

Wilson County, North Carolina

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## Independent Auditor's Report

To the Board of County Commissioners  
Wilson County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wilson County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the reports of the other auditors.

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Wilson County, North Carolina as of June 30, 2006, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2006 on our consideration of Wilson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Tarboro, North Carolina  
November 22, 2006

## **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, 2006. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

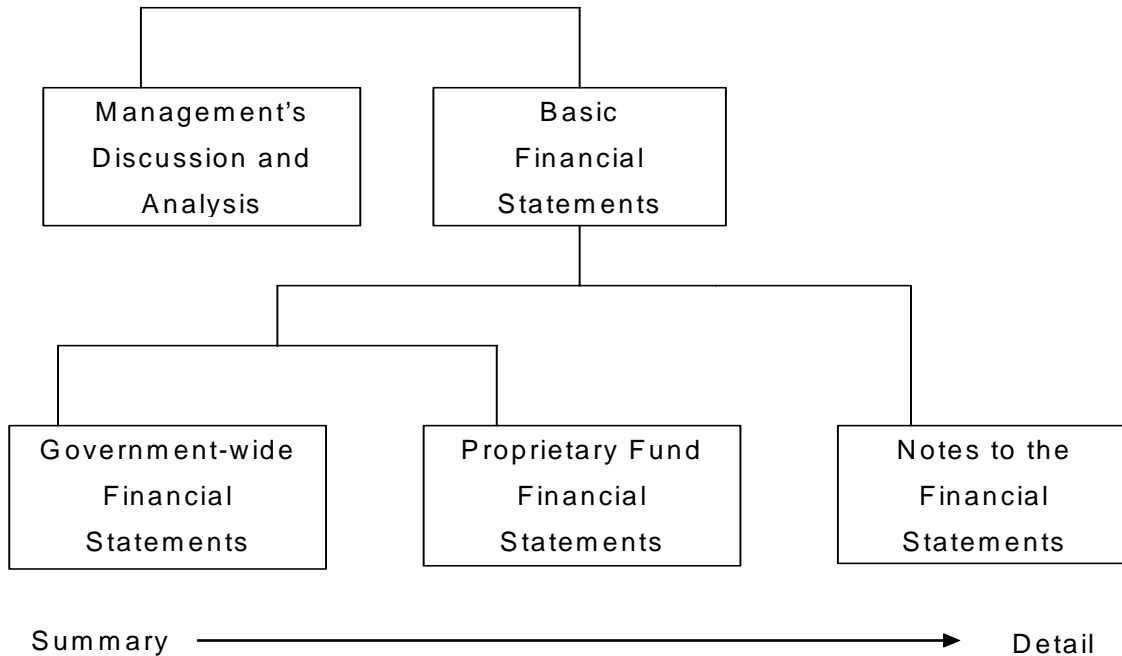
### **Financial Highlights**

- The assets of Wilson County's governmental activities and business type exceeded its liabilities at the close of the most recent fiscal year by \$39,423,133.
- Wilson County's net assets increased by \$5,940,787. This increase is primarily due to General Fund's increase of \$4,127,945.
- At June 30, 2006, Wilson County's governmental funds reported combined ending fund balances of \$28,611,622, with a net increase of \$3,224,721. Approximately 76.37% of this total, or \$21,852,057, is unreserved or available for spending at Wilson County's discretion.
- At the close of the current fiscal year, Wilson County's general fund reported an ending fund balance of \$27,429,591, an increase of \$3,620,324, in comparison with the prior year. Approximately \$20,781,811 of this total amount is available for spending at the government's discretion.
- The County holds the following bond ratings:
  - Moody's - A1
  - Standard & Poor's - A

### **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 general purpose financial statements are the Government-wide Financial Statements. They provide both short and long-term information concerning the County’s financial status.

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

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

## **Government-wide Financial Statements**

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

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

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

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

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

## **Fund Financial Statements**

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



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

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

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 63.

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

## Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. For Wilson County, assets exceeded liabilities by \$39,433,133 at the close of the most recent fiscal year.

### Wilson County's Net Assets Figure 2

|  | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Total              |                   |
|--|----------------------------|-------------------|-----------------------------|-------------------|--------------------|-------------------|
|  | 2006                       | 2005              | 2006                        | 2005              | 2006               | 2005              |
| <b>Assets:</b>                                     |                            |                   |                             |                   |                    |                   |
| Current and other assets                           | 34,053,726                 | 32,681,006        | 15,318,315                  | 14,489,474        | 49,372,041         | 47,170,480        |
| Restricted assets                                  | 186,316                    | 1,013,813         | 1,043,010                   | 735,625           | 1,229,326          | 1,749,438         |
| Capital assets                                     | 24,007,791                 | 24,479,129        | 26,548,621                  | 23,161,555        | 50,556,412         | 47,640,684        |
| <b>Total Assets</b>                                | <b>58,247,833</b>          | <b>58,173,948</b> | <b>42,909,946</b>           | <b>38,386,654</b> | <b>101,157,779</b> | <b>96,560,602</b> |
| <b>Liabilities:</b>                                |                            |                   |                             |                   |                    |                   |
| Long-term liabilities                              |                            |                   |                             |                   |                    |                   |
| Outstanding  | 44,029,463                 | 48,123,852        | 9,918,500                   | 7,345,500         | 53,947,963         | 55,469,352        |
| Other liabilities                                  | 4,902,625                  | 4,862,296         | 2,874,058                   | 2,736,608         | 7,776,683          | 7,598,904         |
| <b>Total Liabilities</b>                           | <b>48,932,088</b>          | <b>52,986,148</b> | <b>12,792,558</b>           | <b>10,082,108</b> | <b>61,724,646</b>  | <b>63,068,256</b> |
| <b>Net Assets:</b>                                 |                            |                   |                             |                   |                    |                   |
| Invested in capital assets,<br>net of related debt | 14,991,356                 | 15,487,589        | 16,358,676                  | 15,816,055        | 31,350,032         | 31,303,644        |
| Restricted   | 371,922                    | 555,274           | 853,665                     | 735,625           | 1,225,587          | 1,290,899         |
| Unrestricted                                       | (6,047,533)                | (10,855,063)      | 12,905,047                  | 11,752,866        | 6,857,514          | 897,803           |
| <b>Total Net Assets</b>                            | <b>9,315,745</b>           | <b>5,187,800</b>  | <b>30,117,388</b>           | <b>28,304,546</b> | <b>39,433,133</b>  | <b>33,492,346</b> |

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

- Growth in the use of services, especially in the water utilities, continue to rise.
- Diligence in collections, especially in delinquent tax collections, accounts for much of the growth in current assets in the governmental funds.

## Wilson County's Changes in Net Assets

**Figure 3**

|  | Governmental<br>Activities |                   | Business-Type<br>Activities |                   | Totals            |                   |
|--|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
|  | 2006                       | 2005              | 2006                        | 2005              | 2006              | 2005              |
| <b>Revenues:</b>                                   |                            |                   |                             |                   |                   |                   |
| Program Revenues:                                  |                            |                   |                             |                   |                   |                   |
| Charges for Services                               | 11,015,4823                | 9,7791,836        | 3,763,233                   | 2,944,296         | 14,645,766        | 12,614,283        |
| Intergovernmental                                  | 15,170,468                 | 15,167,547        |                             | 689,615           | 15,170,468        | 15,857,162        |
| Capital Grants &<br>Contributions                  | 663,049                    | 5,537             | 659,357                     | 305,991           | 1,322,406         | 311,528           |
| General Revenues:                                  |                            |                   |                             |                   | -                 | -                 |
| Property Taxes                                     | 41,687,531                 | 35,072,321        |                             |                   | 41,687,531        | 35,072,321        |
| Local Option Sales Tax                             | 14,060,662                 | 13,831,678        |                             |                   | 14,060,662        | 13,831,678        |
| Other Taxes & Licenses                             | 1,311,338                  | 1,260,603         |                             |                   | 1,311,338         | 1,260,603         |
| Investment earnings                                | 1,059,383                  | 509,443           | 603,901                     | 308,689           | 1,663,284         | 818,132           |
| Miscellaneous                                      | 207,965                    | 47,153            |                             |                   | 207,965           | 47,153            |
| Sale of Equipment                                  |                            | (11,865)          |                             |                   | -                 | -                 |
| Economic Development                               |                            |                   |                             | -                 |                   |                   |
| Incentive  |                            |                   | (1,316,150)                 |                   |                   | -                 |
| <b>Total Revenues</b>                              | <b>85,165,878</b>          | <b>74,358,103</b> | <b>5,026,491</b>            | <b>4,248,591</b>  | <b>90,192,369</b> | <b>79,934,709</b> |
| <b>Expenditures</b>                                |                            |                   |                             |                   |                   |                   |
| General Government                                 | 6,553,323                  | 6,466,351         |                             |                   | 6,553,323         | 6,466,351         |
| Public Safety                                      | 14,849,173                 | 12,833,721        |                             |                   | 14,849,173        | 12,833,721        |
| Transportation                                     | 42,714                     | 40,214            |                             |                   | 42,714            | 40,214            |
| Environmental<br>Protection                        | 252,393                    | 212,708           |                             | 252,393           | 212,708           |                   |
| Economic & Physical<br>Development                 | 3,934,651                  | 983,743           |                             |                   | 3,934,651         | 983,743           |
| Human Services                                     | 33,260,796                 | 30,330,025        |                             |                   | 33,260,796        | 30,330,025        |
| Cultural and<br>Recreational                       | 2,204,386                  | 1,853,427         |                             |                   | -                 | 1,853,427         |
| Education  | 18,044,198                 | 19,054,402        |                             |                   | 18,044,198        | 19,054,402        |
| Interest & Other<br>Charges                        | 1,822,016                  | 2,015,382         |                             |                   | 1,822,016         | 2,015,382         |
| Landfill   |                            |                   | 1,940,209                   | 2,049,988         | 1,940,209         | 2,049,988         |
| Water  |                            |                   | 1,273,440                   | 923,078           | 1,273,440         | 923,078           |
| <b>Total Expenditures</b>                          | <b>80,963,650</b>          | <b>73,789,973</b> | <b>3,213,649</b>            | <b>2,973,066</b>  | <b>84,177,299</b> | <b>76,763,039</b> |
| <b>Increase in net assets<br/>before transfers</b> | <b>4,212,228</b>           | <b>568,130</b>    | <b>1,812,842</b>            | <b>1,275,525</b>  | <b>6,015,070</b>  | <b>1,843,655</b>  |
| <b>Net Assets July 1</b>                           | <b>5,187,800</b>           | <b>4,619,670</b>  | <b>28,304,546</b>           | <b>27,029,021</b> | <b>33,492,346</b> | <b>31,648,691</b> |
| <b>Prior Period Adjustments</b>                    | (84,283)                   |                   |                             |                   |                   |                   |
| <b>Net Assets June 30</b>                          | <b>9,315,745</b>           | <b>5,187,800</b>  | <b>30,117,388</b>           | <b>28,304,546</b> | <b>39,507,416</b> | <b>33,492,346</b> |

**Governmental Activities.** Of the total net assets, governmental activities accounted for \$9,315,745, 23.62% of the total net assets. Governmental activities increased by \$4,212,228, thereby accounting for 69.91% of the total increase in net assets. The debt for school projects is carried in the county's general fund while the assets are included as assets of the Board of Education. Expenditures for education remained the same as in the previous year. Operating grants funded \$15,170,468 of Wilson County's governmental activities. The collection of delinquent taxes account for accounts for much of the increase.

**Business-type Activities.** Business-type activities increased Wilson County's net assets by \$1,812,842, accounting for 30.01% of the total growth in the county's net assets.

- Charges for services increased in the Solid Waste department as well as the water district.

## **Financial Analysis of the County's Funds**

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

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

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$28,611,622 an increase of 3,214,721.

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, unreserved fund balance in the general fund was \$20,781,811 while total fund balance for the general fund reached \$27,429,591. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26.49% percent of total general fund expenditures, while total fund balance represents 34.96% percent of that same amount.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$3,611,911. The majority of this increase was attributable to Restricted Intergovernmental Revenues and delinquent ad valorem tax collections.

**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 2006 amounted to \$12,905,047.

## **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, 2006 amounts to \$50,556,412 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery and equipment.

- Expanded service district in the Southwest water district, which included the construction of an additional water tank.
- Purchased new equipment in the Landfill.
- Purchased new vehicles for Law Enforcement;
- Upgraded equipment in Register of Deeds
- Purchased new voting machines.
- Completed addition and upgrade to the Library building
- Upgraded equipment in Enhanced 911 Center

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

|                                  | Governmental |              | Business-Type |             | Totals       |              |
|----------------------------------|--------------|--------------|---------------|-------------|--------------|--------------|
|                                  | Activities   |              | Activities    |             |              |              |
|                                  | 2006         | 2005         | 2006          | 2005        | 2006         | 2005         |
| Land                             | 393,570      | 272,220      | 2,600,706     | 2,333,708   | 2,994,276    | 2,605,928    |
| Buildings and<br>Improvements    | 28,522,274   | 28,207,224   | 3,889,423     | 3,751,491   | 32,411,697   | 31,958,715   |
| Equipment/Plant<br>Distribution  | 5,891,568    | 5,888,242    | 18,688,915    | 7,709,170   | 24,580,483   | 13,597,412   |
| Vehicles                         | 2,867,753    | 2,965,928    | 185,304       | 98,404      | 3,053,057    | 3,064,332    |
| Construction in<br>Progress      |              |              |               | 10,856,133  |              | 10,856,133   |
|                                  | 37,675,165   | 37,333,614   | 25,364,348    | 24,748,906  | 63,039,513   | 62,082,520   |
| Less Accumulated<br>Depreciation | (13,667,374) | (12,854,486) | (2,002,476)   | (1,587,351) | (15,669,850) | (14,441,837) |
|                                  | 24,007,791   | 24,479,128   | 23,361,872    | 23,161,555  | 47,369,663   | 47,640,683   |

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

**Long-term Debt.** At the end of the current fiscal year, Wilson County had total bonded debt outstanding of \$22,385,000, which is backed by the full faith and credit of the County.

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

|           | Governmental  |               | Business-Type |              | Total         |               |
|-----------|---------------|---------------|---------------|--------------|---------------|---------------|
|           | Activities    |               | Activities    |              |               |               |
|           | 2006          | 2005          | 2006          | 2005         | 2006          | 2005          |
| All Bonds | \$ 22,385,000 | \$ 23,980,000 | \$ 9,918,500  | \$ 7,345,500 | \$ 32,303,500 | \$ 31,325,500 |
|           | =====         | =====         | =====         | =====        | =====         | =====         |

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$366,007,620. 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 7.93% a decrease from fiscal year 2005 ratio of 8.86%.

The County's general obligation debt per capita, at June 30, 2006 was \$302.50 as of June 30, 2006 while the County's gross debt per capita is \$683.95.

Additional information on Wilson County's long-term debt can be found in Note 7, Section B found on pages 53-59 of this report.

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

- The pharmaceutical industry remains strong in Wilson County. The expansion of several other industries further solidifies the fact that Wilson County is rebounding from the recent agricultural
- Retail continues to grow in Wilson County. Several big name stores have located in the \$30 million retail center that began construction in 2005. Though some existing retail stores relocated in the new shopping center, those vacated have already been occupied by new businesses or are in the process of being occupied.
- Additional jobs were created with the expansion of one of the county's high tech manufacturing companies during the fiscal year.
- The budget for 2006-2007 required no tax increase due to the fact that revenue remains constant

All of these factors were considered in preparing Wilson County's budget for Fiscal Year 2006-2007.

## **Budget Highlights for Fiscal Year 2006-2007**

**Governmental activities.** No tax increase is required. The general fund budget rose by 3.83% or \$3,178,213. The increase covers increases in personnel costs, routine replacement of capital assets and upgrades.

**Business-type activities.** The budgeted expenditures for the Solid Waste fund total \$6,623,661. This increase is due to the increase in amount budgeted for the Landfill Financial Assurance. Wilson County expanded the Southwest District to include another potential 328 customers. Both districts continue to expand its service areas. The water districts will increase rates in fiscal 2007 to cover increase in personnel operating costs.

## **Requests for information**

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

**Wilson County, North Carolina**  
**Statement of Net Assets**  
**June 30, 2006**

Exhibit 1

|   | Primary Government         |                             |                | Component<br>Unit             |
|---|----------------------------|-----------------------------|----------------|-------------------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total          | Wilson<br>County<br>ABC Board |
| <b>Assets</b>                                 |                            |                             |                |                               |
| Current Assets:                               |                            |                             |                |                               |
| Cash and cash eq                              | \$ 24,530,602              | \$ 16,116,944               | \$ 40,647,546  | \$ 796,727                    |
| Receivable (net)                              | 5,996,906                  | 194,767                     | 6,191,673      | 421                           |
| Due from other gov                            | 2,353,171                  | 27,713                      | 2,380,884      | -                             |
| Due from compone                              | 56,250                     | -                           | 56,250         | (56,250)                      |
| Deferred charges                              | 95,688                     | -                           | 95,688         | 13,031                        |
| Inventories                                   | -                          | -                           | -              | 472,328                       |
| Due to/from other f                           | 1,021,109                  | (1,021,109)                 | -              | -                             |
| Total Current A                               | \$ 34,053,726              | \$ 15,318,315               | \$ 49,372,041  | \$ 1,226,257                  |
| Restrict                                      |                            |                             |                |                               |
| ed Assets:                                    |                            |                             |                |                               |
| Cash and cash eq                              | \$ 186,316                 | \$ 414,644                  | \$ 600,960     | \$ -                          |
| Accounts receivabl                            | -                          | 628,366                     | 628,366        | -                             |
| Total Restrictec                              | \$ 186,316                 | \$ 1,043,010                | \$ 1,229,326   | \$ -                          |
| Capital assets:                               |                            |                             |                |                               |
| Land, improvements, and<br>construction in pr | \$ 393,570                 | \$ 5,787,456                | \$ 6,181,026   | \$ 319,449                    |
| Other capital assets,<br>net of depreciatic   | 23,614,221                 | 20,761,165                  | 44,375,386     | 1,444,714                     |
| Total Capital As                              | \$ 24,007,791              | \$ 26,548,621               | \$ 50,556,412  | \$ 1,764,163                  |
| Total Assets                                  | \$ 58,247,833              | \$ 42,909,946               | \$ 101,157,779 | \$ 2,990,420                  |

(continued)



**Wilson County, North Carolina**  
**Statement of Net Assets**  
**June 30, 2006**

Exhibit 1

|  | Primary Government         |                             |                      | Component<br>Unit             |
|--|----------------------------|-----------------------------|----------------------|-------------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                | Wilson<br>County<br>ABC Board |
| (continued)  |                            |                             |                      |                               |
| <b>Liabilities</b>                                 |                            |                             |                      |                               |
| Accounts payable &                                 | \$ 2,460,266               | \$ 90,058                   | \$ 2,550,324         | \$ 399,525                    |
| Unearned revenue                                   | 391,380                    | -                           | 391,380              | -                             |
| Accrued interest pay                               | 492,056                    | 74,135                      | 566,191              | 1,292                         |
| Accrued landfill closure &<br>postclosure care c   | -                          | 2,397,164                   | 2,397,164            | -                             |
| Compensated abser                                  | 1,550,417                  | 37,601                      | 1,588,018            | 34,114                        |
| Customer deposits                                  | -                          | 77,790                      | 77,790               | -                             |
| Due to other governr                               | 8,506                      | -                           | 8,506                | -                             |
| Restricted Liabilities:                            |                            |                             |                      |                               |
| Accounts payable                                   | -                          | 189,345                     | 189,345              | -                             |
| Deferred credit - bon                              | -                          | 7,965                       | 7,965                | -                             |
| Long-term Liabilities:                             |                            |                             |                      |                               |
| Due within one ye                                  | 4,676,812                  | 2,738,500                   | 7,415,312            | 68,237                        |
| Due in more than c                                 | 39,352,651                 | 7,180,000                   | 46,532,651           | 161,608                       |
| <b>Total Liabilities</b>                           | <b>\$ 48,932,088</b>       | <b>\$ 12,792,558</b>        | <b>\$ 61,724,646</b> | <b>\$ 664,776</b>             |
| <b>Net Assets</b>                                  |                            |                             |                      |                               |
| Invested in capital assets,<br>net of related debt | \$ 14,991,356              | \$ 16,358,676               | \$ 31,350,032        | \$ 1,534,318                  |
| Restricted For:                                    |                            |                             |                      |                               |
| Public safety                                      | 350,897                    | -                           | 350,897              | -                             |
| Register of Deeds                                  | 21,025                     | -                           | 21,025               | -                             |
| Other purposes                                     | -                          | 853,665                     | 853,665              | 159,842                       |
| Unrestricted (deficit)                             | (6,047,533)                | 12,905,047                  | 6,857,514            | 631,484                       |
| <b>Total Net Asset</b>                             | <b>\$ 9,315,745</b>        | <b>\$ 30,117,388</b>        | <b>\$ 39,433,133</b> | <b>\$ 2,325,644</b>           |

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, 2006**

| <u>Functions/Programs</u>         | <u>Program Revenues</u>  |                             |   |   |
|-----------------------------------|--------------------------|-----------------------------|---|---|
|                                   | <u>Expenses</u>          | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Primary Government:</b>        |                          |                             |   |   |
| Governmental Activities:          |                          |                             |   |   |
| General Government                | \$ 6,553,323             | \$ 696,166                  | \$ 1,009,762                              | \$ -                                    |
| Public Safety                     | 14,849,173               | 3,406,288                   | 532,931                                   | -                                       |
| Transportation                    | 42,714                   | 136,165                     | 298,505                                   | -                                       |
| Environmental Protection          | 252,393                  | -                           | -   | -                                       |
| Economic and Physical Development | 3,934,651                | 847,902                     | -   | 487,965                                 |
| Human Services                    | 33,260,796               | 5,928,961                   | 13,329,270                                | -                                       |
| Cultural and Recreation           | 2,204,386                | -                           | -   | 175,084                                 |
| Education                         | 18,044,198               | -                           | -   | -                                       |
| Interest on long-term debt        | 1,822,016                | -                           | -   | -                                       |
| Total Governmental Activities     | <u>\$ 80,963,650</u>     | <u>\$ 11,015,482</u>        | <u>\$ 15,170,468</u>                      | <u>\$ 663,049</u>                       |
| Business-type Activities:         |                          |                             |   |   |
| Landfill                          | \$ 1,940,209             | \$ 2,838,813                | \$ -                                      | \$ -                                    |
| Water                             | 1,273,440                | 924,420                     | -   | 659,357                                 |
| Total Business-type Activities    | <u>\$ 3,213,649</u>      | <u>\$ 3,763,233</u>         | <u>\$ -</u>                               | <u>\$ 659,357</u>                       |
| <br>Total Primary Government      | <br><u>\$ 84,177,299</u> | <br><u>\$ 14,778,715</u>    | <br><u>\$ 15,170,468</u>                  | <br><u>\$ 1,322,406</u>                 |
| <br>Component Units:              |                          |                             |   |   |
| ABC Board                         | <u>\$ 5,034,347</u>      | <u>\$ 5,228,188</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, unrestricted

Total General Revenues and Transfers/Distribution

Change in Net Assets

Net Assets-beginning

Prior period adjustment

Net Assets-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets

| Primary Government      |                          |                        | Component Unit          |
|-------------------------|--------------------------|------------------------|-------------------------|
| Governmental Activities | Business-type Activities | Total                  | Wilson County ABC Board |
| \$ (4,847,395)          | \$ -                     | \$ (4,847,395)         |                         |
| (10,909,954)            | -                        | (10,909,954)           |                         |
| 391,956                 | -                        | 391,956                |                         |
| (252,393)               | -                        | (252,393)              |                         |
| (2,598,784)             | -                        | (2,598,784)            |                         |
| (14,002,565)            | -                        | (14,002,565)           |                         |
| (2,029,302)             | -                        | (2,029,302)            |                         |
| (18,044,198)            | -                        | (18,044,198)           |                         |
| (1,822,016)             | -                        | (1,822,016)            |                         |
| <u>\$ (54,114,651)</u>  | <u>\$ -</u>              | <u>\$ (54,114,651)</u> |                         |
| <br>                    |                          |                        |                         |
| \$ -                    | \$ 898,604               | \$ 898,604             |                         |
| -                       | 310,337                  | 310,337                |                         |
| <u>\$ -</u>             | <u>\$ 1,208,941</u>      | <u>\$ 1,208,941</u>    |                         |
| <br>                    |                          |                        |                         |
| <u>\$ (54,114,651)</u>  | <u>\$ 1,208,941</u>      | <u>\$ (52,905,710)</u> |                         |
|                         |                          |                        | <u>\$ 193,841</u>       |
| <br>                    |                          |                        |                         |
| \$ 41,687,531           | \$ -                     | \$ 41,687,531          | \$ -                    |
| 14,060,662              | -                        | 14,060,662             | -                       |
| 1,311,338               | -                        | 1,311,338              | -                       |
| 150,110                 | 603,901                  | 754,011                | -                       |
| 1,059,383               | -                        | 1,059,383              | 24,232                  |
| 57,855                  | -                        | 57,855                 | 2,804                   |
| <u>\$ 58,326,879</u>    | <u>\$ 603,901</u>        | <u>\$ 58,930,780</u>   | <u>\$ 27,036</u>        |
| <br>                    |                          |                        |                         |
| \$ 4,212,228            | \$ 1,812,842             | \$ 6,025,070           | \$ 220,877              |
| 5,187,800               | 28,304,546               | 33,492,346             | 2,104,767               |
| (84,283)                | -                        | (84,283)               | -                       |
| <u>\$ 9,315,745</u>     | <u>\$ 30,117,388</u>     | <u>\$ 39,433,133</u>   | <u>\$ 2,325,644</u>     |

**Wilson County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2006**

**Exhibit 3**

|   | <b>General</b> | <b>Non-Major<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|----------------|---|---|
| <b>Assets</b>                                 |                |   |   |
| Cash and cash equivalents                     | \$ 23,239,162  | \$ 1,291,440                                | \$ 24,530,602                           |
| Restricted cash                               | -              | 186,316                                     | 186,316                                 |
| Taxes receivable, net                         | 2,160,651      | 54,237                                      | 2,214,888                               |
| Accounts and other receivables, net           | 3,196,219      | 129,155                                     | 3,325,374                               |
| Due from other governments                    | 2,353,177      | -   | 2,353,177                               |
| Due from other funds                          | 1,021,109      | -   | 1,021,109                               |
| Due from component unit                       | 56,250         | -   | 56,250                                  |
| Total Assets                                  | \$ 32,026,568  | \$ 1,661,148                                | \$ 33,687,716                           |
| <br><b>Liabilities and Fund Balances</b>      |                |   |   |
| Liabilities:                                  |                |   |   |
| Accounts payable and accrued liabilities      | \$ 2,036,440   | \$ 424,880                                  | \$ 2,461,320                            |
| Deferred revenue                              | 2,160,651      | 54,237                                      | 2,214,888                               |
| Due to other governments                      | 8,506          | -   | 8,506                                   |
| Prepaid property taxes                        | 391,380        | -   | 391,380                                 |
| Total Liabilities                             | \$ 4,596,977   | \$ 479,117                                  | \$ 5,076,094                            |
| <br>Fund Balances:                            |                |   |   |
| Reserved for:                                 |                |   |   |
| State statute                                 | \$ 6,626,755   | \$ 111,785                                  | \$ 6,738,540                            |
| Register of Deeds                             | 21,025         | -   | 21,025                                  |
| Unreserved:                                   |                |   |   |
| Designated for subsequent year's expenditures | 9,468,878      | 505,860                                     | 9,974,738                               |
| Undesignated                                  | 11,312,933     | -   | 11,312,933                              |
| Unreserved, reported in nonmajor:             |                |   |   |
| Special revenue funds                         | -              | 172,975                                     | 172,975                                 |
| Capital projects funds                        | -              | 391,411                                     | 391,411                                 |
| Total Fund Balances                           | \$ 27,429,591  | \$ 1,182,031                                | \$ 28,611,622                           |
| Total Liabilities and Fund Balances           | \$ 32,026,568  | \$ 1,661,148                                | \$ 33,687,716                           |

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

**Wilson County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2006**

**Exhibit 3**

Reconciliation of the governmental fund balance to net assets:

|                     |               |
|---------------------|---------------|
| Total fund balances | \$ 28,611,622 |
|---------------------|---------------|

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. | 24,007,791 |
|---|------------|

|  |        |
|--|--------|
| Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds. | 95,688 |
|--|--------|

|  |         |
|--|---------|
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 457,692 |
|--|---------|

|  |           |
|--|-----------|
| Liabilities for earned but deferred revenues in fund statements. | 2,214,888 |
|--|-----------|

|  |              |
|--|--------------|
| Some liabilities, including bonds payable and accrued interest on long-term debt, are not due and payable in the current period and therefore are not reported in the funds. | (46,071,936) |
|--|--------------|

|                                       |                     |
|---------------------------------------|---------------------|
| Net Assets of Governmental Activities | <u>\$ 9,315,745</u> |
|---------------------------------------|---------------------|

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

**Wilson County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2006**

**Exhibit 4**

|                                   | <b>Major<br/>Funds<br/>General</b> | <b>Non-Major<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------------|------------------------------------|---|---|
| <b>Revenues</b>                   |                                    |   |   |
| Ad valorem taxes                  | \$ 43,242,232                      | \$ 979,514                                  | \$ 44,221,746                           |
| Local option sales taxes          | 13,738,917                         | 321,745                                     | 14,060,662                              |
| Other taxes and licenses          | 790,089                            | 521,249                                     | 1,311,338                               |
| Unrestricted intergovernmental    | 150,110                            | -   | 150,110                                 |
| Restricted intergovernmental      | 15,811,514                         | 743,065                                     | 16,554,579                              |
| Permits and fees                  | 632,501                            | -   | 632,501                                 |
| Sales and service                 | 9,525,754                          | 136,165                                     | 9,661,919                               |
| Investment earnings               | 1,019,710                          | 39,673                                      | 1,059,383                               |
| Miscellaneous                     | 93,816                             | -   | 93,816                                  |
|                                   | <b>\$ 85,004,643</b>               | <b>\$ 2,741,411</b>                         | <b>\$ 87,746,054</b>                    |
| <b>Expenditures</b>               |                                    |   |   |
| Current:                          |                                    |   |   |
| General government                | \$ 6,562,852                       | \$ -  | \$ 6,562,852                            |
| Public safety                     | 11,591,183                         | 2,536,894                                   | 14,128,077                              |
| Transportation                    | 42,714                             | -   | 42,714                                  |
| Environmental protection          | 252,393                            | -   | 252,393                                 |
| Economic and physical development | 943,982                            | -   | 943,982                                 |
| Human services                    | 33,246,126                         | -   | 33,246,126                              |
| Cultural and recreational         | 1,883,042                          | -   | 1,883,042                               |
| Intergovernmental:                |                                    |   |   |
| Education                         | 17,715,244                         | -   | 17,715,244                              |
| Capital projects                  | -                                  | 3,984,999                                   | 3,984,999                               |
| Debt service:                     |                                    |   |   |
| Principal                         | 4,348,150                          | -   | 4,348,150                               |
| Interest and other charges        | 1,870,754                          | -   | 1,870,754                               |
|                                   | <b>\$ 78,456,440</b>               | <b>\$ 6,521,893</b>                         | <b>\$ 84,978,333</b>                    |

(continued)

**Wilson County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2006**

**Exhibit 4**

|  | <u>Major<br/>Funds<br/>General</u> | <u>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|------------------------------------|---|---|
| (continued)  |                                    |   |   |
| Excess (Deficiency) of<br>Revenues Over Expenditures | \$ 6,548,203                       | \$ (3,780,482)                              | \$ 2,767,721                            |
| Other Financing Sources (Uses):                      |                                    |   |   |
| Transfers from other funds                           | \$ (2,927,879)                     | \$ 2,927,879                                | \$ -                                    |
| Debt proceeds  | -                                  | 457,000                                     | 457,000                                 |
| Total Other Financing Sources (Uses):                | <u>\$ (2,927,879)</u>              | <u>\$ 3,384,879</u>                         | <u>\$ 457,000</u>                       |
| Net Change in Fund Balance                           | \$ 3,620,324                       | \$ (395,603)                                | \$ 3,224,721                            |
| Fund Balances:                                       |                                    |   |   |
| Beginning of year, July 1                            | 23,809,267                         | 1,577,634                                   | 25,386,901                              |
| End of year, June 30                                 | <u>\$ 27,429,591</u>               | <u>\$ 1,182,031</u>                         | <u>\$ 28,611,622</u>                    |

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

**Wilson County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2006**

**Exhibit 4**

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

|   |    |           |
|---|----|-----------|
| Net changes in fund balances - total governmental funds | \$ | 3,224,721 |
|---|----|-----------|

|   |  |           |
|---|--|-----------|
| 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 depreciation exceeded capital outlays in the current period. |  | (292,200) |
|---|--|-----------|

|  |  |             |
|--|--|-------------|
| 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. |  | (2,534,215) |
|--|--|-------------|

|   |  |         |
|---|--|---------|
| Undepreciated cost of capital assets sold which exceeds proceeds. |  | (5,045) |
|---|--|---------|

|   |  |          |
|---|--|----------|
| Undepreciated cost of capital assets retired during the year. |  | (89,810) |
|---|--|----------|

|   |  |           |
|---|--|-----------|
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. |  | 4,128,352 |
|---|--|-----------|

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    |  | (221,154) |
| Net pension obligations |  | (45,924)  |
| Accrued interest        |  | 47,503    |

|  |           |                  |
|--|-----------|------------------|
| Total Changes in Net Assets of Governmental Activities | <u>\$</u> | <u>4,212,228</u> |
|--|-----------|------------------|

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





**Wilson County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2006**

Exhibit 5

|                                      | General Fund         |                      |                      | Variance<br>With Final<br>Positive<br>Positive<br>(Negative) |
|--------------------------------------|----------------------|----------------------|----------------------|--|
|                                      | Original<br>Budget   | Final<br>Budget      | Actual               |  |
| <b>Revenues:</b>                     |                      |                      |                      |  |
| Ad valorem taxes                     | \$ 36,064,500        | \$ 38,725,879        | \$ 43,242,232        | \$ 4,516,353   |
| Local option sales tax               | 13,285,349           | 13,076,349           | 13,738,917           | 662,568  |
| Other taxes and licenses             | 660,000              | 666,000              | 790,089              | 124,089  |
| Unrestricted intergovernmental       | 179,000              | 159,200              | 150,110              | (9,090)  |
| Restricted intergovernmental         | 15,156,534           | 15,633,298           | 15,811,514           | 178,216  |
| Permits and fees                     | 550,000              | 558,000              | 632,501              | 74,501   |
| Sales and services                   | 7,571,823            | 8,242,803            | 9,525,754            | 1,282,951  |
| Investment earnings                  | 500,750              | 518,338              | 1,019,710            | 501,372  |
| Miscellaneous                        | 32,500               | 32,500               | 93,816               | 61,316   |
| Total Revenues                       | <u>\$ 74,000,456</u> | <u>\$ 77,612,367</u> | <u>\$ 85,004,643</u> | <u>\$ 7,392,276</u>  |
| <b>Expenditures:</b>                 |                      |                      |                      |  |
| Current:                             |                      |                      |                      |  |
| General Government                   | \$ 6,966,709         | \$ 7,314,208         | \$ 6,562,852         | \$ 751,356   |
| Public Safety                        | 11,269,799           | 11,888,885           | 11,591,183           | 297,702  |
| Transportation                       | 154,886              | 42,714               | 42,714               | -  |
| Environmental Protection             | 254,576              | 291,700              | 252,393              | 39,307   |
| Economic and<br>Physical Development | 1,035,010            | 1,068,848            | 943,982              | 124,866  |
| Human Services                       | 35,891,480           | 36,218,797           | 33,246,126           | 2,972,671  |
| Cultural and Recreational            | 1,490,824            | 1,888,520            | 1,883,042            | 5,478  |
| Intergovernmental:                   |                      |                      |                      |  |
| Education                            | 17,706,364           | 17,720,874           | 17,715,244           | 5,630  |
| Debt Service:                        |                      |                      |                      |  |
| Principal retirement                 | 4,530,109            | 4,530,109            | 4,348,150            | 181,959  |
| Interest and other charges           | 1,902,313            | 1,902,313            | 1,870,754            | 31,559   |
| Contingency                          | 353,531              | 269,009              | -                    | 269,009  |
| Total Expenditures                   | <u>\$ 81,555,601</u> | <u>\$ 83,135,977</u> | <u>\$ 78,456,440</u> | <u>\$ 4,679,537</u>  |

(continued)

**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, 2006**

**Exhibit 5**

|                                 | <b>General Fund</b>   |                       |                       | <b>Variance</b>       |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                 | <b>Original</b>       | <b>Final</b>          | <b>Actual</b>         | <b>With Final</b>     |
|                                 | <b>Budget</b>         | <b>Budget</b>         | <b>Actual</b>         | <b>Positive</b>       |
|                                 |                       |                       |                       | <b>(Negative)</b>     |
| <br>(continued)                 |                       |                       |                       |                       |
| Revenues Over                   |                       |                       |                       |                       |
| (Under) Expenditures            | <u>\$ (7,555,145)</u> | <u>\$ (5,523,610)</u> | <u>\$ 6,548,203</u>   | <u>\$ 12,071,813</u>  |
| Other Financing Sources (Uses): |                       |                       |                       |                       |
| Transfers (to) from other funds | \$ (300,000)          | \$ (2,970,520)        | \$ (2,927,879)        | \$ 42,641             |
| Fund balance appropriated       | <u>7,855,145</u>      | <u>8,494,130</u>      | <u>-</u>              | <u>(8,494,130)</u>    |
| Total Other Financing           |                       |                       |                       |                       |
| Sources (Uses)                  | <u>\$ 7,555,145</u>   | <u>\$ 5,523,610</u>   | <u>\$ (2,927,879)</u> | <u>\$ (8,451,489)</u> |
| Revenues and Other Financing    |                       |                       |                       |                       |
| Sources Over Expenditures       |                       |                       |                       |                       |
| and Other Financing Uses        | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ 3,620,324</u>   | <u>\$ 3,620,324</u>   |
| Fund Balances:                  |                       |                       |                       |                       |
| Beginning of year, July 1       |                       |                       | 23,809,267            |                       |
| End of year, June 30            |                       |                       | <u>\$ 27,429,591</u>  |                       |

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

**Wilson County, North Carolina**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2006**

**Exhibit 6**

|  | <b>Major Enterprise Funds</b>   |   |   | <b>Total</b>         |
|--|---------------------------------|---|---|----------------------|
|  | <b>Solid<br/>Waste<br/>Fund</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southeast<br/>District</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southwest<br/>District</b> |                      |
| <b>Assets</b>                                |                                 |   |   |                      |
| <b>Current Assets:</b>                       |                                 |   |   |                      |
| Cash and cash equivalents                    | \$ 15,820,547                   | \$ 116,596  | \$ 179,801  | \$ 16,116,944        |
| Receivables, net                             | 131,459                         | 33,880  | 29,428  | 194,767              |
| Due from other governments                   | 27,713                          | -   | -   | 27,713               |
| <b>Total Current Assets</b>                  | <b>\$ 15,979,719</b>            | <b>\$ 150,476</b>   | <b>\$ 209,229</b>   | <b>\$ 16,339,424</b> |
| <b>Non-current Assets:</b>                   |                                 |   |   |                      |
| <b>Restricted Assets:</b>                    |                                 |   |   |                      |
| Cash and cash equivalents                    | \$ -                            | \$ 150,987  | \$ 263,657  | \$ 414,644           |
| Accounts receivable                          | -                               | -   | 628,366   | 628,366              |
| <b>Total Restricted Assets</b>               | <b>\$ -</b>                     | <b>\$ 150,987</b>   | <b>\$ 892,023</b>   | <b>\$ 1,043,010</b>  |
| <b>Capital Assets:</b>                       |                                 |   |   |                      |
| Land and construction<br>in progress         | \$ 2,473,648                    | \$ 48,389   | \$ 3,265,419  | \$ 5,787,456         |
| Other capital assets, net<br>of depreciation | 695,774                         | 9,765,463   | 10,299,928  | 20,761,165           |
| <b>Capital Assets, Net</b>                   | <b>\$ 3,169,422</b>             | <b>\$ 9,813,852</b>   | <b>\$ 13,565,347</b>  | <b>\$ 26,548,621</b> |
| <b>Total Non-current Assets</b>              | <b>\$ 3,169,422</b>             | <b>\$ 9,964,839</b>   | <b>\$ 14,457,370</b>  | <b>\$ 27,591,631</b> |
| <b>Total Assets</b>                          | <b>\$ 19,149,141</b>            | <b>\$ 10,115,315</b>  | <b>\$ 14,666,599</b>  | <b>\$ 43,931,055</b> |

(continued)

**Wilson County, North Carolina**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2006**

**Exhibit 6**

|  | <b>Major Enterprise Funds</b>   |   |   | <b>Total</b>         |
|--|---------------------------------|---|---|----------------------|
|  | <b>Solid<br/>Waste<br/>Fund</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southeast<br/>District</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southwest<br/>District</b> |                      |
| <b>Liabilities</b>                                     |                                 |   |   |                      |
| <b>Current Liabilities:</b>                            |                                 |   |   |                      |
| Accounts payable                                       | \$ 72,288                       | \$ 8,608  | \$ 9,162  | \$ 90,058            |
| Customer deposits                                      | -                               | 39,600  | 38,190  | 77,790               |
| Due to other funds                                     | (303,500)                       | 462,870   | 861,739   | 1,021,109            |
| Current portion of bonds                               | -                               | 41,500  | 2,697,000   | 2,738,500            |
| Accrued interest                                       | -                               | 13,754  | 60,381  | 74,135               |
| <b>Total Current Liabilities</b>                       | <b>\$ (231,212)</b>             | <b>\$ 566,332</b>   | <b>\$ 3,666,472</b>   | <b>\$ 4,001,592</b>  |
| <b>Non-current Liabilities:</b>                        |                                 |   |   |                      |
| Accrued landfill closure and<br>postclosure care costs | \$ 2,397,164                    | \$ -  | \$ -  | \$ 2,397,164         |
| Compensated absences                                   | 26,201                          | 6,763   | 4,637   | 37,601               |
| Deferred credit-bond premium                           | -                               | -   | 7,965   | 7,965                |
| Bonds  | -                               | 3,480,000   | 3,700,000   | 7,180,000            |
| <b>Restricted:</b>                                     |                                 |   |   |                      |
| Accounts payable                                       | -                               | -   | 189,345   | 189,345              |
| <b>Total Non-current Liabilities</b>                   | <b>\$ 2,423,365</b>             | <b>\$ 3,486,763</b>   | <b>\$ 3,901,947</b>   | <b>\$ 9,812,075</b>  |
| <b>Total Liabilities</b>                               | <b>\$ 2,192,153</b>             | <b>\$ 4,053,095</b>   | <b>\$ 7,568,419</b>   | <b>\$ 13,813,667</b> |
| <b>Net Assets</b>                                      |                                 |   |   |                      |
| Invested in capital assets,<br>net of related debt     | \$ 3,169,422                    | \$ 6,278,598  | \$ 6,910,656  | \$ 16,358,676        |
| Unrestricted   | 13,787,566                      | (367,365)   | (515,154)   | 12,905,047           |
| Restricted   | -                               | 150,987   | 702,678   | 853,665              |
| <b>Total Net Assets</b>                                | <b>\$ 16,956,988</b>            | <b>\$ 6,062,220</b>   | <b>\$ 7,098,180</b>   | <b>\$ 30,117,388</b> |

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

**Wilson County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2006**

Exhibit 7

|  | <b>Major Enterprise Funds</b> |   |   | <b>Total</b>                |
|--|-------------------------------|---|---|-----------------------------|
|  | <b>Solid Waste Fund</b>       | <b>Water Distribution Fund Southeast District</b> | <b>Water Distribution Fund Southwest District</b> |                             |
| <b>Operating Revenues</b>                        |                               |   |   |                             |
| Charges for services                             | \$ 2,838,813                  | \$ 470,256  | \$ 454,164  | \$ 3,763,233                |
| <b>Operating Expenses</b>                        |                               |   |   |                             |
| Administration                                   | \$ -                          | \$ 185,150  | \$ 224,038  | \$ 409,188                  |
| Salaries and employee benefits                   | 768,327                       | -   | -   | 768,327                     |
| Operating expense                                | 835,059                       | -   | -   | 835,059                     |
| Landfill closure                                 | 209,000                       | -   | -   | 209,000                     |
| Depreciation                                     | 120,884                       | 181,757   | 188,627   | 491,268                     |
| Water purchase                                   | -                             | 84,471  | 83,797  | 168,268                     |
| Total Operating Expenses                         | <u>\$ 1,933,270</u>           | <u>\$ 451,378</u>                                 | <u>\$ 496,462</u>                                 | <u>\$ 2,881,110</u>         |
| Operating Income (Loss)                          | <u>\$ 905,543</u>             | <u>\$ 18,878</u>                                  | <u>\$ (42,298)</u>                                | <u>\$ 882,123</u>           |
| <b>Non-Operating Revenues (Expenses)</b>         |                               |   |   |                             |
| Interest/investment revenue                      | \$ 590,886                    | \$ -  | \$ 13,015   | \$ 603,901                  |
| Bad debt   | (6,939)                       | (9,094)   | (7,895)   | (23,928)                    |
| Interest expense                                 | -                             | (152,016)   | (156,595)   | (308,611)                   |
| Total Non-Operating Revenue (Expenses)           | <u>\$ 583,947</u>             | <u>\$ (161,110)</u>                               | <u>\$ (151,475)</u>                               | <u>\$ 271,362</u>           |
| Income (Loss) before Contributions and Transfers | \$ 1,489,490                  | \$ (142,232)                                      | \$ (193,773)                                      | \$ 1,153,485                |
| Capital Contributions                            | <u>-</u>                      | <u>-</u>  | <u>659,357</u>                                    | <u>659,357</u>              |
| Change in Net Assets                             | \$ 1,489,490                  | \$ (142,232)                                      | \$ 465,584  | \$ 1,812,842                |
| Total Net Assets - Beginning                     | 15,467,498                    | 6,204,452   | 6,632,596   | 28,304,546                  |
| Total Net Assets - Ending                        | <u><u>\$ 16,956,988</u></u>   | <u><u>\$ 6,062,220</u></u>                        | <u><u>\$ 7,098,180</u></u>                        | <u><u>\$ 30,117,388</u></u> |

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

**Wilson County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For The Fiscal Year Ended June 30, 2006**

Exhibit 8

|  | <b>Solid<br/>Waste<br/>Fund</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southeast<br/>District</b> | <b>Water<br/>Distribution<br/>Fund<br/>Southwest<br/>District</b> | <b>Total</b>         |
|--|---------------------------------|---|---|----------------------|
| <b>Cash Flows from Operating Activities:</b>                     |                                 |   |   |                      |
| Cash received from customers                                     | \$ 2,828,823                    | \$ 464,755  | \$ 450,122  | \$ 3,743,700         |
| Cash paid for goods & services                                   | (1,164,457)                     | (266,214)   | (305,553)   | (1,736,224)          |
| Cash paid to employees<br>for services                           | (759,916)                       | -   | -   | (759,916)            |
| Customer deposits received                                       | -                               | (862)   | (77)  | (939)                |
| Net Cash Provided by<br>Operating Activities                     | <u>\$ 904,450</u>               | <u>\$ 197,679</u>   | <u>\$ 144,492</u>   | <u>\$ 1,246,621</u>  |
| <b>Cash Flows from Capital and Related Financing Activities:</b> |                                 |   |   |                      |
| Acquisition & construction<br>of capital assets                  | \$ (513,145)                    | \$ (234,954)  | \$ (2,940,890)  | \$ (3,688,989)       |
| Principal paid on debt   | -                               | (40,000)  | 2,613,000   | 2,573,000            |
| Interest paid on debt  | -                               | (151,491)   | (101,778)   | (253,269)            |
| Capital contributions  | -                               | -   | 430,904   | 430,904              |
| Interfund loan   | (303,500)                       | 138,220   | 165,280   | -                    |
| Net Cash Used by Capital<br>and Related Financing Activities     | <u>\$ (816,645)</u>             | <u>\$ (288,225)</u>   | <u>\$ 166,516</u>   | <u>\$ (938,354)</u>  |
| <b>Cash Flows from Investing Activities:</b>                     |                                 |   |   |                      |
| Interest on investments  | \$ 590,886                      | -   | \$ 13,015   | \$ 603,901           |
| Net Increase (Decrease) in<br>Cash and Cash Equivalents          | \$ 678,691                      | \$ (90,546)   | \$ 324,023  | \$ 912,168           |
| Cash and Cash Equivalents:<br>July 1, 2005                       | 15,141,856                      | 358,129   | 119,435   | 15,619,420           |
| June 30, 2006  | <u>\$ 15,820,547</u>            | <u>\$ 267,583</u>   | <u>\$ 443,458</u>   | <u>\$ 16,531,588</u> |

(continued)

**Wilson County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For The Fiscal Year Ended June 30, 2006**

Exhibit 8

|  | <u>Solid<br/>Waste<br/>Fund</u> | <u>Water<br/>Distribution<br/>Fund<br/>Southeast<br/>District</u> | <u>Water<br/>Distribution<br/>Fund<br/>Southwest<br/>District</u> | <u>Total</u> |
|--|---------------------------------|---|---|--------------|
|--|---------------------------------|---|---|--------------|

(continued)

**Reconciliation of Operating Income to  
Net Cash Provided by Operating Activities:**

|   |                   |                   |                   |                     |
|---|-------------------|-------------------|-------------------|---------------------|
| Operating income (loss)   | \$ 905,543        | \$ 18,878         | \$ (42,298)       | \$ 882,123          |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                   |                   |                   |                     |
| Depreciation (net)  | \$ 120,884        | \$ 181,757        | \$ 188,627        | \$ 491,268          |
| Provision for uncollectible accounts  | (6,939)           | (9,094)           | (7,895)           | (23,928)            |
| Changes in Assets and Liabilities:  |                   |                   |                   |                     |
| (Increase) Decrease in accounts receivable  | (3,051)           | 3,593             | 3,853             | 4,395               |
| Decrease in accrued landfill closure costs  | (66,956)          | -                 | -                 | (66,956)            |
| Increase (decrease) in accounts payable   | (53,442)          | 2,909             | 1,844             | (48,689)            |
| (Decrease) in customer deposits   | -                 | (862)             | (77)              | (939)               |
| Increase in accrued vacation pay  | 8,411             | 498               | 438               | 9,347               |
| <b>Total Adjustments</b>  | <u>\$ (1,093)</u> | <u>\$ 178,801</u> | <u>\$ 186,790</u> | <u>\$ 364,498</u>   |
| <b>Net Cash Provided by Operating Activities</b>  | <u>\$ 904,450</u> | <u>\$ 197,679</u> | <u>\$ 144,492</u> | <u>\$ 1,246,621</u> |

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



**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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. 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.

**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.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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 blended component units. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental fund:

**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 County reports the following major enterprise funds:

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

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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 motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, 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 2005 through February 2006 apply to the fiscal year ended June 30, 2006. Uncollected taxes, which were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31<sup>st</sup> each year with taxes due by May 1<sup>st</sup> of the following year. To transition from the staggered into the annual registration, the initial 2006 registration renewals will vary from 7 to 18 months after December 31, 2005. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

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

The County has implemented GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related standards. These new standards provide for significant changes in terminology and presentation and for the inclusion of Management's Discussion and Analysis as required supplementary information.

**C. Budgetary Data**

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

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**D. Assets, Liabilities, and Fund Equity**

**1. Deposits and Investments**

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

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

The County and the ABC Board's investments with a maturity of more than one year at acquisition and non-money market 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. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and Investment contracts are reported at cost.

**2. Cash and Cash Equivalents**

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

**3. Restricted Assets**

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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, 2005.

**5. Allowances for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried by the ABC Board is recorded as an expense as it is consumed or sold.

**7. Capital Assets**

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

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.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

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

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

|                         | Years |
|-------------------------|-------|
| Buildings               | 40-50 |
| Furniture and equipment | 3-10  |
| Vehicles                | 3-5   |
| Leasehold improvements  | 5-10  |

**8. Long-term Obligations**

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

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

**9. Compensated Absences**

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

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 none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component unit.



**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Fund Balances**

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

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

The governmental fund types classify fund balances as follows:

**Reserved**

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

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

**Unreserved**

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the adopted 2006 - 2007 budget ordinance.

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**E. Reconciliation of Government-wide and Fund Financial Statements**

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net asset.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$(19,295,877) 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) | \$ 37,675,165            |
| Less accumulated depreciation  | 13,667,374               |
| Net Capital Assets   | \$ 24,007,791            |
| Deferred charges related to advance refunding bond issue are not a current financial resource and therefore not reported in the funds  | 95,688                   |
| Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not in the government-wide.  | 2,672,580                |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:                                 |                          |
| Bonds, leases, and installment financing   | (43,624,633)             |
| Compensated absences   | (1,550,417)              |
| Accrued interest payable   | (492,056)                |
| Unfunded Separation Allowance  | (404,830)                |
| Total Adjustments  | \$ (19,295,877)<br>===== |

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.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$987,507 follows:

| Description  | Amount       |
|--|--------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities   | \$ 1,373,708 |
| 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  | (1,665,908)  |
| New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net assets           | (487,916)    |
| Principal payments along with issuance costs and premiums on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government-wide statements | 4,616,268    |
| 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)  | 47,503       |
| Compensated absences and certain pension costs are accrued in the government-wide statements but not in the fund statements because they do not use current resources.   | (267,078)    |
| Property tax and other revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.   | (2,534,215)  |
| Undepreciated cost of capital assets sold which exceeds proceeds   | (5,045)      |
| Undepreciated cost of capital assets retired during the year   | (89,810)     |
| Total Adjustment   | \$ 987,507   |

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**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

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

**Noncompliance with North Carolina General Statutes**

During the year the Board of Commissioners approved and the County borrowed \$457,000 from the North Carolina's Eastern Region Development Commission for the purpose of acquiring and improving certain real estate which is to be leased to the Upper Coastal Plains Council of Governments. The County did not obtain the required approval from the Local Government Commission before the debt was incurred. Approval is being obtained subsequent to June 30, 2006.

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

The State treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. 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.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

At June 30, 2006, the County's deposits had a carrying amount of \$14,296,313 and a bank balance of \$15,636,806. Of the bank balance, \$274,212 was covered by federal depository insurance, \$74,212 in non-interest bearing deposits and \$15,362,594 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2006, Wilson County had \$8,700 cash on hand.

At June 30, 2006, the carrying amount of deposits for Wilson County ABC Board was \$791,027 and the bank balance was \$770,551. Of the bank balance \$143,035 was covered by federal depository insurance and \$627,516 in interest-bearing deposits was insured under the Pooling Method.

**2. Investments**

As of June 30, 2006, 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> |
|--|----------------------|---------------------------|--------------------|--------------------|
| Commercial Paper                               | \$ 12,938,066        | \$ 12,938,066             | \$ -               | \$ -               |
| N.C. Capital Management Trust - Cash Portfolio | 14,005,427           | N/A                       | N/A                | N/A                |
| Total  | <u>\$ 26,943,493</u> | <u>\$ 12,938,066</u>      | <u>\$ -</u>        | <u>\$ -</u>        |

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2006, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2006. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

*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, 2006, 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> |
|--------------------|--------------|-----------------|--------------|
| 2002               | \$ 1,368,289 | \$ 324,969      | \$ 1,693,258 |
| 2003               | 1,362,880    | 201,025         | 1,563,905    |
| 2004               | 1,335,851    | 100,189         | 1,436,040    |
| 2005               | 1,217,830    | 97,426          | 1,315,256    |
| Total              | \$ 5,284,850 | \$ 723,609      | \$ 6,008,459 |
|                    | =====        | =====           | =====        |

**4. Receivables**

Receivables at the government-wide level at June 30, 2006, were as follows:

|                                 | <u>Accounts</u>    | <u>Taxes &amp;<br/>Related<br/>Accrued<br/>Interest</u> | <u>Due from<br/>Other<br/>Governments</u> | <u>Other</u>     | <u>Total</u>       |
|---------------------------------|--------------------|---|---|------------------|--------------------|
| Governmental Activities:        |                    |   |   |                  |                    |
| General                         | \$3,195,171        | \$3,244,271   | \$ 2,353,171                              | \$ 56,250        | \$8,848,863        |
| Other governmental              | 129,155            | 54,237  | -   | -                | 183,392            |
| Total Receivables               | <u>\$3,324,326</u> | <u>\$3,298,508</u>                                      | <u>\$ 2,353,171</u>                       | <u>\$ 56,250</u> | <u>\$9,032,255</u> |
| Allowance for doubtful accounts | -                  | (625,928)   | -   | -                | (625,928)          |
| Total Governmental Activities   | <u>\$3,324,326</u> | <u>\$2,672,580</u>                                      | <u>\$ 2,353,171</u>                       | <u>\$ 56,250</u> | <u>\$8,406,327</u> |
|                                 | =====              | =====   | =====                                     | =====            | =====              |
| Business-type Activities:       |                    |   |   |                  |                    |
| Landfill                        | \$ 131,459         | \$ -  | \$ 27,713                                 | \$ -             | \$ 159,172         |
| Water & Sewer                   | 116,364            | -   | -   | -                | 116,364            |
| Total Receivables               | <u>\$ 247,823</u>  | <u>\$ -</u>   | <u>\$ 27,713</u>                          | <u>\$ -</u>      | <u>\$ 275,536</u>  |
| Allowance for doubtful accounts | (53,056)           | -   | -   | -                | (53,056)           |
| Total Business-type Activities  | <u>\$ 194,767</u>  | <u>\$ -</u>   | <u>\$ 27,713</u>                          | <u>\$ -</u>      | <u>\$ 222,480</u>  |
|                                 | =====              | =====   | =====                                     | =====            | =====              |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

|                          | <u>General<br/>Fund</u> | <u>Enterprise<br/>Fund</u> |  |
|--------------------------|-------------------------|----------------------------|--|
| Local option sales tax   | \$ 2,353,171            | \$ -                       |  |
| White goods disposal tax | -                       | 7,607                      |  |
| Scrap tire tax           | -                       | 20,106                     |  |
| Total                    | <u>\$ 2,353,171</u>     | <u>\$ 27,713</u>           |  |
|                          | =====                   | =====                      |  |

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

|   | <u>Beginning<br/>Balances</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending<br/>Balances</u> |
|---|-------------------------------|---------------------|---------------------|----------------------------|
| <b>Governmental Activities:</b>             |                               |                     |                     |                            |
| Capital Assets Not Being depreciated:       |                               |                     |                     |                            |
| Land  | \$ 272,220                    | \$ 121,350          | \$ -                | \$ 393,570                 |
| Capital Assets Being Depreciated:           |                               |                     |                     |                            |
| Buildings                                   | \$ 23,126,662                 | \$ 178,650          | \$ -                | \$ 23,305,312              |
| Other improvements                          | 5,080,562                     | 136,400             | -                   | 5,216,962                  |
| Furniture & equipment                       | 5,888,243                     | 547,117             | 543,792             | 5,891,568                  |
| Vehicles & motor equipment                  | 2,965,928                     | 390,191             | 488,366             | 2,867,753                  |
| Total                                       | <u>\$ 37,061,395</u>          | <u>\$ 1,252,358</u> | <u>\$ 1,032,158</u> | <u>\$ 37,281,595</u>       |
| Less Accumulated Depreciation For:          |                               |                     |                     |                            |
| Buildings                                   | \$ 6,613,497                  | \$ 436,618          | \$ 185,000          | \$ 6,865,115               |
| Other improvements                          | 416,365                       | 177,735             | -                   | 594,100                    |
| Equipment                                   | 3,822,174                     | 695,647             | 532,819             | 3,985,002                  |
| Vehicles & motor equipment                  | 2,086,733                     | 355,908             | 219,484             | 2,223,157                  |
| Total                                       | <u>\$ 12,938,769</u>          | <u>\$ 1,665,908</u> | <u>\$ 937,303</u>   | <u>\$ 13,667,374</u>       |
| Total Capital Assets Being Depreciated, Net | <u>\$ 24,122,626</u>          |                     |                     | <u>\$ 23,614,221</u>       |
| Governmental Activities Capital Assets, Net | \$ 24,394,846                 |                     |                     | \$ 24,007,791              |
|   | =====                         |                     |                     | =====                      |

**Primary Government**

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

|                                   |                     |
|-----------------------------------|---------------------|
| General Government                | \$ 282,949          |
| Public Safety                     | 779,638             |
| Economic and Physical Development | 33,813              |
| Human Services                    | 366,013             |
| Cultural and Recreational         | 203,495             |
| Total Depreciation Expense        | <u>\$ 1,665,908</u> |
|                                   | =====               |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

|   | Beginning<br>Balances | Increases    | Decreases    | Ending<br>Balances |
|---|-----------------------|--------------|--------------|--------------------|
| <b>Business-type Activities:</b>            |                       |              |              |                    |
| <b>Solid Waste:</b>                         |                       |              |              |                    |
| Capital Assets Not Being Depreciated:       |                       |              |              |                    |
| Land  | \$ 2,261,648          | \$ 212,000   | \$ -         | \$ 2,473,648       |
| Capital Assets Being Depreciated:           |                       |              |              |                    |
| Furniture & maintenance equipment           | \$ 1,635,580          | \$ 253,574   | \$ 117,729   | \$ 1,771,425       |
| Vehicles                                    | 37,141                | 86,900       | -            | 124,041            |
| Total                                       | \$ 1,672,721          | \$ 340,474   | \$ 117,729   | \$ 1,895,466       |
| Less Accumulated Depreciation For:          |                       |              |              |                    |
| Furniture & maintenance equipment           | \$ 1,122,018          | \$ 107,463   | \$ 78,401    | \$ 1,151,080       |
| Vehicles                                    | 35,190                | 13,422       | -            | 48,612             |
| Total                                       | \$ 1,157,208          | \$ 120,885   | \$ 78,401    | \$ 1,199,692       |
| Total Capital Assets Being Depreciated, Net | \$ 515,513            |              |              | \$ 695,774         |
| Solid Waste Capital Assets, Net             | \$ 2,777,161          |              |              | \$ 3,169,422       |
| <b>Southeast Water District:</b>            |                       |              |              |                    |
| Capital Assets Not Being Depreciated:       |                       |              |              |                    |
| Land  | \$ 28,054             | \$ 20,335    | \$ -         | \$ 48,389          |
| Construction in progress                    | 6,333,107             | -            | 6,333,107    | -                  |
| Total                                       | \$ 6,361,161          | \$ 20,335    | \$ 6,333,107 | \$ 48,389          |
| Capital Assets Being Depreciated:           |                       |              |              |                    |
| Plant & distribution system                 | \$ 2,123,900          | \$ 6,547,837 | \$ -         | \$ 8,671,737       |
| Office & maintenance equipment              | 1,461,609             | 1,355        | -            | 1,462,964          |
| Vehicles                                    | 39,778                | -            | -            | 39,778             |
| Total                                       | \$ 3,625,287          | \$ 6,549,192 | \$ -         | \$ 10,174,479      |

(continued)



**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

|   | <u>Beginning<br/>Balances</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending<br/>Balances</u> |
|---|-------------------------------|---------------------|---------------------|----------------------------|
| <b>Business-type Activities: (continued)</b>    |                               |                     |                     |                            |
| <b>Southeast Water District: (continued)</b>    |                               |                     |                     |                            |
| Less Accumulated<br>Depreciation For:           |                               |                     |                     |                            |
| Plant &<br>distribution system                  | \$ 74,611                     | \$ 103,647          | \$ -                | \$ 178,258                 |
| Office & maintenance<br>equipment               | 125,871                       | 73,625              | -                   | 199,496                    |
| Vehicles  | <u>25,311</u>                 | <u>5,951</u>        | -                   | <u>31,262</u>              |
| Total   | <u>\$ 225,793</u>             | <u>\$ 183,223</u>   | <u>\$ -</u>         | <u>\$ 409,016</u>          |
| Total Capital Assets<br>Being Depreciated, Net  |                               |                     |                     | <u>\$ 9,765,463</u>        |
| Southeast Water District<br>Capital Assets, Net |                               |                     |                     | <u>\$ 9,813,852</u>        |
| <b>Southwest Water District:</b>                |                               |                     |                     |                            |
| Capital Assets Not<br>Being Depreciated:        |                               |                     |                     |                            |
| Land  | \$ 44,006                     | \$ 34,663           | \$ -                | \$ 78,669                  |
| Construction<br>in progress                     | <u>4,523,026</u>              | <u>3,186,750</u>    | <u>4,523,026</u>    | <u>3,186,750</u>           |
| Total   | <u>\$ 4,567,032</u>           | <u>\$ 3,221,413</u> | <u>\$ 4,523,026</u> | <u>\$ 3,265,419</u>        |
| Capital Assets<br>Being Depreciated:            |                               |                     |                     |                            |
| Plant &<br>distribution system                  | \$ 5,585,270                  | \$ 4,431,908        | \$ -                | \$ 10,017,178              |
| Office & maintenance<br>equipment               | 654,302                       | 732                 | -                   | 655,034                    |
| Vehicles  | <u>21,485</u>                 | <u>-</u>            | <u>-</u>            | <u>21,485</u>              |
| Total   | <u>\$ 6,261,057</u>           | <u>\$ 4,432,640</u> | <u>\$ -</u>         | <u>\$ 10,693,697</u>       |
| Less Accumulated<br>Depreciation For:           |                               |                     |                     |                            |
| Plant &<br>distribution system                  | \$ 166,055                    | \$ 175,747          | \$ -                | \$ 341,802                 |
| Office & maintenance<br>equipment               | 24,624                        | 10,457              | -                   | 35,081                     |
| Vehicles  | <u>13,671</u>                 | <u>3,215</u>        | <u>-</u>            | <u>16,886</u>              |
| Total   | <u>\$ 204,350</u>             | <u>\$ 189,419</u>   | <u>\$ -</u>         | <u>\$ 393,769</u>          |
| Total Capital Assets<br>Being Depreciated, Net  |                               |                     |                     | <u>\$ 10,299,928</u>       |
| Southwest Water District<br>Capital Assets, Net |                               |                     |                     | <u>\$ 13,565,347</u>       |
| Business-type Activities<br>Capital Assets, Net |                               |                     |                     | <u>\$ 26,548,621</u>       |
|   | =====                         |                     |                     | =====                      |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**Construction Commitments**

The government has active construction projects as of June 30, 2006. The projects include Water System, Library Construction/Improvements and School Capital Improvements. At year-end, the government's commitments with contractors are as follows:

| Project                           | Original<br>Contracts | Remaining<br>Commitment |
|-----------------------------------|-----------------------|-------------------------|
| Water System                      | \$ 3,099,915          | \$ 473,983              |
| Library Construction/Improvements | 4,063,230             | 467,798                 |
| Total                             | \$ 7,163,145          | \$ 941,781              |

**Discretely Presented Component Units**

Activity for the ABC Board for the year ended June 30, 2006, was as follows:

|  | Beginning<br>Balances | Increases | Decreases | Ending<br>Balances |
|--|-----------------------|-----------|-----------|--------------------|
| Capital Assets Not<br>Being Depreciated:       |                       |           |           |                    |
| Land   | \$ 319,449            | \$ -      | \$ -      | \$ 319,449         |
| Construction in progress                       | -                     | -         | -         | -                  |
| Total  | \$ 319,449            | \$ -      | \$ -      | \$ 319,449         |
| Capital Assets<br>Being Depreciated:           |                       |           |           |                    |
| Buildings                                      | \$ 1,483,132          | \$ 889    | \$ -      | \$ 1,484,021       |
| Furniture & equipment                          | 358,342               | 823       | 1,804     | 357,361            |
| Vehicles                                       | 23,876                | -         | -         | 23,876             |
| Leasehold Improvements                         | 7,943                 | -         | 134       | 7,809              |
| Total  | \$ 1,873,293          | \$ 1,712  | \$ 1,938  | \$ 1,873,067       |
| Less Accumulated<br>Depreciation For:          |                       |           |           |                    |
| Buildings                                      | \$ 118,446            | \$ 31,456 | \$ -      | \$ 149,902         |
| Furniture & equipment                          | 217,751               | 34,917    | 1,662     | 251,007            |
| Vehicles                                       | 22,559                | 1,318     | -         | 23,876             |
| Leasehold Improvements                         | 2,970                 | 615       | 17        | 3,568              |
| Total  | \$ 361,726            | \$ 68,306 | \$ 1,679  | \$ 428,353         |
| Total Capital Assets<br>Being Depreciated, Net | \$ 1,511,567          |           |           | \$ 1,444,714       |
| Capital Assets, Net                            | \$ 1,831,016          |           |           | \$ 1,764,163       |

Depreciation expense was charged to functions as follows:

|                            |           |
|----------------------------|-----------|
| Warehouse and delivery     | \$ 9,998  |
| Administrative             | 10,110    |
| Store expenses             | 48,198    |
| Total Depreciation Expense | \$ 68,306 |

**Wilson County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2006**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2006, were as follows:

|                                  | <u>Vendors</u>      | <u>Salaries<br/>and<br/>Benefits</u> | <u>Accrued<br/>Interest</u> | <u>Total</u>        |
|----------------------------------|---------------------|--------------------------------------|-----------------------------|---------------------|
| <b>Governmental Activities:</b>  |                     |                                      |                             |                     |
| General                          | \$ 1,987,915        | \$ 47,471                            | \$ 492,056                  | \$ 2,527,442        |
| Other Governmental               | 424,880             | -                                    | -                           | 424,880             |
| Total                            | <u>\$ 2,412,795</u> | <u>\$ 47,471</u>                     | <u>\$ 492,056</u>           | <u>\$ 2,952,322</u> |
| <b>Business-type Activities:</b> |                     |                                      |                             |                     |
| Solid Waste                      | \$ 72,288           | \$ -                                 | \$ -                        | \$ 72,288           |
| Water Distribution Funds:        |                     |                                      |                             |                     |
| Southeast District               | 8,608               | -                                    | 13,754                      | 22,362              |
| Southwest District               | 9,162               | -                                    | 60,381                      | 69,543              |
| Total                            | <u>\$ 90,058</u>    | <u>\$ -</u>                          | <u>\$ 74,135</u>            | <u>\$ 164,193</u>   |

**2. Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description**

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**Funding Policy**

Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.88% and 4.78%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 4.89% 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, 2006, 2005, and 2004 were \$1,097,458, \$998,291, and \$914,600, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2006, 2005, and 2004 were \$50,746, \$46,791, and \$46,666, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

**Law Enforcement Officers Special Separation Allowance**

**Plan Description**

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2005, the Separation Allowance's membership consisted of:

|   |           |
|---|-----------|
| Retirees receiving benefits   | 6         |
| Terminated plan members entitled<br>to but not yet receiving benefits | 0         |
| Active plan members   | <u>71</u> |
| Total   | <u>77</u> |
|   | =====     |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

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

**Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. For the current year, the County contributed \$69,197. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

The annual required contribution for the current year was determined as part of the December 31, 2005 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2005 was 25 years.

| 3 Year Trend Information     |                                 |                                     |                              |
|------------------------------|---------------------------------|-------------------------------------|------------------------------|
| For Year<br>Ended<br>June 30 | Annual<br>Pension<br>Cost (APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
| 2004                         | \$ 93,417                       | 49.94%                              | \$ 332,103                   |
| 2005                         | 96,000                          | 72.08%                              | 358,906                      |
| 2006                         | 114,624                         | 59.93%                              | 404,830                      |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

**Plan Description**

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

**Funding Policy**

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2006 were \$186,919, which consisted of \$143,613 from the County and \$43,306 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.

**Funding Policy**

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) 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, 2006, the County's required and actual contributions were \$21,626.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**Other Post-Employment Benefits**

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

Currently 71 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2006, the County made payments for post-retirement health benefit premiums of \$255,064. The County obtains health care coverage through private insurers.

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. Contributions are determined as percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2006, the County made contributions to the State for death benefits of \$19,762. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

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

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent postclosure costs based on remaining capacity at June 30, 2006, are \$2,397,164.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that helps 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, 2006, those funds are held in investments with a cost and market value of \$3,876,310.

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 on the government-wide statements at year-end is composed of the following elements:

|  | Deferred<br>Revenues | Unearned<br>Revenues |
|--|----------------------|----------------------|
| Prepaid taxes not yet earned (General)   | \$ -                 | \$ 391,380           |
| Taxes receivable (net) (General)         | 2,160,651            | -                    |
| Taxes receivable (net) (Special Revenue) | 54,237               | -                    |
| Total                                    | \$ 2,214,888         | \$ 391,380           |



**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**5. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$125.5 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property coverage, and single occurrence losses of \$350,000 for workers' compensation.

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

The County carries flood insurance through the National Flood Insurance Plan (NFIP). The County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency. The County has purchased \$210,000 of insurance on one structure.

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

**6. Contingent Liabilities**

At June 30, 2006, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate outcome of these legal matters will not have a materially adverse effect on the County's financial position.

Wilson County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2006

7. Long-Term Obligations

**Capital Leases**

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

1. Lease executed on December 1, 2001 for five Canon copiers requiring sixty monthly installments of \$1,996.
2. Lease executed on July 1, 2005 for imaging equipment requiring sixty monthly installments of \$550.
3. Lease executed on July 23, 2005 for a telephone system requiring forty-eight monthly installments of \$10,063.
4. Lease executed on August 10, 2005 for telephone networking equipment requiring forty-eight monthly installments of \$1,832.
5. Lease executed on August 23, 2005 for telephone networking equipment requiring forty-eight monthly installments of \$1,231.
6. Lease executed on September 9, 2005 for telephone networking equipment requiring forty-eight monthly installments of \$1,649.
7. Lease executed on September 20, 2005 for telephone networking equipment requiring forty-eight monthly installments of \$1,049.
8. Lease executed on December 1, 2005 for 60 laptops requiring thirty-six monthly installments of \$4,293.
9. Lease executed on March 17, 2006 for a multitasking copier requiring sixty monthly installments of \$515.

Under the terms of the agreements, the County at the end of the lease has a purchase option of \$1.

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>2006</u>  |
| Equipment                  | \$ 1,436,735 |
|                            | =====        |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006 were as follows:

| Year Ending<br>June 30                      | General<br>Long-Term<br>Debt |
|---|------------------------------|
| 2007  | \$ 239,993                   |
| 2008  | 21,169                       |
| 2009  | 6,183                        |
| 2010  | 6,183                        |
| 2011  | 6,183                        |
| Total minimum lease payments                | \$ 279,711                   |
| Less: amount representing interest          | 3,441                        |
| Present value of the minimum lease payments | \$ 276,270                   |
|   | =====                        |

**General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2006 is comprised of the following individual issues:

|   | Balance<br>6-30-06 |
|---|--------------------|
| General Obligation Bonds:   |                    |
| \$8,000,000 Detention Center Bond Issue -<br>February 1, 1993: due in annual principal<br>installments ranging from \$380,000 to<br>\$450,000 through June 2014; interest at<br>2.0% to 3.25%; payable on June 1 and December 1 | \$ 3,235,000       |
| \$17,400,000 School Series 2004 -<br>April 9, 2005; due in annual principal<br>installments ranging from \$500,000 to<br>\$2,000,000 through April 2017; interest at 4.0%<br>to 5.0%; payable on October 1 and April 1          | 14,900,000         |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

|  | <u>Balance</u><br><u>6-30-06</u> |
|--|----------------------------------|
| General Obligation Bonds: (continued)  |                                  |
| \$5,300,000 Library Bonds Series 2003 -<br>February 2, 2003; due in annual principal<br>installments of \$350,000 through<br>February 2018; interest at 3.25% to 3.6%;<br>payable on February 1 and August 1 | 4,250,000                        |
| Total  | <u>\$ 22,385,000</u><br>=====    |

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

The County's financing debt at June 30, 2006 are comprised of the following notes payable:

|   | <u>Balance</u><br><u>6-30-06</u> |
|---|----------------------------------|
| Notes Payable:  |                                  |
| \$8,500,000 Financing Agreement -<br>December 19, 1996; due in semi-annual<br>principal and interest payments of \$389,391<br>through January 1, 2012; interest at 4.01%<br>payable on July 1 and January 1 | \$ 4,116,678                     |
| \$5,600,000 Financing Agreement -<br>July 31, 2001; due in semi-annual fixed<br>principal payments of \$192,323 plus interest<br>at 4.09% through October 27, 2015,<br>payable on October 27 and April 27   | 3,654,134                        |
| \$5,000,000 Financing Agreement -<br>April 2, 2002; due in semi-annual fixed<br>principal payments of \$163,945 plus interest<br>at 4.16% through October, 2016; payable on<br>July 1 and January 1         | 3,442,838                        |
| \$8,500,000 Financing Agreement -<br>January 15, 1997; due in semi-annual principal<br>and interest payments of \$391,392 through<br>January 1, 2006; interest at 4.01%; payable<br>on July 1 and January 1 | 4,137,831                        |

(Continued)

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

|   | <u>Balance</u><br><u>6-30-06</u> |
|---|----------------------------------|
| Notes Payable: (continued)  |                                  |
| \$3,500,000 Notes Payable -<br>December 22, 1992; due in semi-annual<br>principal and interest payments of \$162,381<br>through January 2008; interest at 3.49%;<br>payable on January 10 and July 10;<br>collateralized by a deed of trust on a building   | 622,147                          |
| \$1,340,875 Notes Payable -<br>November 20, 1997; due in quarterly<br>principal and interest payments of \$30,338<br>through December 2012; interest at 4.25%;<br>payable March 1, June 1, September 1, and<br>December 1; collateralized by a deed of<br>trust on a building                               | 686,047                          |
| \$5,000,000 Financing Agreement -<br>August 30, 1999; due in semi-annual<br>principal payments of \$170,167 through<br>August 30, 2014; interest at 4.09%;<br>payable on February 28 and August 30  | 2,890,283                        |
| \$800,000 Notes Payable - October 21, 1994;<br>County's share of a joint loan with<br>the City of Wilson for ½ of a building<br>constructed as an Industrial economic incentive;<br>due in monthly principle and interest payments<br>of \$8,168 through November 2008; interest at<br>6.5% payable monthly | 215,712                          |
| \$457,000 Financing Agreement - March 31, 2006;<br>Due in annual principal and interest payments of<br>\$40,388 through March 2021; interest at 3.75%;<br>collateralized by a deed of trust on the property   | 457,000                          |
| Installment Purchases:  |                                  |
| \$903,313 School Renovations Qualified Zone Academy<br>Bond - July 2, 2002; due in annual payments of<br>\$54,209 through July 2019; non-interest bearing   | 740,693                          |
| Total   | <u>\$ 20,963,363</u><br>=====    |

(Continued)

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

|   | Balance<br>6-30-06 |
|---|--------------------|
| Notes Payable: (continued)  |                    |
| Serviced by the Southwest Water District:<br>2005 USDA/Rural Development Water Bonds<br>\$3,784,000 due in annual installments of<br>\$41,000 to \$164,000 (beginning 2006) plus<br>interest at 4.5% through June 1, 2043   | \$ 3,743,000       |
| Serviced by the Southeast Water District;<br>2003 USDA/Rural Development Water Bonds<br>\$3,600,000 due in annual installments of<br>\$38,500 to \$154,000 (beginning 2005) plus<br>interest at 4.625% through June 1, 2042 | 3,521,500          |
| Serviced by the Southwest Water District;<br>Bond Anticipation Note - Dated February 1, 2006;<br>maturity October 25, 2006, 4.2% interest<br>rate, interest cost \$82,716.  | 2,654,000          |
| Total   | \$ 9,918,500       |

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2006, including interest payments, are as follows:

| June 30      | Governmental Activities |              | Business-type Activities |              |
|--------------|-------------------------|--------------|--------------------------|--------------|
|              | Principal               | Interest     | Principal                | Interest     |
| 2007         | \$ 1,580,000            | \$ 929,275   | \$ 2,738,500             | \$ 414,020   |
| 2008         | 1,570,000               | 873,350      | 89,000                   | 327,450      |
| 2009         | 1,665,000               | 817,125      | 92,500                   | 323,390      |
| 2010         | 1,660,000               | 752,963      | 96,500                   | 319,171      |
| 2011         | 1,650,000               | 687,912      | 101,000                  | 314,769      |
| 2012 to 2016 | 11,810,000              | 2,172,324    | 576,500                  | 1,500,646    |
| 2017 to 2021 | 2,450,000               | 126,400      | 721,000                  | 1,356,457    |
| 2022 to 2026 | -                       | -            | 900,500                  | 1,176,244    |
| 2027 to 2031 | -                       | -            | 1,126,500                | 951,010      |
| 2032 to 2036 | -                       | -            | 1,408,000                | 669,511      |
| 2037 to 2041 | -                       | -            | 1,586,000                | 326,771      |
| 2042 to 2046 | -                       | -            | 482,500                  | 29,262       |
| Total        | \$ 22,385,000           | \$ 6,359,349 | \$ 9,918,500             | \$ 7,708,701 |

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

The annual requirements to amortize notes payable outstanding as of June 30, 2006, including interest payments, are as follows:

| <u>June 30</u> | <u>Principal</u>           | <u>Interest</u>           | <u>Total</u>               |
|----------------|----------------------------|---------------------------|----------------------------|
| 2007           | \$ 2,860,236               | \$ 792,686                | \$ 3,652,922               |
| 2008           | 2,930,694                  | 678,949                   | 3,609,643                  |
| 2009           | 2,616,253                  | 564,744                   | 3,180,997                  |
| 2010           | 2,639,253                  | 461,058                   | 3,100,311                  |
| 2011           | 2,701,529                  | 355,503                   | 3,057,032                  |
| 2012 to 2016   | 6,673,739                  | 599,348                   | 7,273,087                  |
| 2017 to 2021   | 541,659                    | 23,883                    | 565,542                    |
| <br>Total      | <br>\$ 20,963,363<br>===== | <br>\$ 3,476,171<br>===== | <br>\$ 24,439,534<br>===== |

At June 30, 2006, the County had a legal debt margin of \$366,007,620.

**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, 2006:

|                                       | <u>Balance<br/>July 1,<br/>2005</u> | <u>Increases</u>        | <u>Decreases</u>          | <u>Balance<br/>June 30,<br/>2006</u> | <u>Current<br/>Portion of<br/>Balance</u> |
|---------------------------------------|-------------------------------------|-------------------------|---------------------------|--------------------------------------|---|
| <b>Governmental Activities:</b>       |                                     |                         |                           |                                      |   |
| General obligation debt               | \$ 23,980,000                       | \$ -                    | \$ 1,595,000              | \$ 22,385,000                        | \$ 1,580,000                              |
| Capitalized leases                    | 512,237                             | 30,916                  | 266,883                   | 276,270                              | 236,576                                   |
| Notes payable                         | 23,272,709                          | 457,000                 | 2,766,346                 | 20,963,363                           | 2,860,236                                 |
| Compensated absences                  | 1,329,263                           | 221,154                 | -                         | 1,550,417                            | -   |
| Unfunded Special Separation Allowance | 358,906                             | 45,924                  | -                         | 404,830                              | -   |
| Accrued interest                      | 539,559                             | -                       | 47,503                    | 492,056                              | 492,056                                   |
| <br>Total Governmental Activities     | <br>\$ 49,992,674<br>=====          | <br>\$ 754,994<br>===== | <br>\$ 4,675,732<br>===== | <br>\$ 46,071,936<br>=====           | <br>\$ 5,168,868<br>=====                 |

(Continued)

**Wilson County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2006**

|   | Balance<br>July 1,<br>2005 | Increases          | Decreases         | Balance<br>June 30,<br>2006 | Current<br>Portion of<br>Balance |
|---|----------------------------|--------------------|-------------------|-----------------------------|----------------------------------|
| <b>Business-type Activities:</b>                  |                            |                    |                   |                             |                                  |
| Notes payable                                     | \$ 7,345,500               | \$2,654,000        | \$ 81,000         | \$ 9,918,500                | \$ 2,738,500                     |
| Accrued landfill closure & postclosure care costs | 2,464,120                  | -                  | 66,956            | 2,397,164                   | -                                |
| Compensated absences                              | 28,255                     | 9,346              | -                 | 37,601                      | -                                |
| <b>Total Business-type Activities</b>             | <b>\$ 9,837,875</b>        | <b>\$2,663,346</b> | <b>\$ 147,956</b> | <b>\$ 12,353,265</b>        | <b>\$ 2,738,500</b>              |

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

|                      |            |      |            |            |           |
|----------------------|------------|------|------------|------------|-----------|
| Installment Purchase | \$ 487,167 | \$ - | \$ 257,322 | \$ 229,845 | \$ 68,237 |
|----------------------|------------|------|------------|------------|-----------|

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

**Interfund Transfers**

|   | From                | To                  |
|---|---------------------|---------------------|
| General Fund:<br>Revaluation (Annual transfer)                          | \$ -                | \$ 300,000          |
| Economic Development Reserve<br>General Fund (to consolidate resources) | 2,927,879           | -                   |
| <b>Total</b>  | <b>\$ 2,927,879</b> | <b>\$ 2,927,879</b> |

**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.



**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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 \$204,086 to the Council for the fiscal year ended June 30, 2006. 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, 2006. 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 \$42,714 to the Airport during the fiscal year ended June 30, 2006. 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, 2006. Complete financial statements for the Airport can be obtained from the Airport's administrative offices at 250 Airport Drive, Elm City, North Carolina 27822.

**Wilson Technical Community College**

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio 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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,660,264 and \$102,792 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2006. 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, 2006. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

**Wilson-Green Board of Mental Health, Mental Retardation and Substance Abuse**

The County, in conjunction with Greene County, participates in a joint venture to operate the Wilson-Greene Board of Mental Health, Mental Retardation, and Substance Abuse (the "Board"). The Board of County Commissioners of each participating county appoints one county commissioner to the Board. The appointed commissioners then appoint the remaining thirteen members of the Board. Each participant in the joint venture makes an annual appropriation to the Board, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2006, the County contributed \$380,862 to the Board. None of the participating governments have an equity interest in the Board, so no equity interest has been reflected in the financial statements at June 30, 2006. Complete financial statements for the Board may be obtained from the Board's offices at 1709 South Tarboro Street, Wilson, North Carolina 27893.

**VI. Jointly Governed Organization**

**Upper Coastal Plain Council of Governments**

The County, in conjunction with five other counties and 35 municipalities, established the Upper Coastal Plain Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and other costs of \$39,042 to the Council during the fiscal year ended June 30, 2006.

**Wilson County Tourism Development Authority**

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

**Wilson County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**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.

|   | Federal       | State         |
|---|---------------|---------------|
| Medical Assistance Program              |               |               |
| Medicaid - Title XIX                    | \$ 62,942,164 | \$ 30,734,016 |
| IV - E Adoption/Foster Care             | 484,051       | 127,525       |
| Temporary Assistance for Needy Families | 1,117,494     | -             |
| Low Income Home Energy                  |               |               |
| Assistance Block Grant                  | 118,013       | -             |
| WIC                                     | 2,127,509     | -             |
| Special Assistance for Adults           | -             | 986,661       |
| Food Stamp Program                      | 9,795,380     | -             |
| CWS Adoption                            | -             | 177,649       |
| State Foster Home                       | -             | 46,885        |
| F/C At Risk Maximization                | -             | 4,421         |
| Total                                   | \$ 76,584,611 | \$ 32,077,157 |
|   | =====         | =====         |

**XIII 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.

**Operating Leases**

The County is obligated under operating leases to make monthly payments ranging from \$248 to \$1,002 through January, 2009. Lease expenditures for the fiscal year ended June 30, 2006 totaled \$116,699. Under these leases, minimum lease payments for the fiscal year ending June 30, 2007 total \$95,970.

**Prior Period Adjustment**

A prior period adjustment was recorded to correct for the depreciation expense taken on certain equipment.

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

**Exhibit A-1**

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability<br/>(AAL)<br/>- Projected<br/>Unit Credit<br/>(b)</b> | <b>Unfunded<br/>AAL<br/>(UAAL)<br/>(b-a)</b> | <b>Funded<br/>Ratio<br/>(a/b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL<br/>as a % of<br/>Covered<br/>Payroll<br/>((b-a)/c)</b> |
|---|--|--|--|-----------------------------------|------------------------------------|---|
| 12/31/94                                | \$ -   | \$ 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%  |

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

**Exhibit A-2**

| Year Ended<br>June 30 | Annual<br>Required<br>Contribution | Percentage<br>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%                    |

**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                | 12/31/05                    |
| Actuarial cost method         | Projected unit credit       |
| Amortization method           | Level percent of pay closed |
| Remaining amortization period | 25 years                    |
| Asset valuation method        | Market value                |
| Actuarial assumptions:        |                             |
| Investment rate of return*    | 7.25%                       |
| Projected salary increases*   | 4.5 to 12.3%                |
| *Includes inflation at        | 3.75%                       |
| Cost-of-living adjustments    | N/A                         |



**Wilson County, North Carolina  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2006**

**Exhibit B-1**

|                                      | Budget        | Actual        | Variance<br>Positive<br>(Negative) |
|--------------------------------------|---------------|---------------|------------------------------------|
| <b>Revenues:</b>                     |               |               |                                    |
| Ad Valorem Taxes:                    |               |               |                                    |
| Taxes                                | \$ 38,372,379 | \$ 42,185,191 | \$ 3,812,812                       |
| Penalties and interest               | 353,500       | 1,057,041     | 703,541                            |
| Total                                | \$ 38,725,879 | \$ 43,242,232 | \$ 4,516,353                       |
| Local Option Sales Taxes:            |               |               |                                    |
| Article 39 one percent               | \$ 5,288,878  | \$ 5,464,729  | \$ 175,851                         |
| Article 40 one - half of one percent | 2,634,942     | 2,893,116     | 258,174                            |
| Article 42 one - half of one percent | 2,595,464     | 2,876,621     | 281,157                            |
| Article 44 one - half of one percent | 2,557,065     | 2,504,451     | (52,614)                           |
| Total                                | \$ 13,076,349 | \$ 13,738,917 | \$ 662,568                         |
| Other Taxes and Licenses:            |               |               |                                    |
| Franchise tax                        | \$ 57,000     | \$ 63,542     | \$ 6,542                           |
| Privilege and civil licenses         | 24,000        | 23,463        | (537)                              |
| Beer and wine tax                    | 110,000       | 109,756       | (244)                              |
| Excise tax                           | 475,000       | 593,328       | 118,328                            |
| Total                                | \$ 666,000    | \$ 790,089    | \$ 124,089                         |
| Unrestricted Intergovernmental:      |               |               |                                    |
| Housing Authority                    | \$ 25,000     | \$ 17,576     | \$ (7,424)                         |
| Tourism Authority                    | 9,200         | 9,585         | 385                                |
| Wilson County ABC Board:             |               |               |                                    |
| Profit distribution                  | 125,000       | 122,949       | (2,051)                            |
| Total                                | \$ 159,200    | \$ 150,110    | \$ (9,090)                         |

(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, 2006**

**Exhibit B-1**

**Revenues (continued):**

Restricted Intergovernmental:

|                          |                      |                      |                   |
|--------------------------|----------------------|----------------------|-------------------|
| General Fund             | \$ 1,691,672         | \$ 1,673,997         | \$ (17,675)       |
| Health Services          | 952,985              | 1,308,518            | 355,533           |
| Social Services          | 12,792,891           | 12,596,204           | (196,687)         |
| Court facility fees      | 175,750              | 210,052              | 34,302            |
| ABC Board rehabilitation | 20,000               | 22,743               | 2,743             |
| Total                    | <u>\$ 15,633,298</u> | <u>\$ 15,811,514</u> | <u>\$ 178,216</u> |

Permits and Fees:

|                                      |                   |                   |                  |
|--------------------------------------|-------------------|-------------------|------------------|
| Building permits and inspection fees | \$ 165,000        | \$ 151,967        | \$ (13,033)      |
| Register of deeds                    | 393,000           | 480,534           | 87,534           |
| Total                                | <u>\$ 558,000</u> | <u>\$ 632,501</u> | <u>\$ 74,501</u> |

Sales and Services:

|                              |                     |                     |                     |
|------------------------------|---------------------|---------------------|---------------------|
| Rents, concessions, and fees | \$ 6,141,803        | \$ 7,118,849        | \$ 977,046          |
| Jail fees                    | 701,000             | 599,700             | (101,300)           |
| Ambulance service fees       | 850,000             | 1,028,181           | 178,181             |
| Communication Center         | 550,000             | 779,024             | 229,024             |
| Total                        | <u>\$ 8,242,803</u> | <u>\$ 9,525,754</u> | <u>\$ 1,282,951</u> |

Investment Earnings

|  |                   |                     |                   |
|--|-------------------|---------------------|-------------------|
|  | <u>\$ 518,338</u> | <u>\$ 1,019,710</u> | <u>\$ 501,372</u> |
|--|-------------------|---------------------|-------------------|

Miscellaneous:

|                      |                  |                  |                  |
|----------------------|------------------|------------------|------------------|
| Sale of fixed assets | \$ -             | \$ 11,712        | \$ 11,712        |
| Other                | 32,500           | 82,104           | 49,604           |
| Total                | <u>\$ 32,500</u> | <u>\$ 93,816</u> | <u>\$ 61,316</u> |

|                |                      |                      |                     |
|----------------|----------------------|----------------------|---------------------|
| Total Revenues | <u>\$ 77,612,367</u> | <u>\$ 85,004,643</u> | <u>\$ 7,392,276</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, 2006**

**Exhibit B-1**

**Expenditures:**

General Government:

Board of Commissioners:

|                                |           |           |          |
|--------------------------------|-----------|-----------|----------|
| Salaries and employee benefits | \$ 52,319 | \$ 52,364 | \$ (45)  |
| Other operating expenditures   | 33,118    | 26,821    | 6,297    |
| Total                          | \$ 85,437 | \$ 79,185 | \$ 6,252 |

Administration:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 261,298 | \$ 258,639 | \$ 2,659  |
| Other operating expenditures   | 20,397     | 11,503     | 8,894     |
| Total                          | \$ 281,695 | \$ 270,142 | \$ 11,553 |

Human Resources:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 82,093  | \$ 67,721  | \$ 14,372 |
| Other operating expenditures   | 36,802     | 31,528     | 5,274     |
| Capital outlay                 | 2,700      | 2,627      | 73        |
| Total                          | \$ 121,595 | \$ 101,876 | \$ 19,719 |

Board of Elections:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 234,394 | \$ 193,326 | \$ 41,068 |
| Other operating expenditures   | 72,611     | 51,391     | 21,220    |
| Total                          | \$ 307,005 | \$ 244,717 | \$ 62,288 |

Finance:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 353,950 | \$ 349,411 | \$ 4,539  |
| Other operating expenditures   | 39,930     | 24,903     | 15,027    |
| Data Processing charges        | 18,603     | 13,672     | 4,931     |
| Capital outlay                 | 4,907      | 4,792      | 115       |
| Total                          | \$ 417,390 | \$ 392,778 | \$ 24,612 |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

General Government (continued):

Office of Tax Supervisor:

|                                |              |            |            |
|--------------------------------|--------------|------------|------------|
| Salaries and employee benefits | \$ 647,209   | \$ 626,053 | \$ 21,156  |
| Other operating expenditures   | 317,565      | 207,497    | 110,068    |
| Data processing charges        | 48,300       | 41,884     | 6,416      |
| Capital outlay                 | 12,000       | 12,546     | (546)      |
| Total                          | \$ 1,025,074 | \$ 887,980 | \$ 137,094 |

Technology Services:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 248,050 | \$ 249,454 | \$ (1,404) |
| Data processing charges        | 56,000     | 55,279     | 721        |
| Other operating expenditures   | 89,971     | 84,680     | 5,291      |
| Total                          | \$ 394,021 | \$ 389,413 | \$ 4,608   |

Agriculture Building:

|                              |           |           |          |
|------------------------------|-----------|-----------|----------|
| Other operating expenditures | \$ 49,506 | \$ 45,900 | \$ 3,606 |
| Capital outlay               | 10,994    | 10,994    | -        |
| Total                        | \$ 60,500 | \$ 56,894 | \$ 3,606 |

Register of Deeds:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 320,484 | \$ 315,261 | \$ 5,223   |
| Other operating expenditures   | 240,742    | 181,548    | 59,194     |
| Capital outlay                 | 87,516     | 42,930     | 44,586     |
| Total                          | \$ 648,742 | \$ 539,739 | \$ 109,003 |

Public Buildings:

|                              |            |            |            |
|------------------------------|------------|------------|------------|
| Other operating expenditures | \$ 634,514 | \$ 471,162 | \$ 163,352 |
| Capital outlay               | 5,210      | 109,778    | (104,568)  |
| Total                        | \$ 639,724 | \$ 580,940 | \$ 58,784  |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

General Government (continued):

Court Facilities:

|                                |                   |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
| Salaries and employee benefits | \$ 224,148        | \$ 214,374        | \$ 9,774         |
| Other operating expenditures   | 152,830           | 145,395           | 7,435            |
| Capital outlay                 | 1,218             | 1,218             | -                |
| Total                          | <u>\$ 378,196</u> | <u>\$ 360,987</u> | <u>\$ 17,209</u> |

Central Service:

|                              |                     |                     |                   |
|------------------------------|---------------------|---------------------|-------------------|
| Other operating expenditures | <u>\$ 1,289,400</u> | <u>\$ 1,126,940</u> | <u>\$ 162,460</u> |
|------------------------------|---------------------|---------------------|-------------------|

Other:

|                         |                     |                     |                   |
|-------------------------|---------------------|---------------------|-------------------|
| Economic Development    | \$ 204,086          | \$ 204,086          | \$ -              |
| Upper Coastal Plain COG | 39,043              | 39,043              | -                 |
| Block Grant Aging       | 492,624             | 536,368             | (43,744)          |
| Other area projects     | 929,676             | 751,764             | 177,912           |
| Total                   | <u>\$ 1,665,429</u> | <u>\$ 1,531,261</u> | <u>\$ 134,168</u> |

|                          |                     |                     |                   |
|--------------------------|---------------------|---------------------|-------------------|
| Total General Government | <u>\$ 7,314,208</u> | <u>\$ 6,562,852</u> | <u>\$ 751,356</u> |
|--------------------------|---------------------|---------------------|-------------------|

Public Safety:

Sheriff:

|                                |                     |                     |                    |
|--------------------------------|---------------------|---------------------|--------------------|
| Salaries and employee benefits | \$ 3,347,751        | \$ 3,481,429        | \$ (133,678)       |
| Other operating expenditures   | 667,992             | 642,720             | 25,272             |
| Capital outlay                 | 399,336             | 368,886             | 30,450             |
| Total                          | <u>\$ 4,415,079</u> | <u>\$ 4,493,035</u> | <u>\$ (77,956)</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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Public Safety (continued):

County Jail:

|                                |                     |                     |                   |
|--------------------------------|---------------------|---------------------|-------------------|
| Salaries and employee benefits | \$ 2,668,447        | \$ 2,461,320        | \$ 207,127        |
| Other operating expenditures   | 949,472             | 945,387             | 4,085             |
| Capital outlay                 | 15,000              | 15,000              | -                 |
| Total                          | <u>\$ 3,632,919</u> | <u>\$ 3,421,707</u> | <u>\$ 211,212</u> |

Emergency Communications:

|                                |                     |                     |                   |
|--------------------------------|---------------------|---------------------|-------------------|
| Salaries and employee benefits | \$ 1,240,507        | \$ 1,148,820        | \$ 91,687         |
| Other operating expenditures   | 150,826             | 115,366             | 35,460            |
| Total                          | <u>\$ 1,391,333</u> | <u>\$ 1,264,186</u> | <u>\$ 127,147</u> |

Emergency Management:

|                                |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|
| Salaries and employee benefits | \$ 70,396        | \$ 61,120        | \$ 9,276         |
| Other operating expenditures   | 23,953           | 17,525           | 6,428            |
| Capital outlay                 | 2,000            | -                | 2,000            |
| Total                          | <u>\$ 96,349</u> | <u>\$ 78,645</u> | <u>\$ 17,704</u> |

Home Land Security:

|                              |                   |                   |                 |
|------------------------------|-------------------|-------------------|-----------------|
| Other operating expenditures | <u>\$ 225,735</u> | <u>\$ 217,064</u> | <u>\$ 8,671</u> |
|------------------------------|-------------------|-------------------|-----------------|

Emergency Medical Servicing:

|                                |                     |                     |                 |
|--------------------------------|---------------------|---------------------|-----------------|
| Salaries and employee benefits | \$ 1,643,397        | \$ 1,640,048        | \$ 3,349        |
| Other operating expenditures   | 422,165             | 425,061             | (2,896)         |
| Capital outlay                 | 16,908              | 12,737              | 4,171           |
| Total                          | <u>\$ 2,082,470</u> | <u>\$ 2,077,846</u> | <u>\$ 4,624</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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Public Safety (continued):

|                     |                      |                      |                   |
|---------------------|----------------------|----------------------|-------------------|
| Medical Examiner    | <u>\$ 45,000</u>     | <u>\$ 38,700</u>     | <u>\$ 6,300</u>   |
| Total Public Safety | <u>\$ 11,888,885</u> | <u>\$ 11,591,183</u> | <u>\$ 297,702</u> |

Transportation:

|                            |                  |                  |             |
|----------------------------|------------------|------------------|-------------|
| Rocky Mount/Wilson Airport | <u>\$ 42,714</u> | <u>\$ 42,714</u> | <u>\$ -</u> |
|----------------------------|------------------|------------------|-------------|

Environmental Protection:

Forestry Program:

|                                |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|
| Salaries and employee benefits | \$ -             | \$ -             | \$ -             |
| Other operating expenditures   | <u>67,210</u>    | <u>54,889</u>    | <u>12,321</u>    |
| Total                          | <u>\$ 67,210</u> | <u>\$ 54,889</u> | <u>\$ 12,321</u> |

Soil Conservation:

|                                |                   |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
| Salaries and employee benefits | \$ 158,557        | \$ 153,595        | \$ 4,962         |
| Other operating expenditures   | 28,060            | 17,047            | 11,013           |
| Capital outlay                 | <u>37,873</u>     | <u>26,862</u>     | <u>11,011</u>    |
| Total                          | <u>\$ 224,490</u> | <u>\$ 197,504</u> | <u>\$ 26,986</u> |

|                                |                   |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
| Total Environmental Protection | <u>\$ 291,700</u> | <u>\$ 252,393</u> | <u>\$ 39,307</u> |
|--------------------------------|-------------------|-------------------|------------------|

Economic and Physical Development:

Agricultural Extension and 4-H:

|                                |                   |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
| Salaries and employee benefits | \$ 368,141        | \$ 345,176        | \$ 22,965        |
| Other operating expenditures   | 69,061            | 42,624            | 26,437           |
| Capital outlay                 | <u>3,000</u>      | <u>6,604</u>      | <u>(3,604)</u>   |
| Total                          | <u>\$ 440,202</u> | <u>\$ 394,404</u> | <u>\$ 45,798</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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Economic and Physical Development (continued):

Planning and Zoning:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 511,111 | \$ 445,507 | \$ 65,604 |
| Other operating expenditures   | 99,919     | 86,415     | 13,504    |
| Capital outlay                 | 17,616     | 17,656     | (40)      |
| Total                          | \$ 628,646 | \$ 549,578 | \$ 79,068 |

Total Economic and  
Physical Development

|  |              |            |            |
|--|--------------|------------|------------|
|  | \$ 1,068,848 | \$ 943,982 | \$ 124,866 |
|--|--------------|------------|------------|

Human Services:

|               |            |            |      |
|---------------|------------|------------|------|
| Mental Health | \$ 358,119 | \$ 358,119 | \$ - |
|---------------|------------|------------|------|

|                           |           |           |      |
|---------------------------|-----------|-----------|------|
| Diversified Opportunities | \$ 38,000 | \$ 38,000 | \$ - |
|---------------------------|-----------|-----------|------|

Health:

Administration:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 116,681 | \$ 69,792  | \$ 46,889  |
| Other operating expenditures   | 365,985    | 223,881    | 142,104    |
| Capital outlay                 | 80,913     | 51,889     | 29,024     |
| Total                          | \$ 563,579 | \$ 345,562 | \$ 218,017 |

Health Promotion:

|                                |           |           |            |
|--------------------------------|-----------|-----------|------------|
| Salaries and employee benefits | \$ 42,591 | \$ 45,475 | \$ (2,884) |
| Other operating expenditures   | 5,690     | 909       | 4,781      |
| Capital outlay                 | -         | -         | -          |
| Total                          | \$ 48,281 | \$ 46,384 | \$ 1,897   |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Health (continued):

Tuberculosis Control:

|                                |           |            |             |
|--------------------------------|-----------|------------|-------------|
| Salaries and employee benefits | \$ 81,128 | \$ 97,186  | \$ (16,058) |
| Other operating expenditures   | 16,530    | 14,197     | 2,333       |
| Total                          | \$ 97,658 | \$ 111,383 | \$ (13,725) |

Home Health:

|                                |              |              |            |
|--------------------------------|--------------|--------------|------------|
| Salaries and employee benefits | \$ 2,561,648 | \$ 2,510,092 | \$ 51,556  |
| Other operating expenditures   | 1,617,841    | 1,439,909    | 177,932    |
| Capital outlay                 | 194,036      | 193,428      | 608        |
| Total                          | \$ 4,373,525 | \$ 4,143,429 | \$ 230,096 |

Family Planning:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 544,471 | \$ 523,235 | \$ 21,236  |
| Other operating expenditures   | 271,832    | 178,070    | 93,762     |
| Total                          | \$ 816,303 | \$ 701,305 | \$ 114,998 |

Maternal Health:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 648,560 | \$ 466,824 | \$ 181,736 |
| Other operating expenditures   | 128,050    | 100,317    | 27,733     |
| Capital outlay                 | -          | -          | -          |
| Total                          | \$ 776,610 | \$ 567,141 | \$ 209,469 |

Tuberculosis Center:

|                                |           |           |            |
|--------------------------------|-----------|-----------|------------|
| Salaries and employee benefits | \$ 51,868 | \$ 58,117 | \$ (6,249) |
| Other operating expenditures   | 2,792     | 2,553     | 239        |
| Total                          | \$ 54,660 | \$ 60,670 | \$ (6,010) |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Health (continued):

Environmental Health:

|                                |                   |                   |                  |
|--------------------------------|-------------------|-------------------|------------------|
| Salaries and employee benefits | \$ 437,371        | \$ 434,028        | \$ 3,343         |
| Other operating expenditures   | 37,335            | 28,982            | 8,353            |
| Capital outlay                 | -                 | -                 | -                |
| Total                          | <u>\$ 474,706</u> | <u>\$ 463,010</u> | <u>\$ 11,696</u> |

Immunization:

|                              |                  |                  |                 |
|------------------------------|------------------|------------------|-----------------|
| Other operating expenditures | <u>\$ 24,578</u> | <u>\$ 24,687</u> | <u>\$ (109)</u> |
|------------------------------|------------------|------------------|-----------------|

Breast Feeding Promotion:

|                                |                  |                  |                   |
|--------------------------------|------------------|------------------|-------------------|
| Salaries and employee benefits | \$ 41,258        | \$ 48,358        | \$ (7,100)        |
| Other operating expenditures   | 11,183           | 7,753            | 3,430             |
| Capital outlay                 | 1,417            | 1,416            | 1                 |
| Total                          | <u>\$ 53,858</u> | <u>\$ 57,527</u> | <u>\$ (3,669)</u> |

Communicable Diseases:

|                                |                   |                   |                    |
|--------------------------------|-------------------|-------------------|--------------------|
| Salaries and employee benefits | \$ 258,226        | \$ 293,858        | \$ (35,632)        |
| Other operating expenditures   | 43,800            | 36,393            | 7,407              |
| Total                          | <u>\$ 302,026</u> | <u>\$ 330,251</u> | <u>\$ (28,225)</u> |

Comprehensive Breast Cancer Prevention:

|                                |                  |                  |                 |
|--------------------------------|------------------|------------------|-----------------|
| Salaries and employee benefits | \$ 11,202        | \$ 10,330        | \$ 872          |
| Other operating expenditures   | 7,450            | 6,209            | 1,241           |
| Total                          | <u>\$ 18,652</u> | <u>\$ 16,539</u> | <u>\$ 2,113</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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Health (continued):

Child Health:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 620,699 | \$ 553,421 | \$ 67,278 |
| Other operating expenditures   | 100,394    | 69,766     | 30,628    |
| Total                          | \$ 721,093 | \$ 623,187 | \$ 97,906 |

Child Service Coordinator:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 272,360 | \$ 258,931 | \$ 13,429 |
| Other operating expenditures   | 62,470     | 30,088     | 32,382    |
| Capital outlay                 | 9,900      | 9,388      | 512       |
| Total                          | \$ 344,730 | \$ 298,407 | \$ 46,323 |

WIC Clinic Administration:

|                                |           |           |          |
|--------------------------------|-----------|-----------|----------|
| Salaries and employee benefits | \$ 63,481 | \$ 61,493 | \$ 1,988 |
| Other operating expenditures   | 2,854     | 2,381     | 473      |
| Capital outlay                 | -         | -         | -        |
| Total                          | \$ 66,335 | \$ 63,874 | \$ 2,461 |

WIC Nutrition Education:

|                                |            |            |          |
|--------------------------------|------------|------------|----------|
| Salaries and employee benefits | \$ 128,534 | \$ 124,873 | \$ 3,661 |
| Other operating expenditures   | 11,227     | 6,612      | 4,615    |
| Total                          | \$ 139,761 | \$ 131,485 | \$ 8,276 |

Animal Control:

|                                |            |            |             |
|--------------------------------|------------|------------|-------------|
| Salaries and employee benefits | \$ 252,954 | \$ 272,059 | \$ (19,105) |
| Other operating expenditures   | 79,472     | 65,733     | 13,739      |
| Capital outlay                 | -          | -          | -           |
| Total                          | \$ 332,426 | \$ 337,792 | \$ (5,366)  |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Health (continued):

AIDS Control:

|                                |           |           |           |
|--------------------------------|-----------|-----------|-----------|
| Salaries and employee benefits | \$ 24,003 | \$ 14,476 | \$ 9,527  |
| Other operating expenditures   | 7,025     | 5,815     | 1,210     |
| Total                          | \$ 31,028 | \$ 20,291 | \$ 10,737 |

Bioterrorism:

|                              |           |           |          |
|------------------------------|-----------|-----------|----------|
| Other operating expenditures | \$ 13,686 | \$ 12,883 | \$ 803   |
| Capital outlay               | 62,278    | 62,061    | 217      |
| Total                        | \$ 75,964 | \$ 74,944 | \$ 1,020 |

Child Lead Poisoning:

|                              |          |      |          |
|------------------------------|----------|------|----------|
| Other operating expenditures | \$ 3,150 | \$ - | \$ 3,150 |
|------------------------------|----------|------|----------|

WIC Client Services:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 369,106 | \$ 359,554 | \$ 9,552  |
| Other operating expenditures   | 17,150     | 9,622      | 7,528     |
| Capital outlay                 | -          | -          | -         |
| Total                          | \$ 386,256 | \$ 369,176 | \$ 17,080 |

Maternal Child Care:

|                                |            |            |             |
|--------------------------------|------------|------------|-------------|
| Salaries and employee benefits | \$ 231,346 | \$ 287,299 | \$ (55,953) |
| Other operating expenditures   | 34,420     | 23,527     | 10,893      |
| Capital outlay                 | 9,900      | 9,388      | 512         |
| Total                          | \$ 275,666 | \$ 320,214 | \$ (44,548) |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Health (continued):

Adult Health:

|                                |            |            |           |
|--------------------------------|------------|------------|-----------|
| Salaries and employee benefits | \$ 261,163 | \$ 246,069 | \$ 15,094 |
| Other operating expenditures   | 89,496     | 82,548     | 6,948     |
| Total                          | \$ 350,659 | \$ 328,617 | \$ 22,042 |

|              |               |              |            |
|--------------|---------------|--------------|------------|
| Total Health | \$ 10,331,504 | \$ 9,435,875 | \$ 895,629 |
|--------------|---------------|--------------|------------|

Social Services:

Administration:

|                                |               |               |              |
|--------------------------------|---------------|---------------|--------------|
| Salaries and employee benefits | \$ 9,260,554  | \$ 8,798,217  | \$ 462,337   |
| Other operating expenditures   | 1,533,088     | 1,158,280     | 374,808      |
| Capital outlay                 | 595,186       | 116,737       | 478,449      |
| Total                          | \$ 11,388,828 | \$ 10,073,234 | \$ 1,315,594 |

4D Child Support:

|                                |            |            |            |
|--------------------------------|------------|------------|------------|
| Salaries and employee benefits | \$ 88,091  | \$ 95,898  | \$ (7,807) |
| Other operating expenditures   | 66,897     | 35,071     | 31,826     |
| Total                          | \$ 154,988 | \$ 130,969 | \$ 24,019  |

Income Maintenance Programs:

|                                     |              |              |            |
|-------------------------------------|--------------|--------------|------------|
| AFDC program - County participation | \$ 100,000   | \$ 58,210    | \$ 41,790  |
| AFDC Foster Care                    | 936,799      | 205,395      | 731,404    |
| Special assistance - Adults         | 1,090,019    | 1,075,622    | 14,397     |
| Medicaid - County participation     | 5,509,851    | 5,740,991    | (231,140)  |
| Total                               | \$ 7,636,669 | \$ 7,080,218 | \$ 556,451 |

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Human Services (continued):

Social Services (continued):

Other Services:

|                              |              |              |            |
|------------------------------|--------------|--------------|------------|
| Other operating expenditures | \$ 6,270,714 | \$ 6,090,408 | \$ 180,306 |
|------------------------------|--------------|--------------|------------|

|                       |               |               |              |
|-----------------------|---------------|---------------|--------------|
| Total Social Services | \$ 25,451,199 | \$ 23,374,829 | \$ 2,076,370 |
|-----------------------|---------------|---------------|--------------|

Veterans Affairs:

|                                |           |           |       |
|--------------------------------|-----------|-----------|-------|
| Salaries and employee benefits | \$ 39,100 | \$ 39,052 | \$ 48 |
|--------------------------------|-----------|-----------|-------|

|                              |     |     |     |
|------------------------------|-----|-----|-----|
| Other operating expenditures | 875 | 251 | 624 |
|------------------------------|-----|-----|-----|

|       |           |           |        |
|-------|-----------|-----------|--------|
| Total | \$ 39,975 | \$ 39,303 | \$ 672 |
|-------|-----------|-----------|--------|

|                      |               |               |              |
|----------------------|---------------|---------------|--------------|
| Total Human Services | \$ 36,218,797 | \$ 33,246,126 | \$ 2,972,671 |
|----------------------|---------------|---------------|--------------|

Cultural and Recreational:

Recreation:

|                                |           |           |           |
|--------------------------------|-----------|-----------|-----------|
| Salaries and employee benefits | \$ 68,801 | \$ 55,137 | \$ 13,664 |
|--------------------------------|-----------|-----------|-----------|

|                              |         |         |          |
|------------------------------|---------|---------|----------|
| Other operating expenditures | 391,921 | 403,035 | (11,114) |
|------------------------------|---------|---------|----------|

|       |            |            |          |
|-------|------------|------------|----------|
| Total | \$ 460,722 | \$ 458,172 | \$ 2,550 |
|-------|------------|------------|----------|

Libraries:

|                                |              |              |            |
|--------------------------------|--------------|--------------|------------|
| Salaries and employee benefits | \$ 1,021,417 | \$ 1,023,379 | \$ (1,962) |
|--------------------------------|--------------|--------------|------------|

|                              |         |         |       |
|------------------------------|---------|---------|-------|
| Other operating expenditures | 397,021 | 392,132 | 4,889 |
|------------------------------|---------|---------|-------|

|                |       |       |   |
|----------------|-------|-------|---|
| Capital outlay | 9,360 | 9,359 | 1 |
|----------------|-------|-------|---|

|       |              |              |          |
|-------|--------------|--------------|----------|
| Total | \$ 1,427,798 | \$ 1,424,870 | \$ 2,928 |
|-------|--------------|--------------|----------|

|                                 |              |              |          |
|---------------------------------|--------------|--------------|----------|
| Total Cultural and Recreational | \$ 1,888,520 | \$ 1,883,042 | \$ 5,478 |
|---------------------------------|--------------|--------------|----------|

(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, 2006**

**Exhibit B-1**

**Expenditures (continued):**

Education:

|                                     |                      |                      |                 |
|-------------------------------------|----------------------|----------------------|-----------------|
| Public schools - current            | \$ 14,702,188        | \$ 14,702,188        | \$ -            |
| Public schools - capital outlay     | 1,250,000            | 1,250,000            | -               |
| Community colleges - current        | 1,660,264            | 1,660,264            | -               |
| Community colleges - capital outlay | 108,422              | 102,792              | 5,630           |
| Total Education                     | <u>\$ 17,720,874</u> | <u>\$ 17,715,244</u> | <u>\$ 5,630</u> |

Debt Service:

|                            |                     |                     |                   |
|----------------------------|---------------------|---------------------|-------------------|
| Principal retirement       | \$ 4,530,109        | \$ 4,348,150        | \$ 181,959        |
| Interest and other charges | 1,902,313           | 1,870,754           | 31,559            |
| Total Debt Service         | <u>\$ 6,432,422</u> | <u>\$ 6,218,904</u> | <u>\$ 213,518</u> |

Total Expenditures

|                    |                      |                      |                     |
|--------------------|----------------------|----------------------|---------------------|
| Total Expenditures | <u>\$ 82,866,968</u> | <u>\$ 78,456,440</u> | <u>\$ 4,410,528</u> |
|--------------------|----------------------|----------------------|---------------------|

Revenues Over Expenditures

|                            |                       |                     |                      |
|----------------------------|-----------------------|---------------------|----------------------|
| Revenues Over Expenditures | <u>\$ (5,254,601)</u> | <u>\$ 6,548,203</u> | <u>\$ 11,802,804</u> |
|----------------------------|-----------------------|---------------------|----------------------|

Other Financing Sources (Uses):

|                                      |                     |                       |                       |
|--------------------------------------|---------------------|-----------------------|-----------------------|
| Transfers (to) from other funds      | \$ (2,970,520)      | \$ (2,927,879)        | \$ 42,641             |
| Fund balance appropriated            | 8,494,130           | -                     | (8,494,130)           |
| Contingency                          | (269,009)           | -                     | 269,009               |
| Total Other Financing Sources (Uses) | <u>\$ 5,254,601</u> | <u>\$ (2,927,879)</u> | <u>\$ (8,182,480)</u> |

Revenues and Other Financing

Sources Over (Under) Expenditures  
and Other Financing Uses

|   |             |                     |                     |
|---|-------------|---------------------|---------------------|
| Sources Over (Under) Expenditures<br>and Other Financing Uses | <u>\$ -</u> | <u>\$ 3,620,324</u> | <u>\$ 3,620,324</u> |
|---|-------------|---------------------|---------------------|

Fund Balances:

Beginning of year, July 1 23,809,267

End of year, June 30 \$ 27,429,591

**Wilson County, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005**

Exhibit C-1

**Special Revenue Funds**

|  | <b>Revaluation<br/>Fund</b> | <b>Fire<br/>Districts<br/>Fund</b> | <b>Enhanced<br/>911<br/>Service</b> | <b>Transportation<br/>Fund</b> | <b>Total<br/>Non-major<br/>Special<br/>Revenue<br/>Funds</b> |
|--|-----------------------------|------------------------------------|-------------------------------------|--------------------------------|--|
| <b>Assets</b>                                    |                             |                                    |                                     |                                |  |
| Cash and cash equivalents                        | \$ 378,463                  | \$ 334,886                         | \$ 305,633                          | \$ 40,611                      | \$ 1,059,593   |
| Restricted cash                                  | -                           | -                                  | -                                   | -                              | -  |
| Taxes receivable, net                            | -                           | 54,237                             | -                                   | -                              | 54,237   |
| Accounts receivable, net                         | -                           | -                                  | 47,090                              | 54,695                         | 101,785  |
| Due from other funds                             | -                           | -                                  | -                                   | -                              | -  |
| <b>Total Assets</b>                              | <b>\$ 378,463</b>           | <b>\$ 389,123</b>                  | <b>\$ 352,723</b>                   | <b>\$ 95,306</b>               | <b>\$ 1,215,615</b>  |
| <b>Liabilities and Fund Balances</b>             |                             |                                    |                                     |                                |  |
| Liabilities:                                     |                             |                                    |                                     |                                |  |
| Accounts payable and<br>accrued liabilities      | \$ 18,029                   | \$ 334,886                         | \$ 1,826                            | \$ 26,017                      | \$ 380,758   |
| Deferred revenue                                 | -                           | 54,237                             | -                                   | -                              | 54,237   |
| <b>Total Liabilities</b>                         | <b>\$ 18,029</b>            | <b>\$ 389,123</b>                  | <b>\$ 1,826</b>                     | <b>\$ 26,017</b>               | <b>\$ 434,995</b>  |
| Fund Balances:                                   |                             |                                    |                                     |                                |  |
| Reserved:  |                             |                                    |                                     |                                |  |
| By state statute                                 | \$ -                        | \$ -                               | \$ 47,090                           | \$ 54,695                      | \$ 101,785   |
| Designated for subsequent<br>year's expenditures | 300,000                     | -                                  | 205,860                             | -                              | 505,860  |
| Unreserved                                       | 60,434                      | -                                  | 97,947                              | 14,594                         | 172,975  |
| <b>Total Fund Balances</b>                       | <b>\$ 360,434</b>           | <b>\$ -</b>                        | <b>\$ 350,897</b>                   | <b>\$ 69,289</b>               | <b>\$ 780,620</b>  |
| <b>Total Liabilities and<br/>Fund Balances</b>   | <b>\$ 378,463</b>           | <b>\$ 389,123</b>                  | <b>\$ 352,723</b>                   | <b>\$ 95,306</b>               | <b>\$ 1,215,615</b>  |

Exhibit C-1

Capital Projects Funds

| Economic Development Reserve Fund | Public Buildings Fund | Grant Projects Fund | Regional Wastewater Facility | School Improvement Capital Project Fund | Library Construction Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|-----------------------------------|-----------------------|---------------------|------------------------------|---|---------------------------|---------------------------------------|-----------------------------------|
| \$ 155,087                        | \$ 57,966             | \$ 15,809           | \$ 2,793                     | \$ 192                                  | \$ -                      | \$ 231,847                            | \$ 1,291,440                      |
| -                                 | -                     | -                   | -                            | -                                       | 186,316                   | 186,316                               | 186,316                           |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 54,237                            |
| -                                 | -                     | 17,370              | 10,000                       | -                                       | -                         | 27,370                                | 129,155                           |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | -                                 |
| <u>\$ 155,087</u>                 | <u>\$ 57,966</u>      | <u>\$ 33,179</u>    | <u>\$ 12,793</u>             | <u>\$ 192</u>                           | <u>\$ 186,316</u>         | <u>\$ 445,533</u>                     | <u>\$ 1,661,148</u>               |
| \$ -                              | \$ -                  | \$ 33,179           | \$ 10,000                    | \$ 192                                  | \$ 751                    | \$ 44,122                             | \$ 424,880                        |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 54,237                            |
| <u>\$ -</u>                       | <u>\$ -</u>           | <u>\$ 33,179</u>    | <u>\$ 10,000</u>             | <u>\$ 192</u>                           | <u>\$ 751</u>             | <u>\$ 44,122</u>                      | <u>\$ 479,117</u>                 |
| \$ -                              | \$ -                  | \$ -                | \$ 10,000                    | \$ -                                    | \$ -                      | \$ 10,000                             | \$ 111,785                        |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 505,860                           |
| 155,087                           | 57,966                | -                   | (7,207)                      | -                                       | 185,565                   | 391,411                               | 564,386                           |
| <u>\$ 155,087</u>                 | <u>\$ 57,966</u>      | <u>\$ -</u>         | <u>\$ 2,793</u>              | <u>\$ -</u>                             | <u>\$ 185,565</u>         | <u>\$ 401,411</u>                     | <u>\$ 1,182,031</u>               |
| <u>\$ 155,087</u>                 | <u>\$ 57,966</u>      | <u>\$ 33,179</u>    | <u>\$ 12,793</u>             | <u>\$ 192</u>                           | <u>\$ 186,316</u>         | <u>\$ 445,533</u>                     | <u>\$ 1,661,148</u>               |

**Wilson County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2006**

Exhibit C-2

**Special Revenue Funds**

|  | <b>Revaluation<br/>Fund</b> | <b>Fire<br/>Districts<br/>Fund</b> | <b>Enhanced<br/>911<br/>Service</b> | <b>Transportation<br/>Fund</b> | <b>Total<br/>Non-major<br/>Special<br/>Revenue<br/>Funds</b> |
|--|-----------------------------|------------------------------------|-------------------------------------|--------------------------------|--|
| <b>Revenues</b>                                      |                             |                                    |                                     |                                |  |
| Ad valorem taxes                                     | \$ -                        | \$ 979,514                         | \$ -                                | \$ -                           | \$ 979,514   |
| Local option sales tax                               | -                           | 321,745                            | -                                   | -                              | 321,745  |
| Other taxes  | -                           | -                                  | 521,249                             | -                              | 521,249  |
| Restricted intergovernmental                         | -                           | -                                  | -                                   | 264,241                        | 264,241  |
| Sales and Services                                   | -                           | -                                  | -                                   | 136,165                        | 136,165  |
| Investment earnings                                  | 14,031                      | -                                  | 11,385                              | -                              | 25,416   |
| <b>Total Revenues</b>                                | <b>\$ 14,031</b>            | <b>\$ 1,301,259</b>                | <b>\$ 532,634</b>                   | <b>\$ 400,406</b>              | <b>\$ 2,248,330</b>  |
| <b>Expenditures</b>                                  |                             |                                    |                                     |                                |  |
| Water Project -                                      |                             |                                    |                                     |                                |  |
| Economic Incentives                                  | \$ -                        | \$ -                               | \$ -                                | \$ -                           | \$ -   |
| Public safety  | 206,650                     | 1,301,259                          | 591,827                             | 437,158                        | 2,536,894  |
| Capital projects                                     | -                           | -                                  | -                                   | -                              | -  |
| <b>Total Expenditures</b>                            | <b>\$ 206,650</b>           | <b>\$ 1,301,259</b>                | <b>\$ 591,827</b>                   | <b>\$ 437,158</b>              | <b>\$ 2,536,894</b>  |
| Excess (Deficiency) of<br>Revenues Over Expenditures | \$ (192,619)                | \$ -                               | \$ (59,193)                         | \$ (36,752)                    | \$ (288,564)   |
| <b>Other Financing Sources (Uses)</b>                |                             |                                    |                                     |                                |  |
| Transfers (to) from other funds                      | \$ 300,000                  | \$ -                               | \$ -                                | \$ -                           | \$ 300,000   |
| Debt proceeds  | -                           | -                                  | -                                   | -                              | -  |
| <b>Total Other Financing Sources</b>                 | <b>\$ 300,000</b>           | <b>\$ -</b>                        | <b>\$ -</b>                         | <b>\$ -</b>                    | <b>\$ 300,000</b>  |
| <b>Net Change in Fund Balances</b>                   | <b>\$ 107,381</b>           | <b>\$ -</b>                        | <b>\$ (59,193)</b>                  | <b>\$ (36,752)</b>             | <b>\$ 11,436</b>   |
| <b>Fund Balances:</b>                                |                             |                                    |                                     |                                |  |
| Beginning of year, July 1                            | 253,053                     | -                                  | 410,090                             | 106,041                        | 769,184  |
| <b>End of year, June 30</b>                          | <b>\$ 360,434</b>           | <b>\$ -</b>                        | <b>\$ 350,897</b>                   | <b>\$ 69,289</b>               | <b>\$ 780,620</b>  |



Capital Projects Funds

| Economic Development Reserve Fund | Public Buildings Fund | Grant Projects Fund | Regional Wastewater Facility | School Improvement Capital Project Fund | Library Construction Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|-----------------------------------|-----------------------|---------------------|------------------------------|---|---------------------------|---------------------------------------|-----------------------------------|
| \$ -                              | \$ -                  | \$ -                | \$ -                         | \$ -                                    | \$ -                      | \$ -                                  | \$ 979,514                        |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 321,745                           |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 521,249                           |
| -                                 | -                     | 468,824             | 10,000                       | -                                       | -                         | 478,824                               | 743,065                           |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 136,165                           |
| -                                 | -                     | -                   | -                            | 2,496                                   | 11,761                    | 14,257                                | 39,673                            |
| <u>\$ -</u>                       | <u>\$ -</u>           | <u>\$ 468,824</u>   | <u>\$ 10,000</u>             | <u>\$ 2,496</u>                         | <u>\$ 11,761</u>          | <u>\$ 493,081</u>                     | <u>\$ 2,741,411</u>               |
| \$ -                              | \$ -                  | \$ -                | \$ -                         | \$ -                                    | \$ -                      | \$ -                                  | \$ -                              |
| -                                 | -                     | -                   | -                            | -                                       | -                         | -                                     | 2,536,894                         |
| 2,956,879                         | -                     | 516,724             | 10,000                       | 328,954                                 | 172,442                   | 3,984,999                             | 3,984,999                         |
| <u>\$ 2,956,879</u>               | <u>\$ -</u>           | <u>\$ 516,724</u>   | <u>\$ 10,000</u>             | <u>\$ 328,954</u>                       | <u>\$ 172,442</u>         | <u>\$ 3,984,999</u>                   | <u>\$ 6,521,893</u>               |
| <u>\$ (2,956,879)</u>             | <u>\$ -</u>           | <u>\$ (47,900)</u>  | <u>\$ -</u>                  | <u>\$ (326,458)</u>                     | <u>\$ (160,681)</u>       | <u>\$ (3,491,918)</u>                 | <u>\$ (3,780,482)</u>             |
| \$ 2,627,879                      | \$ -                  | \$ -                | \$ -                         | \$ -                                    | \$ -                      | \$ 2,627,879                          | \$ 2,927,879                      |
| 457,000                           | -                     | -                   | -                            | -                                       | -                         | 457,000                               | 457,000                           |
| <u>\$ 3,084,879</u>               | <u>\$ -</u>           | <u>\$ -</u>         | <u>\$ -</u>                  | <u>\$ -</u>                             | <u>\$ -</u>               | <u>\$ 3,084,879</u>                   | <u>\$ 3,384,879</u>               |
| \$ 128,000                        | \$ -                  | \$ (47,900)         | \$ -                         | \$ (326,458)                            | \$ (160,681)              | \$ (407,039)                          | \$ (395,603)                      |
| 27,087                            | 57,966                | 47,900              | 2,793                        | 326,458                                 | 346,246                   | 808,450                               | 1,577,634                         |
| <u>\$ 155,087</u>                 | <u>\$ 57,966</u>      | <u>\$ -</u>         | <u>\$ 2,793</u>              | <u>\$ -</u>                             | <u>\$ 185,565</u>         | <u>\$ 401,411</u>                     | <u>\$ 1,182,031</u>               |

**Wilson County, North Carolina  
Revaluation Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2006**

**Exhibit C-3**

|  | 2006         |              | Variance<br>Positive<br>(Negative) |
|--|--------------|--------------|------------------------------------|
|  | Budget       | Actual       |                                    |
| <b>Revenues:</b>   |              |              |                                    |
| Investment earnings  | \$ 4,364     | \$ 14,031    | \$ 9,667                           |
| <b>Expenditures:</b>   |              |              |                                    |
| Revaluation expense  | 550,000      | 206,650      | 343,350                            |
| Revenues Over (Under) Expenditures   | \$ (545,636) | \$ (192,619) | \$ 353,017                         |
| Other Financing Sources:   |              |              |                                    |
| Transfer In:   |              |              |                                    |
| General Fund   | 300,000      | 300,000      | -                                  |
| Revenues and Other Financing Sources<br>Over (Under) Expenditures                                | \$ (245,636) | \$ 107,381   | \$ 353,017                         |
| Appropriated fund balance  | 245,636      | -            | (245,636)                          |
| Revenues, Other Financing Sources,<br>and Appropriated Fund Balance<br>Over (Under) Expenditures | \$ -         | \$ 107,381   | \$ 107,381                         |
| Fund Balances:   |              |              |                                    |
| Beginning of year, July 1  |              | 253,053      |                                    |
| End of year, June 30   |              | \$ 360,434   |                                    |

**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, 2006**

**Exhibit C-4**

|                                    | 2006       |              | Variance<br>Positive<br>(Negative) |
|------------------------------------|------------|--------------|------------------------------------|
|                                    | Budget     | Actual       |                                    |
| <b>Revenues:</b>                   |            |              |                                    |
| Ad Valorem Taxes:                  |            |              |                                    |
| Current year                       | \$ 726,283 | \$ 867,922   | \$ 141,639                         |
| Prior year                         | 27,900     | 111,592      | 83,692                             |
| Total Ad Valorem Taxes             | \$ 754,183 | \$ 979,514   | \$ 225,331                         |
| Other taxes                        | 189,400    | 321,745      | 132,345                            |
| Total Revenues                     | \$ 943,583 | \$ 1,301,259 | \$ 357,676                         |
| <b>Expenditures:</b>               |            |              |                                    |
| Public Safety                      | 943,583    | 1,301,259    | (357,676)                          |
| Revenues Over (Under) Expenditures | \$ -       | \$ -         | \$ -                               |
| <b>Fund Balances:</b>              |            |              |                                    |
| Beginning of year, July 1          |            | -            |                                    |
| End of year, June 30               |            | \$ -         |                                    |

**Wilson County, North Carolina**  
**Enhanced 911 Service**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2006**

**Exhibit C-5**

|   | <b>2006</b>       |                    | <b>Variance<br/>Positive<br/>(Negative)</b> |
|---|-------------------|--------------------|---|
|   | <b>Budget</b>     | <b>Actual</b>      |   |
| <b>Revenues:</b>  |                   |                    |   |
| Other taxes   | \$ 531,603        | \$ 521,249         | \$ (10,354)                                 |
| Investment earnings   | 2,500             | 11,385             | 8,885                                       |
|   | <u>\$ 534,103</u> | <u>\$ 532,634</u>  | <u>\$ (1,469)</u>                           |
| <b>Expenditures:</b>  |                   |                    |   |
| Salaries and employee benefits                                    | \$ 182,259        | \$ 141,196         | \$ 41,063                                   |
| Operating expenses  | 436,508           | 336,844            | 99,664                                      |
| Capital outlay  | 123,299           | 113,787            | 9,512                                       |
|   | <u>\$ 742,066</u> | <u>\$ 591,827</u>  | <u>\$ 150,239</u>                           |
| Revenues Over (Under) Expenditures                                | \$ (207,963)      | \$ (59,193)        | \$ 148,770                                  |
| <b>Other Financing Sources:</b>                                   |                   |                    |   |
| Fund balance appropriated   | <u>207,963</u>    | <u>-</u>           | <u>(207,963)</u>                            |
| Revenues and Other Financing Sources<br>Over (Under) Expenditures | <u>\$ -</u>       | <u>\$ (59,193)</u> | <u>\$ (59,193)</u>                          |
| <b>Fund Balances:</b>   |                   |                    |   |
| Beginning of year, July 1   |                   | 410,090            |   |
| End of year, June 30  |                   | <u>\$ 350,897</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, 2006**

Exhibit C-6

|  | <b>2006</b>       |                    | <b>Variance</b>    |
|--|-------------------|--------------------|--------------------|
|  | <b>Budget</b>     | <b>Actual</b>      | <b>Positive</b>    |
|  |                   |                    | <b>(Negative)</b>  |
| <b>Revenues:</b>   |                   |                    |                    |
| Restricted Intergovernmental:  |                   |                    |                    |
| Rural Operating Grant  | \$ 125,165        | 125,165            | \$ -               |
| Capital Grant  | 129,227           | 107,393            | (21,834)           |
| Public Transportation Grant  | 77,857            | 31,683             | (46,174)           |
| Sales & Services   | 123,086           | 136,165            | 13,079             |
|  | <u>\$ 455,335</u> | <u>\$ 400,406</u>  | <u>\$ (54,929)</u> |
| <b>Expenditures:</b>   |                   |                    |                    |
| Salaries and employee benefits   | \$ 38,847         | \$ 38,842          | \$ 5               |
| Operating expenses   | 296,090           | 279,653            | 16,437             |
| Capital outlay   | 129,227           | 118,663            | 10,564             |
|  | <u>\$ 464,164</u> | <u>\$ 437,158</u>  | <u>\$ 27,006</u>   |
| Revenues Over (Under) Expenditures                                       | \$ (8,829)        | \$ (36,752)        | (27,923)           |
| <b>Other Financing Sources (Uses):</b>                                   |                   |                    |                    |
| Transfers in (out)   | <u>8,829</u>      | <u>-</u>           | <u>(8,829)</u>     |
| Revenues and Other Financing Sources<br>(Uses) Over (Under) Expenditures | <u>\$ -</u>       | <u>\$ (36,752)</u> | <u>\$ (36,752)</u> |
| <b>Fund Balances:</b>  |                   |                    |                    |
| Beginning of year, July 1  |                   | 106,041            |                    |
| End of year, June 30   |                   | <u>\$ 69,289</u>   |                    |

**Wilson County, North Carolina**  
**Economic Development Reserve Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2006**

Exhibit C-7

|  | 2006           |                | Variance<br>Positive<br>(Negative) |
|--|----------------|----------------|------------------------------------|
|  | Budget         | Actual         |                                    |
| <b>Revenues:</b>   |                |                |                                    |
| Incentive Flex Grant   | \$ -           | \$ -           | \$ -                               |
| Investment earnings  | -              | -              | -                                  |
|  | \$ -           | \$ -           | \$ -                               |
| Total Revenues   | \$ -           | \$ -           | \$ -                               |
| <b>Expenditures:</b>   |                |                |                                    |
| Economic incentives  | \$ 2,656,879   | \$ -           | \$ 2,656,879                       |
| Capital outlay   | 457,000        | 2,956,879      | (2,499,879)                        |
|  | \$ 3,113,879   | \$ 2,956,879   | \$ 157,000                         |
| Total Expenditures   | \$ 3,113,879   | \$ 2,956,879   | \$ 157,000                         |
| Revenues Over (Under) Expenditures                                       | \$ (3,113,879) | \$ (2,956,879) | \$ 157,000                         |
| <b>Other Financing Sources (Uses):</b>                                   |                |                |                                    |
| Transfers in (out)   | \$ 2,629,790   | \$ 2,627,879   | \$ (1,911)                         |
| Fund balance appropriated  | 27,089         | -              | (27,089)                           |
| Debt proceeds  | 457,000        | 457,000        | -                                  |
|  | \$ 3,113,879   | \$ 3,084,879   | \$ (29,000)                        |
| Total Other Financing Sources (Uses)                                     | \$ 3,113,879   | \$ 3,084,879   | \$ (29,000)                        |
| Revenues and Other Financing Sources<br>(Uses) Over (Under) Expenditures | \$ -           | \$ 128,000     | \$ 128,000                         |
| <b>Fund Balances:</b>  |                |                |                                    |
| Beginning of year, July 1  |                | 27,087         |                                    |
| End of year, June 30   |                | \$ 155,087     |                                    |

**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, 2006**

Exhibit C-8

|   | 2006   |           | Variance               |
|---|--------|-----------|------------------------|
|   | Budget | Actual    | Positive<br>(Negative) |
| <b>Revenues:</b>  |        |           |                        |
| Investment earnings   | \$ -   | \$ -      | \$ -                   |
| Miscellaneous   | -      | -         | -                      |
| Total Revenues  | \$ -   | \$ -      | \$ -                   |
| <b>Expenditures:</b>  |        |           |                        |
| Buildings   | \$ -   | \$ -      | \$ -                   |
| Other   | -      | -         | -                      |
| Capital outlay  | -      | -         | -                      |
| Total Expenditures  | \$ -   | \$ -      | \$ -                   |
| Revenues Over (Under) Expenditures                                | \$ -   | \$ -      | \$ -                   |
| <b>Other Financing Sources (Uses):</b>                            |        |           |                        |
| Transfers in (out)  | \$ -   | \$ -      | \$ -                   |
| Fund balance appropriated   | -      | -         | -                      |
| Total Other Financing Source (Uses)                               | \$ -   | \$ -      | \$ -                   |
| Revenues and Other Financing Sources<br>Over (Under) Expenditures | \$ -   | \$ -      | \$ -                   |
| <b>Fund Balances:</b>   |        |           |                        |
| Beginning of year, July 1   |        | 57,966    |                        |
| End of year, June 30  |        | \$ 57,966 |                        |

**Wilson County, North Carolina**  
**Grant Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances (Uses) - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit C-9

|  | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues:</b>                           |                                  |                        |                                    |                          |   |
| <b>Restricted Intergovernmental:</b>       |                                  |                        |                                    |                          |   |
| <b>Community Development Block Grants:</b> |                                  |                        |                                    |                          |   |
| Scattered Sites (#30-C01106)               | \$ 400,000                       | \$ 56,759              | \$ 343,241                         | \$ 400,000               | \$ -  |
| Hookup                                     | 75,000                           | -                      | 7,404                              | 7,404                    | (67,596)                                    |
| Sugar Hill                                 | 700,000                          | -                      | 158,190                            | 158,190                  | (541,810)                                   |
| Local Match                                | 30,000                           | -                      | 15,000                             | 15,000                   | (15,000)                                    |
| Hazard mitigation                          | -                                | 55,011                 | (55,011)                           | -                        | -   |
| Total Revenues                             | <u>\$ 1,205,000</u>              | <u>\$ 111,770</u>      | <u>\$ 468,824</u>                  | <u>\$ 580,594</u>        | <u>\$ (624,406)</u>                         |
| <b>Expenditures:</b>                       |                                  |                        |                                    |                          |   |
| Scattered Sites:                           |                                  |                        |                                    |                          |   |
| Administration                             | \$ 40,000                        | \$ 35,368              | \$ 4,632                           | \$ 40,000                | \$ -  |
| Rehabilitation                             | 360,000                          | 28,502                 | 331,498                            | 360,000                  | -   |
| Total Scattered Sites                      | <u>\$ 400,000</u>                | <u>\$ 63,870</u>       | <u>\$ 336,130</u>                  | <u>\$ 400,000</u>        | <u>\$ -</u>                                 |
| Hookup                                     | <u>\$ 75,000</u>                 | <u>\$ -</u>            | <u>\$ 7,404</u>                    | <u>\$ 7,404</u>          | <u>\$ 67,596</u>                            |
| Sugar Hill:                                |                                  |                        |                                    |                          |   |
| Administration                             | \$ 67,000                        | \$ -                   | \$ 46,279                          | \$ 46,279                | \$ 20,721                                   |
| Rehabilitation                             | 663,000                          | -                      | 126,911                            | 126,911                  | 536,089                                     |
| Total Sugar Hill                           | <u>\$ 730,000</u>                | <u>\$ -</u>            | <u>\$ 173,190</u>                  | <u>\$ 173,190</u>        | <u>\$ 556,810</u>                           |
| Total Expenditures                         | <u>\$ 1,205,000</u>              | <u>\$ 63,870</u>       | <u>\$ 516,724</u>                  | <u>\$ 580,594</u>        | <u>\$ 624,406</u>                           |
| Revenues Over<br>(Under) Expenditures      | <u>\$ -</u>                      | <u>\$ 47,900</u>       | <u>\$ (47,900)</u>                 | <u>\$ -</u>              | <u>\$ -</u>                                 |
| Fund Balances:                             |                                  |                        |                                    |                          |   |
| Beginning of year, July 1                  |                                  |                        | 47,900                             |                          |   |
| End of year, June 30                       |                                  |                        | <u>\$ -</u>                        |                          |   |



**Wilson County, North Carolina  
Regional Wastewater Facility  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances (Uses) - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2006**

**Exhibit C-10**

|                                       | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>                       |                                  |                        |                                    |                          |   |
| Rural Center grant                    | \$ 80,000                        | \$ 80,000              | \$ -                               | \$ 80,000                | \$ -  |
| Local units match                     | 22,400                           | 22,050                 | 10,000                             | 32,050                   | 9,650                                       |
| Total Revenues                        | <u>\$ 102,400</u>                | <u>\$ 102,050</u>      | <u>\$ 10,000</u>                   | <u>\$ 112,050</u>        | <u>\$ 9,650</u>                             |
| <b>Expenditures</b>                   |                                  |                        |                                    |                          |   |
| Engineering                           | \$ 88,500                        | \$ 99,257              | \$ -                               | \$ 99,257                | \$ (10,757)                                 |
| Environmental assessment              | 8,900                            | -                      | 10,000                             | 10,000                   | (1,100)                                     |
| Administration costs                  | 5,000                            | -                      | -                                  | -                        | 5,000                                       |
| Total Expenditures                    | <u>\$ 102,400</u>                | <u>\$ 99,257</u>       | <u>\$ 10,000</u>                   | <u>\$ 109,257</u>        | <u>\$ (6,857)</u>                           |
| Revenues Over<br>(Under) Expenditures | <u>\$ -</u>                      | <u>\$ 2,793</u>        | \$ -                               | <u>\$ 2,793</u>          | <u>\$ 2,793</u>                             |
| <b>Fund Balances:</b>                 |                                  |                        |                                    |                          |   |
| Beginning of year, July 1             |                                  |                        | 2,793                              |                          |   |
| End of year, June 30                  |                                  |                        | <u>\$ 2,793</u>                    |                          |   |

**Wilson County, North Carolina**  
**School Improvements Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances (Uses) - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit C-11

|                                       | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>                       |                                  |                        |                                    |                          |   |
| Installment Financing Project:        |                                  |                        |                                    |                          |   |
| Investment earnings                   | \$ 643,194                       | \$ 640,699             | \$ 2,496                           | \$ 643,195               | \$ 1  |
| <b>Expenditures</b>                   |                                  |                        |                                    |                          |   |
| Installment Financing Project:        |                                  |                        |                                    |                          |   |
| School Improvements:                  |                                  |                        |                                    |                          |   |
| Miscellaneous renovations             | \$ 1,874,799                     | \$ 1,527,748           | \$ 358,948                         | \$ 1,886,696             | \$ (11,897)                                 |
| Fike                                  | 503,831                          | 503,831                | -                                  | 503,831                  | -   |
| Rock Ridge                            | 5,255,938                        | 5,255,578              | -                                  | 5,255,578                | 360   |
| Margaret Hearne School                | 218,000                          | 217,844                | -                                  | 217,844                  | 156   |
| Elm City Middle School                | 6,390,002                        | 6,390,001              | -                                  | 6,390,001                | 1   |
| Speight Middle School                 | 1,327,515                        | 1,327,515              | -                                  | 1,327,515                | -   |
| MM Daniels Center                     | 108,848                          | 108,848                | -                                  | 108,848                  | -   |
| Springfield Middle School             | 2,290,750                        | 2,290,699              | -                                  | 2,290,699                | 51  |
| Darden Vick Middle School             | 9,378,794                        | 9,378,794              | -                                  | 9,378,794                | -   |
| Lucama School                         | 7,040,253                        | 7,040,253              | -                                  | 7,040,253                | -   |
| Other costs                           | 65,286                           | 65,286                 | 192                                | 65,478                   | (192)                                       |
| Sales tax refund                      | (810,822)                        | (780,636)              | (30,186)                           | (810,822)                | -   |
| <b>Total</b>                          | <u>\$ 33,643,194</u>             | <u>\$ 33,325,761</u>   | <u>\$ 328,954</u>                  | <u>\$ 33,654,715</u>     | <u>\$ (11,521)</u>                          |
| Qualified Zone Academy Bonds:         |                                  |                        |                                    |                          |   |
| Construction                          | 903,319                          | 891,799                | -                                  | 891,799                  | 11,520                                      |
| <b>Total Expenditures</b>             | <u>\$ 34,546,513</u>             | <u>\$ 34,217,560</u>   | <u>\$ 328,954</u>                  | <u>\$ 34,546,514</u>     | <u>\$ (1)</u>                               |
| Revenues Over<br>(Under) Expenditures | <u>\$ (33,903,319)</u>           | <u>\$ (33,576,861)</u> | <u>\$ (326,458)</u>                | <u>\$ (33,903,319)</u>   | <u>\$ -</u>                                 |

(continued)

**Wilson County, North Carolina**  
**School Improvements Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances (Uses) - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit C-11

|  | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u>      | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|-----------------------------|------------------------------------|-----------------------------|---|
| (continued)  |                                  |                             |                                    |                             |   |
| Other Financing Sources:                                       |                                  |                             |                                    |                             |   |
| Installment financing agreement                                | \$ 33,000,000                    | \$ 33,000,000               | \$ -                               | \$ 33,000,000               | \$ -  |
| Qualified Zone Academy bonds                                   | 903,319                          | 903,319                     | -                                  | 903,319                     | -   |
| Fund balance appropriated                                      | -                                | -                           | -                                  | -                           | -   |
| <b>Total Other Financing Sources</b>                           | <b><u>\$ 33,903,319</u></b>      | <b><u>\$ 33,903,319</u></b> | <b><u>\$ -</u></b>                 | <b><u>\$ 33,903,319</u></b> | <b><u>\$ -</u></b>                          |
| Revenues and Other Financing Sources Over (Under) Expenditures |                                  |                             |                                    |                             |   |
|  | <u>\$ -</u>                      | <u>\$ 326,458</u>           | <u>\$ (326,458)</u>                | <u>\$ -</u>                 | <u>\$ -</u>                                 |
| Fund Balances:   |                                  |                             |                                    |                             |   |
| Beginning of year, July 1                                      |                                  |                             | 326,458                            |                             |   |
| End of year, June 30   |                                  |                             | <u>\$ -</u>                        |                             |   |

**Wilson County, North Carolina**  
**Library Construction Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances (Uses) - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

**Exhibit C-12**

|                                       | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>                       |                                  |                        |                                    |                          |   |
| Bond proceeds                         | \$ 5,300,000                     | \$ 5,300,000           | \$ -                               | \$ 5,300,000             | \$ -  |
| Investment earnings                   | 99,475                           | 99,474                 | 11,761                             | 111,235                  | 11,760                                      |
| <b>Total Revenues</b>                 | <u>\$ 5,399,475</u>              | <u>\$ 5,399,474</u>    | <u>\$ 11,761</u>                   | <u>\$ 5,411,235</u>      | <u>\$ 11,760</u>                            |
| <b>Expenditures</b>                   |                                  |                        |                                    |                          |   |
| Legal services                        | \$ 10,000                        | \$ -                   | \$ -                               | \$ -                     | \$ 10,000                                   |
| Professional service                  | 429,679                          | 340,151                | 22,055                             | 362,206                  | 67,473                                      |
| Capital outlay                        | 4,959,796                        | 4,713,077              | 150,387                            | 4,863,464                | 96,332                                      |
| <b>Total Expenditures</b>             | <u>\$ 5,399,475</u>              | <u>\$ 5,053,228</u>    | <u>\$ 172,442</u>                  | <u>\$ 5,225,670</u>      | <u>\$ 173,805</u>                           |
| Revenues Over<br>(Under) Expenditures | <u>\$ -</u>                      | <u>\$ 346,246</u>      | <u>\$ (160,681)</u>                | <u>\$ 185,565</u>        | <u>\$ 185,565</u>                           |
| Fund Balances:                        |                                  |                        |                                    |                          |   |
| Beginning of year, July 1             |                                  |                        | 346,246                            |                          |   |
| End of year, June 30                  |                                  |                        | <u>\$ 185,565</u>                  |                          |   |

**Wilson County, North Carolina  
Solid Waste Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non - GAAP)  
For the Fiscal Year Ended June 30, 2006**

**Exhibit D-1**

|  | <b>2006</b>    |               | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|----------------|---------------|---|
|  | <b>Budget</b>  | <b>Actual</b> |   |
| <b>Revenues:</b>   |                |               |   |
| Operating Revenues:  |                |               |   |
| Charges for services   | \$ 1,908,804   | \$ 2,491,816  | \$ 583,012                                  |
| Other operating revenues   | 225,795        | 346,997       | 121,202                                     |
| Total Revenues   | \$ 2,134,599   | \$ 2,838,813  | \$ 704,214                                  |
| <b>Expenditures:</b>   |                |               |   |
| Operating expenses   | 7,281,707      | 2,385,989     | 4,895,718                                   |
| Revenues Over Expenditures   | \$ (5,147,108) | \$ 452,824    | \$ 5,599,932                                |
| <b>Other Financing Sources (Uses):</b>   |                |               |   |
| Investment earnings  | \$ 22,000      | \$ 590,886    | \$ 568,886                                  |
| Fund balance appropriated  | 4,965,108      | -             | (4,965,108)                                 |
| Transfer from other funds  | 160,000        | -             | (160,000)                                   |
| Total Other Financing Sources (Uses)   | \$ 5,147,108   | \$ 590,886    | \$ (4,556,222)                              |
| Revenues Over Expenditures and<br>Other Financing Sources (Uses)                   | \$ -           | \$ 1,043,710  | \$ 1,043,710                                |
| <b>Reconciliation from budgetary basis<br/>(modified accrual) to full accrual:</b> |                |               |   |
| Reconciling Items:   |                |               |   |
| Capital outlays  |                | \$ 508,119    |   |
| Depreciation   |                | (120,884)     |   |
| (Increase) Decrease in accrued landfill closure and costs                          |                | 66,956        |   |
| (Increase) in accrued compensated absences   |                | (8,411)       |   |
| Total Reconciling Items  |                | \$ 445,780    |   |
| Change in Net Assets   |                | \$ 1,489,490  |   |

**Wilson County, North Carolina**  
**Southeast Water District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2006**

Exhibit D-2

|  | <b>2006</b>   |               | <b>Variance</b>   |
|--|---------------|---------------|-------------------|
|  | <b>Budget</b> | <b>Actual</b> | <b>Positive</b>   |
|  |               |               | <b>(Negative)</b> |
| <b>Revenues:</b>   |               |               |                   |
| Operating Revenues:  |               |               |                   |
| Charges for services   | \$ 352,000    | \$ 418,661    | \$ 66,661         |
| Other operating revenues   | 26,500        | 51,595        | 25,095            |
| Total Revenues   | \$ 378,500    | \$ 470,256    | \$ 91,756         |
| <b>Expenditures:</b>   |               |               |                   |
| Operating expenses   | \$ 441,720    | \$ 345,762    | \$ 95,958         |
| Water purchases  | 75,000        | 84,471        | (9,471)           |
| Total Expenditures   | \$ 516,720    | \$ 430,233    | \$ 86,487         |
| Revenues Over Expenditures                                       | \$ (138,220)  | \$ 40,023     | \$ 178,243        |
| <b>Other Financing Sources (Uses):</b>                           |               |               |                   |
| Investment earnings  | \$ -          | \$ -          | \$ -              |
| Transfer from Landfill   | 138,220       | -             | (138,220)         |
| Total Financing Sources (Uses)                                   | \$ 138,220    | \$ -          | \$ (138,220)      |
| Revenues Over Expenditures and<br>Other Financing Sources (Uses) | \$ -          | \$ 40,023     | \$ 40,023         |
| <b>Reconciliation from budgetary basis</b>                       |               |               |                   |
| <b>(modified accrual) to full accrual:</b>                       |               |               |                   |
| Reconciling Items:   |               |               |                   |
| Depreciation   |               | \$ (181,757)  |                   |
| (Increase) in accrued compensated absences                       |               | (498)         |                   |
| Capital contributions  |               | -             |                   |
| Total Reconciling Items  |               | \$ (182,255)  |                   |
| Change in Net Assets   |               | \$ (142,232)  |                   |

**Wilson County, North Carolina**  
**Southwest Water District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2006**

**Exhibit D-3**

|  | 2006         |              | Variance<br>Positive<br>(Negative) |
|--|--------------|--------------|------------------------------------|
|  | Budget       | Actual       |                                    |
| <b>Revenues:</b>   |              |              |                                    |
| Operating Revenues:  |              |              |                                    |
| Charges for services   | \$ 325,000   | \$ 377,351   | \$ 52,351                          |
| Other operating revenues   | 65,000       | 76,813       | 11,813                             |
| Total Revenues   | \$ 390,000   | \$ 454,164   | \$ 64,164                          |
| <b>Expenditures:</b>   |              |              |                                    |
| Operating expenses   | \$ 455,280   | \$ 388,090   | \$ 67,190                          |
| Water purchases  | 100,000      | 83,797       | 16,203                             |
| Total Expenditures   | \$ 555,280   | \$ 471,887   | \$ 83,393                          |
| Revenues Over Expenditures   | \$ (165,280) | \$ (17,723)  | \$ 147,557                         |
| <b>Other Financing Sources (Uses):</b>   |              |              |                                    |
| Investment earnings  | \$ -         | \$ 13,015    | \$ 13,015                          |
| Transfer from Landfill   | 165,280      | -            | (165,280)                          |
| Total Financing Sources (Uses)   | \$ 165,280   | \$ 13,015    | \$ (152,265)                       |
| Revenues Over Expenditures and<br>Other Financing Sources (Uses)                   | \$ -         | \$ (4,708)   | \$ (4,708)                         |
| <b>Reconciliation from budgetary basis<br/>(modified accrual) to full accrual:</b> |              |              |                                    |
| Reconciling Items:   |              |              |                                    |
| Depreciation   |              | \$ (188,627) |                                    |
| (Increase) in accrued compensated absences   |              | (438)        |                                    |
| Capital contributions  |              | 659,357      |                                    |
| Total Reconciling Items  |              | \$ 470,292   |                                    |
| Change in Net Assets   |              | \$ 465,584   |                                    |

**Wilson County, North Carolina**  
**Water District Capital Project Fund - Southeast**  
**Schedule of Revenues and Expenditures**  
**- Budget and Actual - (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit D-4

|  | <b>Project<br/>Authorization</b> | <b>Prior<br/>Years</b> | <b>Actual<br/>Current<br/>Year</b> | <b>Total to<br/>Date</b> | <b>Variance<br/>Positive<br/>(Negative)</b> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>  |                                  |                        |                                    |                          |   |
| Restricted intergovernmental   | \$ 2,791,600                     | \$ 3,043,770           | \$ -                               | \$ 3,043,770             | \$ 252,170                                  |
| Investment earnings  | -                                | 24,492                 | -                                  | 24,492                   | 24,492                                      |
| <b>Total Revenues</b>  | <b>\$ 2,791,600</b>              | <b>\$ 3,068,262</b>    | <b>\$ -</b>                        | <b>\$ 3,068,262</b>      | <b>\$ 276,662</b>                           |
| <b>Expenditures</b>  |                                  |                        |                                    |                          |   |
| Water System Construction  | 6,890,631                        | 6,346,147              | 171,496                            | 6,517,643                | 372,988                                     |
| Revenues Over<br>(Under) Expenditures                                | <u>\$ (4,099,031)</u>            | <u>\$ (3,277,885)</u>  | <u>\$ (171,496)</u>                | <u>\$ (3,449,381)</u>    | <u>\$ 649,650</u>                           |
| <b>Other Financing Sources:</b>                                      |                                  |                        |                                    |                          |   |
| Proceeds from debt   | \$ 3,600,000                     | \$ 3,600,000           | \$ -                               | \$ 3,600,000             | \$ -  |
| Local capital contributions  | 499,031                          | -                      | -                                  | -                        | (499,031)                                   |
| <b>Total Other Financing Sources</b>                                 | <b>\$ 4,099,031</b>              | <b>\$ 3,600,000</b>    | <b>\$ -</b>                        | <b>\$ 3,600,000</b>      | <b>\$ (499,031)</b>                         |
| Revenues and Other<br>Financing Sources Over<br>(Under) Expenditures | <u>\$ -</u>                      | <u>\$ 322,115</u>      | <u>\$ (171,496)</u>                | <u>\$ 150,619</u>        | <u>\$ 150,619</u>                           |



**Wilson County, North Carolina**  
**Water District Capital Project Fund - Southwest**  
**Schedule of Revenues and Expenditures**  
**- Budget and Actual - (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit D-5

|  | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>  |                                  |                        |                                    |                          |   |
| Restricted intergovernmental   | \$ 1,636,013                     | \$ 527,605             | \$ 50,036                          | \$ 577,641               | \$ (1,058,372)                              |
| Investment earnings  | -                                | 13,024                 | -                                  | 13,024                   | 13,024                                      |
| <b>Total Revenues</b>  | <u>\$ 1,636,013</u>              | <u>\$ 540,629</u>      | <u>\$ 50,036</u>                   | <u>\$ 590,665</u>        | <u>\$ (1,045,348)</u>                       |
| <b>Expenditures</b>  |                                  |                        |                                    |                          |   |
| Water System Construction  | <u>5,420,013</u>                 | <u>4,250,686</u>       | <u>7,089</u>                       | <u>4,257,775</u>         | <u>1,162,238</u>                            |
| Revenues Over<br>(Under) Expenditures                                | <u>\$ (3,784,000)</u>            | <u>\$ (3,710,057)</u>  | <u>\$ 42,947</u>                   | <u>\$ (3,667,110)</u>    | <u>\$ 116,890</u>                           |
| <b>Other Financing Sources:</b>                                      |                                  |                        |                                    |                          |   |
| Proceeds from debt   | \$ 3,784,000                     | \$ 3,784,000           | \$ -                               | \$ 3,784,000             | \$ -  |
| Local capital contributions  | -                                | -                      | -                                  | -                        | -   |
| <b>Total Other Financing Sources</b>                                 | <u>\$ 3,784,000</u>              | <u>\$ 3,784,000</u>    | <u>\$ -</u>                        | <u>\$ 3,784,000</u>      | <u>\$ -</u>                                 |
| Revenues and Other<br>Financing Sources Over<br>(Under) Expenditures | <u>\$ -</u>                      | <u>\$ 73,943</u>       | <u>\$ 42,947</u>                   | <u>\$ 116,890</u>        | <u>\$ 116,890</u>                           |

**Wilson County, North Carolina**  
**Water District Capital Project Fund - Southwest II**  
**Schedule of Revenues and Expenditures**  
**- Budget and Actual - (Non-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2006**

Exhibit D-6

|  | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Actual<br/>Current<br/>Year</u> | <u>Total to<br/>Date</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------------------|------------------------|------------------------------------|--------------------------|---|
| <b>Revenues</b>  |                                  |                        |                                    |                          |   |
| Restricted intergovernmental   | \$ 1,281,000                     | \$ -                   | \$ 636,331                         | \$ 636,331               | \$ (644,669)                                |
| Investment earnings  | -                                | -                      | 30,990                             | 30,990                   | 30,990                                      |
| <b>Total Revenues</b>  | <b>\$ 1,281,000</b>              | <b>\$ -</b>            | <b>\$ 667,321</b>                  | <b>\$ 667,321</b>        | <b>\$ (613,679)</b>                         |
| <b>Expenditures</b>  |                                  |                        |                                    |                          |   |
| Water System Construction  | 3,950,000                        | 170,598                | 3,016,151                          | 3,186,749                | 763,251                                     |
| Revenues Over<br>(Under) Expenditures                                | <u>\$ (2,669,000)</u>            | <u>\$ (170,598)</u>    | <u>\$ (2,348,830)</u>              | <u>\$ (2,519,428)</u>    | <u>\$ 149,572</u>                           |
| <b>Other Financing Sources:</b>                                      |                                  |                        |                                    |                          |   |
| Proceeds from debt   | \$ 2,654,000                     | \$ -                   | \$ 2,654,000                       | \$ 2,654,000             | \$ -  |
| Local capital contributions  | 15,000                           | -                      | -                                  | -                        | (15,000)                                    |
| <b>Total Other Financing Sources</b>                                 | <b>\$ 2,669,000</b>              | <b>\$ -</b>            | <b>\$ 2,654,000</b>                | <b>\$ 2,654,000</b>      | <b>\$ (15,000)</b>                          |
| Revenues and Other<br>Financing Sources Over<br>(Under) Expenditures | <u>\$ -</u>                      | <u>\$ (170,598)</u>    | <u>\$ 305,170</u>                  | <u>\$ 134,572</u>        | <u>\$ 134,572</u>                           |

**Wilson County, North Carolina  
General Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2006**

**Exhibit E-1**

| <u>Fiscal Year</u>                          | <u>Uncollected<br/>Balance<br/>June 30, 2005</u> | <u>Additions</u>     | <u>Collections<br/>And Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2006</u> |
|---|--|----------------------|------------------------------------|--|
| 2005-2006                                   | \$ -   | \$ 38,816,676        | \$ 37,389,386                      | \$ 1,427,290                                     |
| 2004-2005                                   | 2,464,484  | -                    | 2,090,829                          | 373,655  |
| 2003-2004                                   | 1,577,348  | -                    | 1,334,945                          | 242,403  |
| 2002-2003                                   | 1,406,640  | -                    | 1,218,474                          | 188,166  |
| 2001-2002                                   | 202,454  | -                    | 70,260                             | 132,194  |
| 2000-2001                                   | 148,203  | -                    | 40,138                             | 108,065  |
| 1999-2000                                   | 128,851  | -                    | 40,845                             | 88,006   |
| 1998-1999                                   | 83,443   | -                    | 11,575                             | 71,868   |
| 1997-1998                                   | 97,132   | -                    | 11,560                             | 85,572   |
| 1996-1997                                   | 76,060   | -                    | 6,700                              | 69,360   |
| 1995-1996                                   | 48,555   | -                    | 48,555                             | -  |
|   | <u>\$ 6,233,170</u>                              | <u>\$ 38,816,676</u> | <u>\$ 42,263,267</u>               | <u>\$ 2,786,579</u>                              |
| Less: Allowance for Uncollectible Accounts: |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>(625,928)</u>                                 |
| Ad Valorem Taxes Receivable - Net:          |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>\$ 2,160,651</u>                              |
| Reconcilement with Revenues:                |  |                      |                                    |  |
| Ad valorem taxes - General Fund             |  |                      |                                    | <u>\$ 43,242,232</u>                             |
| Reconciling Items:                          |  |                      |                                    |  |
| Interest collected                          |  |                      |                                    | \$ (1,057,041)                                   |
| Taxes written off                           |  |                      |                                    | <u>78,076</u>                                    |
| Total Reconciling Items                     |  |                      |                                    | <u>\$ (978,965)</u>                              |
| Total Collections and Credits               |  |                      |                                    | <u>\$ 42,263,267</u>                             |

**Wilson County, North Carolina**  
**Analysis of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2006**

Exhibit E-2

|  | <u>County - Wide</u>          |             |                           | <u>Total Levy</u>   |  |
|--|-------------------------------|-------------|---------------------------|---|--|
|  | <u>Property<br/>Valuation</u> | <u>Rate</u> | <u>Amount<br/>of Levy</u> | <u>Property<br/>excluding<br/>Registered<br/>Motor<br/>Vehicles</u> | <u>Registered<br/>Motor<br/>Vehicles</u> |
| Original Levy:                               |                               |             |                           |   |  |
| Property taxed at<br>current year's rate     | \$ 4,784,568,553              | 0.76        | \$ 36,362,721             | \$ 33,343,098   | \$ 3,019,623                             |
| Motor vehicles taxed<br>at prior year's rate | 245,970,139                   | 0.72        | 1,770,985                 | -   | 1,770,985                                |
| Discoveries                                  | 114,616,053                   | 0.76        | 871,082                   | 871,082   | -  |
| Abatements:                                  |                               |             |                           |   |  |
| at current year's rate                       | (22,140,263)                  | 0.76        | (168,266)                 | (139,731)   | (28,535)                                 |
| at prior year's rate                         | <u>(2,756,389)</u>            | 0.72        | <u>(19,846)</u>           | <u>-</u>  | <u>(19,846)</u>                          |
| Total Property Valuation                     | <u>\$ 5,120,258,093</u>       |             |                           |   |  |
| Net Levy                                     |                               |             | \$ 38,816,676             | \$ 34,074,449   | \$ 4,742,227                             |
| Uncollected taxes at June 30, 2006           |                               |             | (1,427,290)               | (673,474)   | (753,816)                                |
| Current year's taxes collected               |                               |             | <u>\$ 37,389,386</u>      | <u>\$ 33,400,975</u>  | <u>\$ 3,988,411</u>                      |
| Current levy collection percentage           |                               |             | <u>96.32%</u>             | <u>98.02%</u>   | <u>84.10%</u>                            |

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Fred A. Turlington Jr., CPA  
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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of County Commissioners  
Wilson County, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregated remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2006, which collectively comprises the Wilson County's basic financial statements, and have issued our report thereon dated November 22, 2006. We did not audit the financial statements of the Wilson County ABC Board. Those financial statements were audited by other auditors whose report thereon has been provided to us, and our opinion, insofar as it relates to the amounts included for the Wilson County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wilson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted certain matters that we reported to management of Wilson County, North Carolina in a separate letter dated November 22, 2006.

## 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*.

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

Tarboro, North Carolina  
November 22, 2006

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

To the Board of County Commissioners  
Wilson County, North Carolina

### Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2006. Wilson County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

## Internal Control Over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Tarboro, North Carolina  
November 22, 2006



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

To the Board of County Commissioners  
Wilson County, North Carolina

### Compliance

We have audited the compliance of Wilson County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2006. Wilson County's major State programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major State programs is the responsibility of Wilson County's management. Our responsibility is to express an opinion on Wilson County's compliance based on our audit.

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

In our opinion, Wilson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2006.

## Internal Control Over Compliance

The management of Wilson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered Wilson County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Tarboro, North Carolina  
November 22, 2006

**Wilson County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2006**

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Section I - Summary of Auditor's Results

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**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                   \_\_\_yes    X no
  
- Reportable condition(s) identified  
that are not considered to be  
material weaknesses                                   \_\_\_yes    X none reported

Noncompliance material to financial  
statements noted                                   \_\_\_yes    X no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?                   \_\_\_yes    X no
  
- Reportable condition(s) identified  
that are not considered to be  
material weaknesses                                   \_\_\_yes    X none reported

Noncompliance material to federal awards                   \_\_\_yes    X no

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

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

**Wilson County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2006**

Identification of major federal programs:

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

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

Dollar threshold used to distinguish  
between Type A and Type B Programs \$2,632,383

Auditee qualified as low-risk auditee    yes   X  no

**State Awards**

Internal control over major State programs:

- Material weakness(es) identified?    yes   X  no
- Reportable condition(s) identified  
that are not considered to be  
material weaknesses    yes   X  none reported

Noncompliance material to State awards    yes   X  no

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   X  no

**Wilson County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2006**

Identification of major State programs:

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

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Section II - Financial Statement Findings

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NONE

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Section III - Federal Award Findings and Questioned Costs

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NONE

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Section IV - State Award Findings and Questioned Costs

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NONE

**Wilson County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2006**

NONE REPORTED



**Wilson County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2006**

| <b>Grantor/Pass-Through<br/>Grantor/Program Title</b>        | <b>Federal<br/>CFDA<br/>Number</b> |
|--|------------------------------------|
| <b>CASH PROGRAMS:</b>  |                                    |
| <b>FEDERAL GRANTS:</b>                                       |                                    |
| <b>U.S. Department of Agriculture:</b>                       |                                    |
| Passed-through N.C. Department of Health and Human Services: |                                    |
| Division of Social Services:                                 |                                    |
| Administration:  |                                    |
| Food Stamp Cluster:  |                                    |
| Food Stamp Program - Noncash                                 | 10.551                             |
| Food Stamp Program   | 10.561                             |
| Total Food Stamp Cluster                                     |                                    |
| Division of Public Health:                                   |                                    |
| Administration:  |                                    |
| Special Supplemental Nutrition Program for WIC               | 10.557                             |
| Direct Benefit Payments:                                     |                                    |
| Special Supplemental Nutrition Program for WIC               | 10.557                             |
| Agri-SFP Food Program  | 10.559                             |
| Total Direct Benefit Payments                                |                                    |
| Total U.S. Department of Agriculture                         |                                    |
| <b>U.S. Department of Health and Human Services:</b>         |                                    |
| Passed-through N.C. Department of Health and Human Services: |                                    |
| Division of Social Services:                                 |                                    |
| Foster Care and Adoption Cluster:                            |                                    |
| Assistance Foster Care Title IV-E                            | 93.658                             |
| Title IV-E Adoption Subsidy                                  | 93.659                             |
| Total Foster Care and Adoption Cluster                       |                                    |
| Medical Assistance Program - Medicaid Title XIX              | 93.778                             |
| Low Income Energy Assistance/Crisis Intervention             | 93.568                             |
| NC Health Choice   | 93.767                             |



| <u>Federal<br/>Expenditures</u> | <u>State<br/>Expenditures</u> | <u>Local<br/>Expenditures</u> |
|---------------------------------|-------------------------------|-------------------------------|
| \$ 9,795,380                    | \$ -                          | \$ -                          |
| 626,907                         | -                             | 598,608                       |
| <u>\$ 10,422,287</u>            | <u>\$ -</u>                   | <u>\$ 598,608</u>             |
| <br>                            |                               |                               |
| \$ 423,280                      | \$ -                          | \$ -                          |
| <br>                            |                               |                               |
| \$ 2,127,509                    | \$ -                          | \$ -                          |
| 1,577                           | -                             | -                             |
| <u>\$ 2,129,086</u>             | <u>\$ -</u>                   | <u>\$ -</u>                   |
| <br>                            |                               |                               |
| <u>\$ 12,974,653</u>            | <u>\$ -</u>                   | <u>\$ 598,608</u>             |
| <br>                            |                               |                               |
| \$ 258,213                      | \$ 69,538                     | \$ 188,675                    |
| 210,291                         | -                             | 210,291                       |
| <u>\$ 468,504</u>               | <u>\$ 69,538</u>              | <u>\$ 398,966</u>             |
| <br>                            |                               |                               |
| 1,166,937                       | 109,084                       | 1,036,340                     |
| 242,049                         | 17,548                        | -                             |
| 61,072                          | 4,510                         | 16,426                        |

(continued)

**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)

|   |        |
|---|--------|
| Social Services Block Grant             | 93.667 |
| Child Support Enforcement               | 93.563 |
| Permanency Planning                     | 93.645 |
| Child Care Development Fund             | 93.596 |
| Temporary Assistance for Needy Families | 93.558 |
| LINKS                                   | 93.674 |

Total Division of Social Services

Division of Public Health:

|  |        |
|--|--------|
| Tuberculosis Control Project - CDC                 | 93.116 |
| Promotion Program                                  | 93.991 |
| Bioterrorism Grant                                 | 93.283 |
| Maternal and Child Health Services Block Grant     | 93.994 |
| Temporary Assistance for Needy Families            | 93.558 |
| Immunization Action Plan                           | 93.268 |
| Prevention Investigations and Technical Assistance | 93.283 |
| Family Planning Services                           | 93.217 |

Total Division of Public Health

Division of Child Development:

Subsidized Child Care Cluster: (Note 2)

|  |        |
|--|--------|
| Child Care Development Funds Discretionary | 93.575 |
| Child Care Development Fund                | 93.596 |
| Social Services Block Grant                | 93.667 |
| Temporary Assistance for Needy Families    | 93.558 |
| TANF - MOE                                 | N/A    |
| State Appropriations                       | N/A    |

Total Subsidized Child Care Cluster

|                     |                   |                     |
|---------------------|-------------------|---------------------|
| 403,854             | 38,312            | 140,686             |
| 842,564             | -                 | 433,508             |
| 22,753              | 5,848             | 1,736               |
| 168,351             | -                 | -                   |
| 1,314,140           | -                 | 1,376,535           |
| 11,780              | 2,945             | -                   |
| <u>\$ 4,702,004</u> | <u>\$ 247,785</u> | <u>\$ 3,404,197</u> |

|                   |             |             |
|-------------------|-------------|-------------|
| \$ 41,876         | \$ -        | \$ -        |
| 16,397            | -           | -           |
| 75,320            | -           | -           |
| 253,794           | -           | -           |
| 14,700            | -           | -           |
| 24,578            | -           | -           |
| 9,675             | -           | -           |
| 54,742            | -           | -           |
| <u>\$ 491,082</u> | <u>\$ -</u> | <u>\$ -</u> |

|                     |                     |             |
|---------------------|---------------------|-------------|
| \$ 1,318,680        | \$ -                | \$ -        |
| 1,486,935           | 495,924             | -           |
| 23,983              | -                   | -           |
| 404,183             | -                   | -           |
| -                   | 951,978             | -           |
| -                   | 314,861             | -           |
| <u>\$ 3,233,781</u> | <u>\$ 1,762,763</u> | <u>\$ -</u> |

(continued)

**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)

Direct Benefit Payments:

|   |                 |
|---|-----------------|
| Medical Assistance Program              | 93.778          |
| Temporary Assistance for Needy Families | 93.558          |
| Energy Assistance                       | 93.568          |
| IV-E Adoption/Foster Care               | 93.658 / 93.659 |
| Total Direct Benefit Payments           |                 |

Total U.S. Department of Health and Human Services

**U.S. Department of Homeland Security:**

Passed-through N.C. Department of Crime Control and Public Safety:

|   |        |
|---|--------|
| State Domestic Preparedness Equipment Support Program | 97.004 |
| Homeland Security Grant                               | 97.067 |

Total U.S. Department of Homeland Security

**U.S. Department of Commerce:**

Passed-through N.C. Department of Commerce:

|  |        |
|--|--------|
| Small Cities Community Development Block Grant | 14.228 |
|--|--------|

**U.S. Department of Justice:**

Passed-through N.C. Department of Crime Control and Public Safety:

|                                      |        |
|--------------------------------------|--------|
| Juvenile Justice                     | 16.542 |
| Bulletproof Vest Partnership Program | 16.607 |

Total U.S. Department of Justice

**Election Assistance Commission:**

Passed-through N.C. Department of Crime Control and Public Safety:

|                       |        |
|-----------------------|--------|
| Help America Vote Act | 90.401 |
|-----------------------|--------|

|                      |                      |                     |
|----------------------|----------------------|---------------------|
| \$ 62,942,164        | \$ 30,734,016        | \$ 5,420,780        |
| 1,117,494            | -                    | 3,488               |
| 118,013              | -                    | -                   |
| 484,051              | 127,525              | 158,122             |
| <u>\$ 64,661,722</u> | <u>\$ 30,861,541</u> | <u>\$ 5,582,390</u> |
| <u>\$ 73,088,589</u> | <u>\$ 32,872,089</u> | <u>\$ 8,986,587</u> |
| <br>                 |                      |                     |
| \$ 150,562           | \$ -                 | \$ -                |
| 87,580               | -                    | -                   |
| <u>\$ 238,142</u>    | <u>\$ -</u>          | <u>\$ -</u>         |
| <br>                 |                      |                     |
| <u>\$ 491,465</u>    | <u>\$ -</u>          | <u>\$ -</u>         |
| <br>                 |                      |                     |
| \$ 244,261           | \$ 23,596            | \$ -                |
| 3,450                | -                    | -                   |
| <u>\$ 247,711</u>    | <u>\$ 23,596</u>     | <u>\$ -</u>         |
| <br>                 |                      |                     |
| <u>\$ 2,998</u>      | <u>\$ -</u>          | <u>\$ -</u>         |

(continued)

**FEDERAL GRANTS: (continued)**

**U.S. Department of Labor:**

Passed-through N.C. Department of Labor:  
Workforce Investment Act Cluster 17.258 thru 17.260

**U.S. Department of Transportation:**

Passed-through N.C. Department of Transportation:  
Formula Grant for Other than Urbanized Areas 20.509  
Safety Incentive Grants 20.605

Total U.S. Department of Transportation

**STATE GRANTS:**

**N.C. Department of Transportation:**

RGP N/A  
Rural Operating Assistance N/A  
Transportation Capital N/A  
EDTAP Funds N/A

Total N.C. Department of Transportation

**N.C. Department of Human and Health Services:**

Division of Social Services:  
Energy Assistance N/A  
County Funded Programs N/A  
CWS Adoption Subsidy - Direct Benefit N/A  
SC/SA Domiciliary Care - Direct Benefit N/A  
State Foster Home - Direct Benefit N/A  
TANF/AFDC Program Integrity N/A  
State Aid to Counties N/A  
State Adult Protective Service N/A  
Smart Start N/A  
F/C At Risk Maximization N/A  
SC/SA Administration N/A

Total N.C. Department of Human and Health Services:

|                   |                     |                     |
|-------------------|---------------------|---------------------|
| <u>\$ 587,946</u> | <u>\$ -</u>         | <u>\$ -</u>         |
| \$ 104,584        | \$ 9,430            | \$ -                |
| 9,999             | -                   | -                   |
| <u>\$ 114,583</u> | <u>\$ 9,430</u>     | <u>\$ -</u>         |
| \$ -              | \$ 60,621           | \$ -                |
| -                 | 6,917               | -                   |
| -                 | 55,222              | -                   |
| -                 | 57,627              | -                   |
| <u>\$ -</u>       | <u>\$ 180,387</u>   | <u>\$ -</u>         |
| \$ -              | \$ 1,966            | \$ -                |
| -                 | -                   | 224,188             |
| -                 | 177,649             | 33,178              |
| -                 | 986,661             | 986,661             |
| -                 | 46,885              | 46,885              |
| -                 | 7,927               | -                   |
| -                 | 85,074              | -                   |
| -                 | 58,334              | -                   |
| -                 | 86,266              | -                   |
| -                 | 4,421               | 2,541               |
| -                 | -                   | 74,099              |
| <u>\$ -</u>       | <u>\$ 1,455,183</u> | <u>\$ 1,367,552</u> |

(continued)

**STATE GRANTS: (continued)**

**N.C. Department of Public Instruction:**

Public School Building Capital Fund N/A

**N.C. Department of Health and Human Services:**

Division of Health:

General Health N/A

Tuberculosis Control N/A

AIDS Control Project N/A

Risk Reduction/Health Promotion N/A

Communicable Disease N/A

Women's Preventative Health N/A

TB Medical Service N/A

Public Health Nurse Training N/A

Total N.C. Department of Health and Human Services:

**N.C. Department of Environment and Natural Resources:**

Scrap Tire Program N/A

White Goods Management Program N/A

Total N.C. Department of Environment and Natural Resources

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>\$ -</u>                 | <u>\$ 225,695</u>           | <u>\$ -</u>                 |
| \$ -                        | \$ 55,666                   | \$ -                        |
| -                           | 56,894                      | -                           |
| -                           | 12,500                      | -                           |
| -                           | 6,541                       | -                           |
| -                           | 8,294                       | -                           |
| -                           | 7,000                       | -                           |
| -                           | 2,063                       | -                           |
| -                           | 1,200                       | -                           |
| <u>\$ -</u>                 | <u>\$ 150,158</u>           | <u>\$ -</u>                 |
| \$ -                        | \$ 81,719                   | \$ -                        |
| -                           | 22,534                      | -                           |
| <u>\$ -</u>                 | <u>\$ 104,253</u>           | <u>\$ -</u>                 |
| <u><u>\$ 87,746,087</u></u> | <u><u>\$ 35,020,791</u></u> | <u><u>\$ 10,952,747</u></u> |