038</u>
<u>\$ (14,202)</u>	<u>\$ 5,552,489</u>	<u>\$ (7,787,895)</u>	<u>\$ 3,064,596</u>	<u>\$ 4,958,010</u>	<u>\$ 3,995,838</u>
7.61%	7.61%	8.23%	8.46%	7.98%	7.53%

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Wilson County, North Carolina
Assessed Value and Actual Value of Taxable Property
 Last Eight Fiscal Years

Table 5

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

Source: Wilson County Tax Administrator/Collector

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

Wilson County, North Carolina
Property Tax Rates - Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	2012	2011	2010	2009	2008
Wilson County	0.7300	0.7300	0.73000	0.73000	0.76000
Municipality Rates:					
Black Creek	0.6000	0.6000	0.59360	0.59750	0.59750
Elm City	0.6300	0.6300	0.56000	0.51500	0.63000
Kenly	0.6100	0.6100	0.61000	0.61000	0.61000
Lucama	0.5000	0.5000	0.45000	0.45000	0.45000
Saratoga	0.5800	0.5800	0.58000	0.58000	0.58000
Sharpsburg	0.5000	0.5000	0.50000	0.50000	0.45000
Sims	0.5000	0.5000	0.50000	0.50000	0.50000
Stantonsburg	0.4300	0.4300	0.43000	0.43000	0.43000
Wilson	0.5150	0.5150	0.51500	0.51500	0.51500
Wilson-Municipal	0.6850	0.6850	0.68500	0.68500	0.68500
Fire Districts:					
Bakertown	0.0850	0.0850	0.08500	0.08500	0.08500
Beulah	0.1125	0.1125	0.11250	0.11250	0.11250
Black Creek	0.0500	0.0500	0.04360	0.04750	0.04750
Contentnea	0.0600	0.0600	0.06000	0.06000	0.06000
Cross Roads	0.0975	0.0975	0.09750	0.09000	0.09750
East Nash	0.1350	0.1350	0.13500	0.13500	0.13500
Green Hornet	0.0825	0.0825	0.08250	0.08250	0.08250
Lee Woodard	0.0725	0.0725	0.07250	0.07250	0.07250
Moyton	0.1300	0.1300	0.13000	0.13000	0.13000
Polly Watson	0.0875	0.0875	0.08750	0.08750	0.08750
Rock Ridge	0.1000	0.1000	0.10000	0.10000	0.10000
Sanoca	0.1250	0.1250	0.12500	0.12500	0.12500
Silver Lake	0.1225	0.1225	0.12250	0.12250	0.12250
Sims	0.0725	0.0725	0.07250	0.07250	0.07250
Toisnot	0.0475	0.0475	0.04750	0.04750	0.04750
Tri County	0.1125	0.1125	0.11250	0.11250	0.11250
West Edgecombe	0.0825	0.0825	0.08250	0.08250	0.08250

Source: Wilson County Tax Administrator/Collector

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

Table 6

2007	2006	2005	2004	2003
0.76000	0.76000	0.72000	0.72000	0.72000
0.59700	0.59500	0.59500	0.59000	0.59000
0.63000	0.63000	0.63000	0.63000	0.63000
0.61000	0.61000	0.61000	0.61000	0.68000
0.45000	0.45000	0.45000	0.45000	0.45000
0.58000	0.58000	0.58000	0.58000	0.58000
0.45000	0.45000	0.45000	0.45000	0.45000
0.50000	0.50000	0.50000	0.49250	0.49250
0.43000	0.43000	0.43000	0.43000	0.43000
0.51500	0.51500	0.47000	0.47000	0.47000
0.68500	0.64000	0.64000	0.64000	0.64000
0.08500	0.08500	0.08500	0.08500	0.07500
0.11250	0.11250	0.11250	0.11250	0.11250
0.04700	0.04500	0.04500	0.04000	0.04000
0.06000	0.06000	0.06000	0.06000	0.06000
0.09750	0.09750	0.09750	0.09750	0.09750
0.13500	0.10000	0.10000	0.08000	0.08000
0.08250	0.08250	0.07250	0.08000	0.08000
0.07250	0.07250	0.07250	0.07250	0.07250
0.13000	0.13000	0.13000	0.13000	0.13000
0.08750	0.08750	0.08750	0.08750	0.08750
0.10000	0.10000	0.10000	0.10000	0.10000
0.12500	0.12500	0.12500	0.12500	0.12500
0.12250	0.12250	0.12500	0.10250	0.10250
0.07250	0.07250	0.07250	0.06500	0.06500
0.04750	0.04750	0.04750	0.04750	0.04750
0.11250	0.11250	0.09250	0.08250	0.08250
-	-	-	-	-

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

Table 7

Taxpayer	Type of Business	2012		Percentage of Total Taxable Assessed Value	2003		Percentage of Total Taxable Assessed Value
		2011 Assessed Value	Rank		2002 Assessed Value	Rank	
Bridgestone	Tire manufacturing	\$ 347,112,066	1	35.39%	\$ 271,695,193	1	34.94%
BB&T & Affiliates	Financial	196,302,206	2	20.02%	67,480,634	4	8.68%
Merck	Pharmaceutical	96,598,243	3	9.85%	163,025,111	2	4.92%
Sandoz	Pharmaceutical	70,921,791	4	7.23%	26,437,233	11	3.40%
Saint-Gobain	Bottling	57,330,088	5	5.85%	34,678,755	9	4.46%
Purdue Pharmaceuticals	Pharmaceutical	51,289,809	6	5.23%	68,374,596	12	8.79%
Alliance One	Tobacco	46,750,156	7	4.77%	70,580,969	7	9.08%
Carolina Forge	Manufacturing	36,525,758	8	3.72%	38,241,893	4	4.92%
Becton-Dickinson	Pharmaceutical	47,909,710	9	4.89%	0	n/a	0.00%
Carolina Telephone	Communications	30,008,561	10	3.06%	37,074,630	10	4.77%
Total		\$ 980,748,388		15.12%	\$ 777,589,014		16.36%

Source: Wilson County Tax Administrator/Collector

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

Table 8

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 34,272,453	\$ 31,217,951	91.09%	n/a	n/a	-
2004	34,662,180	31,973,905	92.24%	n/a	n/a	-
2005	35,342,926	32,878,442	93.03%	n/a	n/a	-
2006	38,816,676	37,389,386	96.32%	n/a	n/a	-
2007	39,537,727	38,188,244	96.59%	n/a	n/a	-
2008	41,117,227	39,769,810	96.72%	635,632	40,405,443	98.27%
2009	46,091,324	44,480,655	96.51%	623,049	45,103,703	97.86%
2010	46,645,101	45,190,484	96.88%	721,049	45,911,533	98.43%
2011	47,031,339	45,454,664	96.65%	432,628	45,887,292	97.57%
2012	47,428,433	45,754,592	96.47%	1,104,879	46,859,471	98.80%

Source: Wilson County Tax Administrator/Collector

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

Table 9

Fiscal Year Ended June 30,	Property Tax	Sales Tax	Alcoholic Beverage Tax	Rental Vehicle Tax	Franchise Tax	Real Estate Transfer Tax	Privilege and Civil Licenses	Total
2003	\$ 32,655,544	\$ 11,019,159	\$ 108,761	\$ -	\$ 55,272	\$ 414,210	\$ 23,597	\$ 44,276,543
2004	33,775,532	12,320,877	110,304	-	57,900	401,736	25,246	46,691,595
2005	35,010,154	13,570,956	108,606	-	68,853	506,950	24,625	49,290,144
2006	43,242,232	13,738,917	109,756	-	63,542	593,328	23,463	57,771,238
2007	40,002,261	15,726,556	111,946	-	61,051	607,737	12,315	56,521,866
2008	41,188,867	15,922,347	112,059	36,867	102,488	528,349	8,014	57,898,991
2009	46,001,532	13,139,368	115,115	33,054	92,214	294,445	151,744	59,827,472
2010	46,837,347	10,687,110	37,330	35,866	87,829	357,046	146,410	58,188,938
2011	47,171,296	9,964,439	107,507	40,040	82,552	287,295	169,928	57,823,057
2012	47,276,901	10,925,633	120,501	37,447	99,253	234,873	7,570	58,702,178

Wilson County, North Carolina
Ratio of Outstanding Debt by Type
 Last Ten Fiscal Years

Table 10

Fiscal Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government	¹ Percentage of Personal Income ^a	¹ Per Capita
	General Obligation Bonds	Installment Obligations	Capitalized Leases	Installment Obligations	Water Bonds			
2003	\$ 26,600,000	\$ 30,553,915	\$ 112,614	\$ -	\$ 7,384,900	\$ 64,651,429	3.30%	863.90
2004	25,480,000	27,041,913	775,221	-	7,384,000	60,681,134	2.90%	808.82
2005	23,980,000	23,272,709	512,237	-	7,345,500	55,110,446	2.48%	730.77
2006	22,385,000	20,963,363	276,270	-	9,918,500	53,543,133	2.30%	706.88
2007	20,805,000	19,438,556	1,656,726	-	9,834,000	51,734,282	2.13%	675.19
2008	19,235,000	34,616,861	1,415,026	-	9,745,000	65,011,887	2.56%	836.79
2009	17,570,000	31,770,501	1,185,320	1,058,231	9,617,500	61,201,552	2.39%	776.81
2010	15,910,000	28,611,276	1,239,344	1,005,320	9,485,000	56,250,940	2.09%	717.92
2011	14,760,000	25,497,516	1,030,353	952,409	9,347,000	51,587,278	na	644.80
2012	12,975,000	27,599,246	864,438	899,497	9,204,000	51,542,181	na	634.49

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

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

¹ See Table 12 for personal income and population data.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Bonded Debt Outstanding:				
General obligation bonds	\$ 26,600,000	\$ 25,480,000	\$ 23,980,000	\$ 22,385,000
Total	<u>\$ 26,600,000</u>	<u>\$ 25,480,000</u>	<u>\$ 23,980,000</u>	<u>\$ 22,385,000</u>
Assessed Value	\$ 4,524,929,294	\$ 4,818,814,121	\$ 4,902,539,306	\$ 5,120,258,093
Percentage of estimated actual property value	0.59%	0.53%	0.49%	0.44%
Per Capita	355.44	339.62	317.98	295.53
Legal debt limit - eight percent (8%) of assessed valuation	\$ 361,994,344	\$ 385,505,130	\$ 392,203,144	\$ 409,620,647
Total Net Debt Applicable to Debt Limit	<u>64,651,429</u>	<u>60,681,134</u>	<u>55,110,446</u>	<u>53,543,133</u>
Legal Debt Margin	<u><u>\$ 297,342,915</u></u>	<u><u>\$ 324,823,996</u></u>	<u><u>\$ 337,092,698</u></u>	<u><u>\$ 356,077,514</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.86%	15.74%	14.05%	13.07%

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

Table 11

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 20,805,000	\$ 19,235,000	\$ 17,570,000	\$ 15,910,000	\$ 14,760,000	\$ 12,975,000
\$ 20,805,000	\$ 19,235,000	\$ 17,570,000	\$ 15,910,000	\$ 14,760,000	\$ 12,975,000
\$ 5,201,690,173	\$ 5,418,066,171	\$ 6,219,344,293	\$ 6,373,053,765	\$ 6,385,541,942	\$ 6,486,685,107
0.40%	0.36%	0.28%	0.25%	0.23%	0.20%
271.53	247.58	223.01	203.06	184.49	159.72
\$ 416,135,214	\$ 433,445,294	\$ 497,547,543	\$ 509,844,301	\$ 510,843,355	\$ 518,934,809
<u>51,734,282</u>	<u>65,011,887</u>	<u>61,201,552</u>	<u>56,250,940</u>	<u>51,587,278</u>	<u>51,542,181</u>
<u>\$ 364,400,932</u>	<u>\$ 368,433,407</u>	<u>\$ 436,345,991</u>	<u>\$ 453,593,361</u>	<u>\$ 459,256,077</u>	<u>\$ 467,392,628</u>
12.43%	15.00%	12.30%	11.03%	10.10%	9.93%

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

Table 12

Fiscal Year Ended June 30,	(1) Population	(1) Personal Income (in thousands)	(1) Per Capita Personal Income	(3) Median Age	(2) School Enrollment	(2) Graduation Rate Percentage	(4) Unemployment Rate Percentage
2003	74,837	\$ 1,960,726	\$ 26,200	25.42	na	na	8.2%
2004	75,024	2,095,389	27,930	25.25	na	na	8.2%
2005	75,414	2,225,881	29,515	25.19	12,344	na	8.0%
2006	75,746	2,324,296	30,685	22.40	12,414	55.8%	7.1%
2007	76,622	2,434,371	31,771	24.70	12,376	56.5%	6.3%
2008	77,692	2,539,242	32,683	23.96	12,424	54.8%	7.9%
2009	78,786	2,556,486	32,628	35.10	12,395	58.2%	12.9%
2010	78,353	2,688,926	33,044	39.00 (6)	12,469	64.9%	12.7%
2011	80,005 (6)	na	37,212 (6)	39.00 (6)	12,194	69.1%	13.5% (5)
2012	81,234	na	38,596	39.00	12043	77.3%	13.6%

Sources:

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

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

Table 13

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bridgestone Americas Tire Operations, LLC	2,000	1	5.53%	N/A	N/A	N/A
BB&T	2,000	2	5.53%	N/A	N/A	N/A
Wilson County Schools	1,500	3	4.15%	N/A	N/A	N/A
Wilson Medical Center	1,400	4	3.87%	N/A	N/A	N/A
State of NC DHHS	750	5	2.07%	N/A	N/A	N/A
Smithfield Packing Company	700	6	1.94%	N/A	N/A	N/A
County of Wilson	673	7	1.80%	N/A	N/A	N/A
City of Wilson	650	8	1.86%	N/A	N/A	N/A
Kidde Aerospace & Defense	600	9	1.66%	N/A	N/A	N/A
Alliance One International	450	10	1.24%	N/A	N/A	N/A
Total	10,723		29.65%	NA		NA
Balance of employment	25,441		70.35%			
Total Employment	36,164		100.00%			

Source: NC Employment Security Commission

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

Table 14

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government:										
County Manager	3	3	3	3	3	3	3	4	4	4
Tax administration	13	15	15	16	15	16	16	15	17	17
Board of elections	3	3	3	3	3	3	3	2	3	3
Register of Deeds	7	7	7	7	6	6	6	5	6	6
Human resources	1	1	1	1	2	2	2	2	2	2
IT department	3	3	5	5	5	5	5	5	5	5
Finance	6	6	7	7	7	7	7	7	6	6
Public Buildings	5	5	5	5	5	5	6	7	6	6
Cultural and Recreational:										
Library	21	21	21	21	20	20	20	19	19	19
Public Safety:										
Sheriff	64	65	61	66	69	71	81	76	83	83
Detention center	50	47	47	53	53	59	33	35	43	43
Animal control			2	7	7	7	8	8	8	8
Emergency communications	26	26	27	29	32	30	31	32	31	31
Emergency management	1	1	1	1	1	2	2	2	2	2
Emergency medical services	25	25	28	30	37	40	45	48	49	49
Transportation:										
Transportation	1	1	1	1	1	1	1	1	1	1
Economic and Physical Development:										
Cooperative extension	10	10	10	10	10	10	10	9	9	9
Environmental Protection:										
Planning	4	6	8	9	8	8	9	9	9	9
Soil and water conservation	4	4	3	4	4	4	4	4	4	4
Human Services:										
Health	139	140	142	129	128	133	135	129	136	136
Senior Center	1	1	1	1	1	1	1	1	1	1
Social Services	195	195	200	198	200	202	204	215	214	214
Veterans affairs	1	1	1	1	1	1	1	1	1	1
Utilities:										
Water	5	5	5	5	4	4	4	4	4	4
Solid Waste	6	6	7	7	6	8	6	8	10	10
Total	594	597	611	619	628	648	643	648	673	673

Wilson County, North Carolina
Operating Indicators by Function/Program
 Last Eight Fiscal Years

Table 15

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
General Government:								
Building permits issued	148	147	85	190	123	141	98	87
Building inspections conducted	4327	4523	4018	3629	2134	2342	2850	177
Sheriff:								
Arrests	2332	2245	2387	2832	3012	3194	2806	2723
Citations				1046	1453	1916	1088	1455
Fire:								
Inspections	72	42	68	90	54	83	82	76
EMS:								
Calls	9,873	10,385	11,589	11,709	11,900	12,300	13,014	12,924
Solid Waste:								
MSW (tons)	6,425	6,849	6,891	6,936	6,855	6,026	6,311	6,447
C&D (tons)	29,514	30,596	27,055	26,888	12,419	14,917	14,009	15,154
Recycle (tons)	973	1,350	886	943	748	772	1,085	1,112
Tires (tons)		2,478	3,069	3,422	3,155	2,250	1,912	2,285
Oil (gallons)	1,785	2,308	2,907	3,066	2,584	2,756	3,095	2,376
Batteries (count)	523	716	537	354	262	146	83	84
Jail:								
Inmates admitted (average)	6660	6971	6605	6488	6590	5129	5200	5353
Inmates (daily average)	254	255	245	245	193	191	173	176
Department of Social Services:								
Adult medicaid (active cases)	4964	5112	5171	5232	5357	5538	5606	5757
Family and childrens								
medicaid (active cases)	5594	5906	6322	6703	7232	7625	7655	8042
Food stamps (active cases)	3748	4421	4451	4896	5832	7041	8125	8255
Children in foster care	64	73	90	80	76	69	63	60
Children in DSS custody	64	73	90	80	76	69	63	60
Day care (children served)	1167	1234	1210	1129	1125	1075	800	852
Child support (collections)	\$8,552,281	\$8,752,831	\$8,832,010	\$9,298,672	\$9,313,957	\$9,232,088	\$8,898,924	\$8,946,811
Work First (active cases)	5022	4974	3878	2930	2881	2920	2925	235
Reception services (clients seen)	54,949	57,033	54,162	55,633	55,411	57,570	59,917	60,292
Health Department:								
TB (clients seen)	1,905	2,086	1,862	1,791	1,805	1,508	2,210	2,325
Communicable disease/STD								
(client visits)	7,834	8,875	7,864	8,570	8,527	9,589	2,669	3,425
Pharmacy (prescriptions filled)	4,380	4,390	4,148	4,889	5,068	6,911	6,095	5,722
BCCCP (clients visits)	81	77	56	60	77	76	54	49
HIV/AIDS (tests)	1,693	1,896	2,071	3,602	3,893	3,797	4,418	3,725
Immunizations (administered)	2,846	2,786	5,581	5,799	7,745	10,257	10,133	10,125
Lab (tests)	42,133	49,673	40,032	29,303	33,929	32,672	27,304	28,294
Environmental Health:								
(onsite inspections)	198	196	190	192	905	906	921	854
(restaurant inspections)	671	899	590	338	270	409	603	547
Cultural and Recreational:								
Libraries:								
Circulation of youth services	86,228	96,566	91,997	90,241	94,925	115,032	122,218	128,538
Circulation of adult services	88,350	128,394	128,037	129,984	143,936	162,240	154,082	150,340
Education:								
ADM	12,556	12,640	12,600	12,424	12,642	12,461	12,177	12,043

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

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

Table 16

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	0	0	0	0	0	86	89	91	99	98
Canine Units	0	0	0	0	0	0	0	0	0	4
EMS:										
Stations	1	1	1	1	1	1	1	1	1	1
Ambulances/QRVs	11	13	15	12	12	13	13	13	17	17
Defibrillators	8	8	8	12	12	12	12	12	12	12
Cultural and Recreation:										
Libraries	6	6	6	6	6	6	6	6	6	6
Water:										
Water mains (miles)	201.0		46.4							
Pump stations	0	2	2	3	3	3	3	3	3	3

COMPLIANCE SECTION

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

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises Wilson County's basic financial statements, and have issued our report thereon dated November 1, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Wilson County ABC Board, as described in our report on Wilson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Wilson County, in a separate letter dated, November 1, 2012.

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 1, 2012

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

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited the Wilson County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major federal programs for the year ended June 30, 2012. 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 of Wilson County's compliance with those requirements.

In our opinion, Wilson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 1, 2012

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

Independent Auditor's Report

To the Board of County Commissioners
Wilson County, North Carolina

Compliance

We have audited Wilson County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A 133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act.² 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 of Wilson County's compliance with those requirements.

In our opinion, Wilson County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Flowers & Stanley, LLP

Tarboro, North Carolina
November 1, 2012

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.557	Special Supplemental Nutrition Program for WIC
93.558, 93.714	ARRA - Temporary Assistance to Needy Families Cluster
93.558, 93.575	ARRA - Subsidized Child Care Cluster
93.596, 93.658	
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$2,753,899

Auditee qualified as low-risk auditee yes no

**Wilson County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes no

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

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

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

Identification of major State programs:

Program Name
State/County Special Assistance for Adults
E-911 Enhancement/Replacement Program

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Section IV - State Award Findings and Questioned Costs

None reported

**Wilson County, North Carolina
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2012**

Finding 11-1

Status: Corrected

Finding 11-2

Status: Corrected

Finding 11-3

Status: Corrected

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
CASH PROGRAMS:	
FEDERAL GRANTS:	
U.S. Department of Agriculture:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Administration:	
Food Stamp Cluster:	
Food Stamp Program	10.551
Division of Public Health:	
Administration:	
Special Supplemental Nutrition Program for WIC	10.557
Direct Benefit Payments:	
Special Supplemental Nutrition Program for WIC	10.557
Agri-SFP Food Program	10.559
Total Direct Benefit Payments	
Total U.S. Department of Agriculture	
U.S. Department of Health and Human Services:	
Passed-through N.C. Department of Health and Human Services:	
Division of Social Services:	
Foster Care and Adoption Cluster:	
Assistance Foster Care Title IV-E	93.658
Title IV-E Adoption Subsidy	93.659
Title IV-E Adoption/Foster Care - Direct Benefits Payments	93.568/93.659
Total Foster Care and Adoption Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
<u>\$ 1,229,501</u>	<u>\$ 302</u>	<u>\$ 1,229,501</u>
<u>\$ 602,827</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,368,407	\$ -	\$ -
2,102	-	-
<u>\$ 2,370,509</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 4,202,837</u>	<u>\$ 302</u>	<u>\$ 1,229,501</u>
\$ 764,795	\$ 60,198	\$ 591,219
456,946	122,066	122,066
176,731	54,621	58,085
<u>\$ 1,398,472</u>	<u>\$ 236,885</u>	<u>\$ 771,370</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

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
Maternal and Child Health Services Block Grant	93.994
Temporary Assistance for Needy Families	93.558
Immunization Action Plan	93.268
Prevention Investigations and Technical Assistance	93.283
Public Health Emergency Preparedness	93.069
Environmental Public Health and Emergency Preparedness	93.070
Medical Assistance Assistance Program	93.778
Family Planning Services	93.217
ARRA Preventing Healthcare Assoc Infections	93.717
Comprehensive Breast & Cervical Cancer Early Detection	93.919
Total Division of Public Health	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 1,732,570	\$ 117,919	\$ 1,580,902
615,586	-	-
79,523	3,464	22,146
457,163	38,529	161,126
1,118,767	(271)	482,335
17,884	6,368	8,084
2,463,385	29,809	1,163,985
(3,817)	-	-
19,360	4,840	-
12,726	-	-
<u>\$ 6,513,147</u>	<u>\$ 200,658</u>	<u>\$ 3,418,578</u>
\$ 9,101	\$ -	\$ -
140,470	225,610	-
14,443	-	-
29,956	-	-
2,083	-	-
32,966	-	-
6,432	-	-
142,358	54,923	-
153,644	-	-
1,396	-	-
8,328	5,100	-
<u>\$ 541,177</u>	<u>\$ 285,633</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

Grantor/Pass-Through	Federal
Grantor/Program Title	CFDA
FEDERAL GRANTS: (continued)	Number
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
Foster Care Title IV-E	93.658
Total Child Care Development Fund Cluster	
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
TANF - MOE	N/A
State Appropriations	N/A
ARRA - Early Contingency Temporary Assistance for Needy Families	93.714
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
Title III - Family Caregiver	93.053
Total Aging Cluster	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 146,784	\$ -	\$ -
1,777,196	-	-
665,598	-	-
213,024	-	-
26,166	-	-
\$ 2,828,768	\$ -	\$ -
-	1,628	-
796,808	-	-
-	119,560	-
-	267,845	-
57,866	-	-
\$ 3,683,442	\$ 389,033	\$ -
\$ 100,698	\$ 5,924	\$ -
154,622	9,095	-
22,191	1,305	-
72,888	4,288	-
42,683	-	-
\$ 393,082	\$ 20,612	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Health and Human Services: (continued)	
Passed-through N.C. Department of Health and Human Services: (continued)	
Social Service Block Grant (SSBG) - In-Home Services	93.667
Nutrition Services Incentive Program (NSIP) Supplement	93.053
Direct Benefit Payments:	
Medical Assistance Program	93.778
Temporary Assistance for Needy Families	93.558
AFDC Payments and Penalties	93.560
Energy Assistance	93.568
Total Direct Benefit Payments	
Total U.S. Department of Health and Human Services	
U.S. Department of Commerce:	
Passed-through N.C. Department of Commerce:	
Small Cities Community Development Block Grant	14.228
U.S. Department of Transportation:	
Passed-through N.C. Department of Transportation:	
Formula Grant for Other than Urbanized Areas	20.509
U.S. Department of Homeland Security:	
Passed-through N.C. Department of Public Safety:	
FEMA Public Assistance Grant	97.036

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 22,899	\$ 654	\$ -
\$ 19,837	\$ 1,322	\$ -
\$ 73,863,290	\$ 42,799,442	\$ 13,757
568,340	(62)	-
(757)	(208)	(208)
65	-	-
<u>\$ 74,430,938</u>	<u>\$ 42,799,172</u>	<u>\$ 13,549</u>
\$ 87,002,994	\$ 43,933,969	\$ 4,203,497
\$ 3,767	\$ -	\$ -
\$ 100,653	\$ 8,142	\$ -
\$ 75,093	\$ -	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
FEDERAL GRANTS: (continued)	
U.S. Department of Justice:	
Passed-through N.C. Department of Public Safety:	
2009 Earmark Gang Prevention Grant	16.541
ARRA - Assistance to Rural Law Enforcement to Combat Crime and Drugs	16.810
Bulletproof Vest Partnership Program	16.607
Total U.S. Department of Justice	
Election Assistance Commission	
Passed-through N.C. Department of Public Safety:	
Help America Vote Act	90.401
U.S. Department of Housing and Urban Development:	
Passed-through N.C. Office of Economic Recovery and Investment:	
North Carolina's Homelessness Prevention and Rapid Re-housing Program	14.257
U.S. Department of Treasury:	
Passed-through MDC, Inc.	
Volunteer Income Tax Assistance	21.009
STATE GRANTS:	
N.C. Department of Transportation:	
RGP	N/A
Rural Operating Assistance	N/A
ROA - Workfirst	N/A
Transportation - Capital	N/A
Total N.C. Department of Transportation	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ 23,128	\$ -	\$ -
99,298	-	-
3,890	-	-
\$ 126,316	\$ -	\$ -
\$ 7,349	\$ -	\$ -
\$ 272,930	\$ -	\$ -
\$ 4,695	\$ -	\$ -
\$ -	\$ 79,435	\$ -
-	81,745	-
-	23,237	-
-	7,500	-
\$ -	\$ 191,917	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

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
SFHF Maximization - Direct Benefit	N/A
Foster Care Special Provision - Direct Benefit	N/A
TANF/AFDC Program Integrity	N/A
State Aid to Counties	N/A
SC/SA Administration	N/A
Total Division of Social Services	
Division of Health:	
General Health	N/A
Tuberculosis Control	N/A
Risk Reduction/Health Promotion	N/A
General Communicable Disease Control	N/A
Lead Prevention Aid to County Funds	N/A
Environmental Health	N/A
WHSF	N/A
Public Health Nurse Training	N/A
Total Division of Health	

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 5,743	\$ -
-	-	812,699
-	304,916	12,269
-	983,854	983,854
-	52,220	52,220
-	50,750	50,749
-	6,470	6,470
-	2,647	-
-	-	300,496
-	-	73,888
\$ -	\$ 1,406,600	\$ 2,292,645
\$ -	\$ 146,158	\$ -
-	38,489	-
-	6,152	-
-	8,294	-
-	312	-
-	4,000	-
-	9,523	-
-	400	-
\$ -	\$ 213,328	\$ -

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

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

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 18,665	\$ -
-	133,276	-
-	6,348	-
-	110,326	-
-	4,069	-
<u>\$ -</u>	<u>\$ 272,684</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 1,892,612</u>	<u>\$ 2,292,645</u>
<u>\$ -</u>	<u>\$ 120,041</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 42,843</u>	<u>\$ -</u>
\$ -	\$ 46,697	\$ -
-	130,581	-
<u>\$ -</u>	<u>\$ 177,278</u>	<u>\$ -</u>
\$ -	\$ 12,925	\$ -
-	28,500	-
<u>\$ -</u>	<u>\$ 41,425</u>	<u>\$ -</u>

(continued)

Wilson County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2012

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number
STATE GRANTS: (continued)	
N.C. Department of Public Safety:	
Communities in Schools of North Carolina	N/A
Criminal Justice Partnership Program	N/A
ARRA Gang Intervention and Prevention Programs	N/A
Juvenile Crime Prevention Programs	N/A
Emergency Management Grants	N/A
Total N.C. Department of Public Safety	
N.C. Department of Insurance:	
SHIIP	N/A
N.C. Department of Transportation:	
Highway Safety Grant	N/A
N.C. 911 Board:	
E-911 Enhancement / Replacement Program	N/A
Total Financial Assistance	

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

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

<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
\$ -	\$ 9,248	\$ -
-	87,099	-
-	206,949	-
-	279,233	-
-	35,000	-
<u>\$ -</u>	<u>\$ 617,529</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 4,201</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 8,102</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 558,044</u>	<u>\$ -</u>
<u><u>\$ 91,796,634</u></u>	<u><u>\$ 47,596,405</u></u>	<u><u>\$ 7,725,643</u></u>

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