

# ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017***

***WILSON COUNTY  
NORTH CAROLINA***



FINANCE DEPARTMENT  
TIFFANY REESE  
FINANCE DIRECTOR



**WILSON COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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# INTRODUCTORY SECTION

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Wilson  
County

North Carolina

# Wilson County Government

## Finance Department

### Letter of Transmittal

November 30, 2017

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

State laws along with policies and procedures of the North Carolina Local Government Commission require, that all general purpose local governments in the State publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report of Wilson County for the fiscal year ended June 30, 2017.

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

Wilson County Government's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test bases, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

requirement involving the administration of federal and state awards. These reports are available in the compliance section of this report.

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

## PROFILE OF WILSON COUNTY

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

Wilson County is located in the east-central part of the State, amid the broad coastal plain which covers nearly half the State, from the Atlantic to the fall lines of the Roanoke, Tar, Neuse, and Cape Fear Rivers. The County, which measures approximately 30 miles from east to west and 20 miles from north to south, encompasses approximately 373 square miles. The principal waterways are the Contentnea Creek, Toisnot Swamp, Black Creek, and Town Creek. The June 2017 tax distribution reported Wilson County's population at 81,714. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,643 according to the 2017 June Tax distribution, covers 28.5 square miles. Other municipalities located in the County include the towns of Elm City, Saratoga, Stantonsburg, Black Creek, Lucama, and Sims.

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

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

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

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

The annual budget serves as the foundation for Wilson County's financial planning and control. As required by the North Carolina Budget and Fiscal Control Act, the County adopts an annual budget for all governmental and proprietary operating funds except those

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

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

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

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

#### FACTORS AFFECTING FINANCIAL CONDITION

##### Local economy

Wilson County's economy has evolved over the last 30 years from a largely agriculture-based economy to a diverse mix of agriculture, manufacturing, commercial, and service sectors. However, the County is still a leading farm market in the state with \$172,589,261 in farm sales in 2016. Major industries located within the County include tire manufacturing, pharmaceuticals, glass containers, building components, aerospace fire protection equipment, and food processing among others. The State also has a significant presence in the County with a major long-term health care facility and a school for the deaf located in the City of Wilson.

The County has experienced the recession as has the rest of the United States. Unemployment in Wilson has decreased to 8.6% still higher when compared to 4.2% for the State. The average weekly wage for 2017 for Wilson County was \$860, the ninth highest average weekly wage in the State.

In 2017, Wilson County saw the location of Peak Demand and United Tobacco Company. Bridgestone Americas, will be expanding in the coming months. A total investment from new and existing companies in the local economy was \$186,500,000, resulting in the creation of 72 new jobs and retention of 2,411 jobs.

Branch Banking & Trust Company, the nation's 12th largest financial holding company, continues to grow and currently employs approximately 2,318 people. Bridgestone Americas operates a plant in Wilson that employs approximately 2,100 people making radial tires for cars and light trucks. It continues its commitment to make new investment in its facility. In 2017, Bridgestone Americas announce a \$180 million in expansion of its facilities, equipment upgrades and modernizations increase productivity. The investment is part of its five-year plan. Other large employers include Wilson County Schools with approximately 1,600 employees; Wilson Medical Center with approximately 818 employees, UTC Aerospace Systems with approximately 735 employees, Alliance One International and Smithfield Packing Company with approximately 600 employees.

Retail sales in Wilson County were \$1,314,856,515 in 2016-2017. In FY2017, there were several new businesses including the opening of Planet Fitness, Lidl, Realo Discount Drug, 217 Brew Works, and El Tapatio Mexican Restaurant. There were 4 new restaurants buildings, 20 new restaurants including 4 renovations to existing restaurants, and 39 new retail stores that opened in 2016 along with other businesses. Retail vacancies totaled 92, slightly lower from the prior year.

#### Long-term financial planning

Meeting the needs in the community by providing additional services and meeting the capital needs for the County, and our Educational partners continue to be a challenge. The County is in the process of developing a capital improvements plan to plan for future building and equipment improvements. The CIP will address many of the capital improvements needs within the County, Wilson County Schools, and Wilson Community College. The CIP will be revised and updated annually to correspond with changing revenues and the current economic environment.

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Wilson, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 5<sup>th</sup> consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

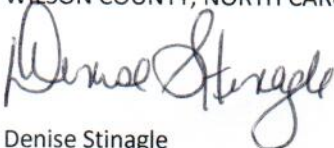
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ACKNOWLEDGEMENTS

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

Respectfully submitted,

WILSON COUNTY, NORTH CAROLINA



Denise Stinagle  
County Manager



Tiffany Reese  
Finance Director





Government Finance Officers Association

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

Presented to

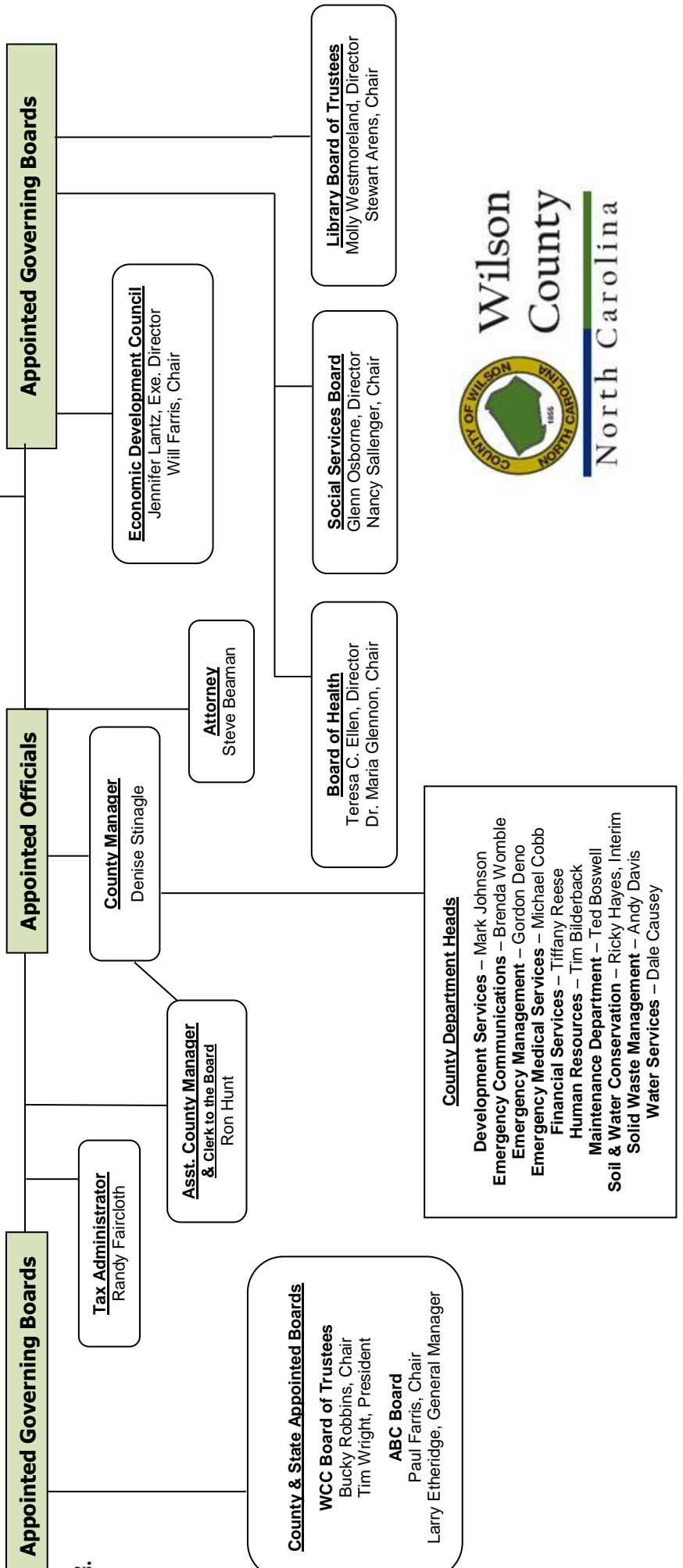
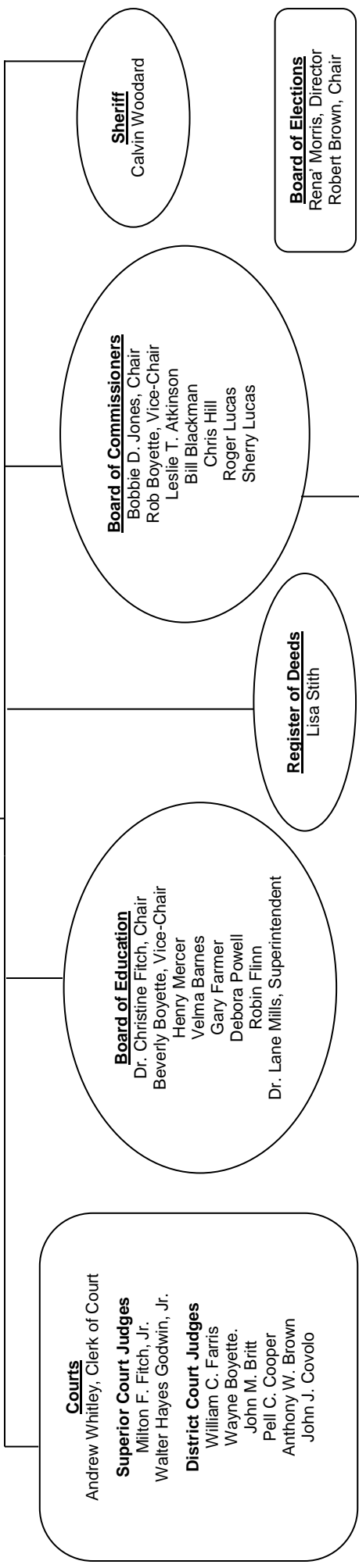
**County of Wilson  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# Elected Officials



**Wilson County**  
**List of Principal Officials**  
**June 30, 2017**

**Elected Officials**

Commissioner	District 3	Bobbie D. Jones, Chair
Commissioner	District 5	Rob Boyette, Vice Chair
Commissioner	District 1	Leslie T. Atkinson
Commissioner	District 2	Sherry Lucas
Commissioner	District 4	Roger Lucas
Commissioner	District 6	Chris Hill
Commissioner	District 7	Bill Blackman
Sheriff		Calvin Woodard
Register of Deeds		Lisa Stith

**Administrative Officials**

Manager	Denise Stinagle
Attorney	Stephen Beaman
Clerk	Ron Hunt
Finance Director	Tiffany Reese
Tax Administrator	Randy Faircloth
Social Services Director	Glenn Osborne
Health Services Director	Teresa Ellen
Elections Director	Rena Morris
Director of Library	Molly Westmoreland
Solid Waste/Landfill Director	Andy Davis
Water Systems Director	Dale Causey
County Extension Director	Norman Harrell
Emergency Medical Services Director	Michael Cobb
Emergency Communications Director	Brenda Womble
Planning and Inspections Director	Mark Johnson
Building Maintenance Director	Ted Boswell
Technology Services Director	Ryan Hayes
Emergency Management Coordinator	Gordon Deno
Human Resource Coordinator	Tim Bilderback
Soil & Water Conservation Coordinator	Ricky Hayes, Interim

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# FINANCIAL SECTION

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

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

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Wilson County  
Wilson, North Carolina

### Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilson County ABC Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Wilson County ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note VII to the financial statements, for fiscal year ended June 30, 2017 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) and County's Contributions, the Register of Deeds' Supplemental Pension Fund Schedules of the Proportionate Share of the Net Pension Liability (Asset) and County's Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilson County's basic financial statements. The introductory information, combining and individual nonmajor fund financial statements, budget and actual schedules, other schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, 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, budget and actual schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budget and actual schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of Wilson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wilson County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilson County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2017

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## **Management's Discussion and Analysis**

As management of Wilson County, we offer readers of Wilson County's financial statements this narrative overview and analysis of the financial activities of Wilson County for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

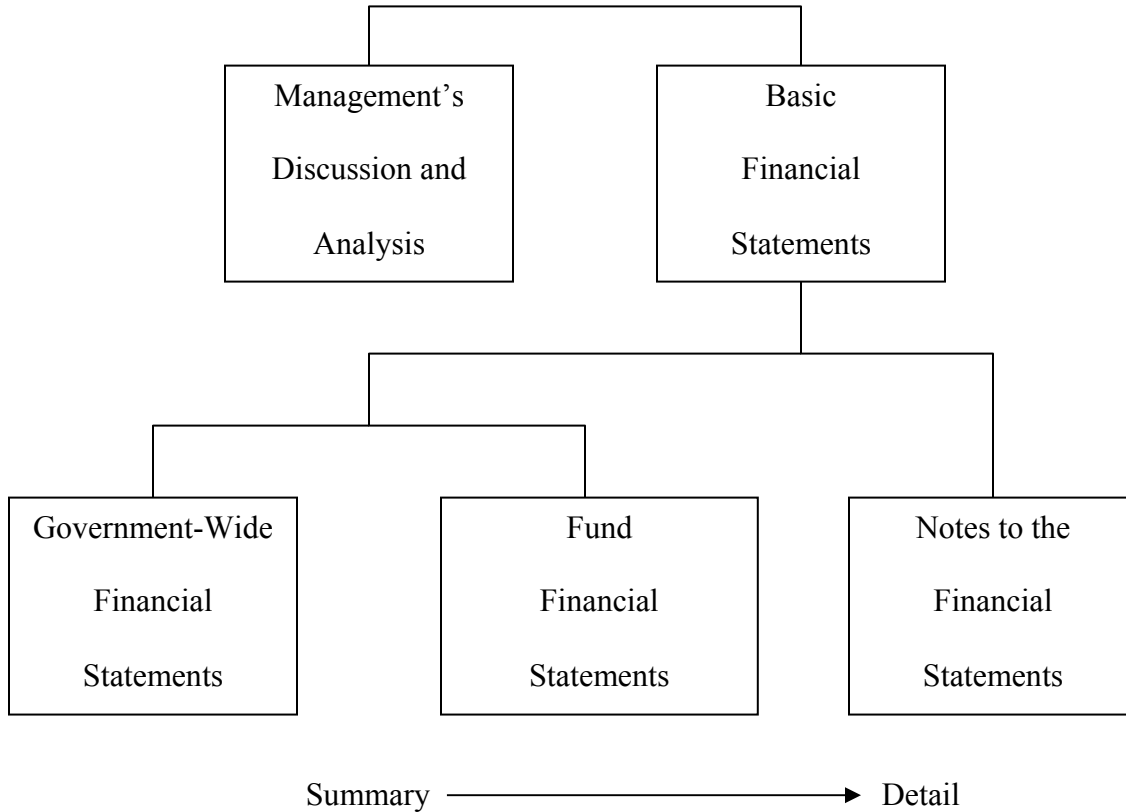
- The assets and deferred outflows of resources of Wilson County activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$69,471,845.
- The government's total net position increased by \$343,670, primarily due to increased net position in the business-type activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$52,269,410, after a net increase in fund balance of \$4,706,878. Approximately 37.64 percent of this total amount, or \$19,674,879, is restricted.
- At of the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,422,156, or 24.71 percent, of total General Fund expenditures and transfers out for the fiscal year.
- The County holds the following bond ratings:
  - Moody's Aa2
  - Fitch AA

### **Overview of the Financial Statements**

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

Management's Discussion and Analysis  
Wilson County

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



**Basic Financial Statements**

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

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

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

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

## Management's Discussion and Analysis Wilson County

### **Government-Wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

## Management's Discussion and Analysis Wilson County

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

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

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

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

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial condition. The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources by \$69,471,845 as of June 30, 2017.

Management's Discussion and Analysis  
Wilson County

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current and other assets	\$ 59,404,203	\$ 59,223,715	\$ 20,191,838	\$ 19,338,672	\$ 79,596,041	\$ 78,562,387
Restricted assets	5,263,205	221,204	213,675	186,931	5,476,880	408,135
Capital assets	25,972,561	27,187,903	26,191,569	26,580,121	52,164,130	53,768,024
Other assets	1,047,026	1,308,782	-	-	1,047,026	1,308,782
Total assets	<u>91,686,995</u>	<u>87,941,604</u>	<u>46,597,082</u>	<u>46,105,724</u>	<u>138,284,077</u>	<u>134,047,328</u>
<b>Deferred Outflows of Resources</b>						
	<u>9,713,650</u>	<u>2,539,650</u>	<u>260,926</u>	<u>62,952</u>	<u>9,974,576</u>	<u>2,602,602</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	57,868,298	44,599,489	13,749,788	13,657,436	71,618,086	58,256,925
Other liabilities	4,449,863	5,310,477	558,228	461,852	5,008,091	5,772,329
Total liabilities	<u>62,318,161</u>	<u>49,909,966</u>	<u>14,308,016</u>	<u>14,119,288</u>	<u>76,626,177</u>	<u>64,029,254</u>
<b>Deferred Inflows of Resources</b>						
	<u>2,144,982</u>	<u>1,761,990</u>	<u>15,649</u>	<u>37,003</u>	<u>2,160,631</u>	<u>1,798,993</u>
<b>Net Position:</b>						
Net investment in capital assets	22,976,976	23,278,257	17,132,261	17,254,112	40,109,237	40,532,369
Restricted	14,924,736	13,193,216	-	-	14,924,736	13,193,216
Unrestricted	(964,210)	2,337,825	15,402,082	14,758,273	14,437,872	17,096,098
Total net position	<u>\$ 36,937,502</u>	<u>\$ 38,809,298</u>	<u>\$ 32,534,343</u>	<u>\$ 32,012,385</u>	<u>\$ 69,471,845</u>	<u>\$ 70,821,683</u>

The County's net position increased by \$343,670 for the fiscal year ended June 30, 2017. One of the largest portions, \$40,109,237 (57.74%), reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Wilson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wilson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wilson County's net position, \$14,924,736 (21.48%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,437,872 (20.78%) is unrestricted.

Management's Discussion and Analysis  
Wilson County

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Programs revenues:						
Charges for services	\$ 12,210,539	\$ 12,878,644	\$ 4,948,673	\$ 5,054,739	\$ 17,159,212	\$ 17,933,383
Grants and contributions:						
Operating	21,197,091	19,711,748	613,682	30,000	21,810,773	19,741,748
Capital	442,544	1,873,739	-	-	442,544	1,873,739
General revenues:						
Property taxes	50,586,358	52,136,281	-	-	50,586,358	52,136,281
Local option sales tax	14,119,119	13,607,344	-	-	14,119,119	13,607,344
Other taxes and licenses	753,925	628,459	-	-	753,925	628,459
Investment earnings	207,783	106,848	68,490	38,119	276,273	144,967
Grants and other contributions not restricted to specific programs	262,500	121,875	-	-	262,500	121,875
Miscellaneous	142,429	214,860	22,223	34,540	164,652	249,400
Total revenues	<u>99,922,288</u>	<u>101,279,798</u>	<u>5,653,068</u>	<u>5,157,398</u>	<u>105,575,356</u>	<u>106,437,196</u>
<b>Expenses:</b>						
General government	7,686,736	7,779,568	-	-	7,686,736	7,779,568
Public safety	23,523,954	23,383,365	-	-	23,523,954	23,383,365
Transportation	872,603	50,377	-	-	872,603	50,377
Environmental protection	276,226	604,412	-	-	276,226	604,412
Economic and physical development	3,130,028	2,422,830	-	-	3,130,028	2,422,830
Human services	37,060,454	35,403,117	-	-	37,060,454	35,403,117
Cultural and recreational	2,078,670	2,074,703	-	-	2,078,670	2,074,703
Education	24,883,817	22,712,089	-	-	24,883,817	22,712,089
Interest and other charges	588,088	641,444	-	-	588,088	641,444
Landfill	-	-	2,846,113	2,701,774	2,846,113	2,701,774
Water	-	-	2,284,997	2,169,985	2,284,997	2,169,985
Total expenses	<u>100,100,576</u>	<u>95,071,905</u>	<u>5,131,110</u>	<u>4,871,759</u>	<u>105,231,686</u>	<u>99,943,664</u>
Change in net position	<u>(178,288)</u>	<u>6,207,893</u>	<u>521,958</u>	<u>285,639</u>	<u>343,670</u>	<u>6,493,532</u>
Net position, beginning, previously reported	38,809,298	32,101,405	32,012,385	31,726,746	70,821,683	63,828,151
Restatement	<u>(1,693,508)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>(1,693,508)</u>	<u>500,000</u>
Net position, beginning, restated	<u>37,115,790</u>	<u>32,601,405</u>	<u>32,012,385</u>	<u>31,726,746</u>	<u>69,128,175</u>	<u>64,328,151</u>
Net position, ending	<u>\$ 36,937,502</u>	<u>\$ 38,809,298</u>	<u>\$ 32,534,343</u>	<u>\$ 32,012,385</u>	<u>\$ 69,471,845</u>	<u>\$ 70,821,683</u>



## Management's Discussion and Analysis Wilson County

**Governmental Activities.** Governmental activities decreased the County's net position by \$(178,288), thereby accounting for the shrinkage in the net position of Wilson County. Key elements of the decrease are as follows:

- Continued to be diligent in the collection of property taxes with collection percentage of 98.5%. Although the collection percentage remained strong, the County property tax revenues decreased over FY2016 due to decreased assessed values in the 2016 valuation.
- Increases in expenditures in FY2017 over FY2016 due to Schools Improvement project.
- Increases in expenditures in FY2017 over FY2016 due investing in Economic Development Infrastructure project.
- Increases in Human Services expenditures in FY2017 over FY2016.

**Business-Type Activities.** Business-type activities increased Wilson County's net position by \$521,958. Key elements of this increase are as follows:

- Increase due to solicitation of grant revenue for the Southeast Water District for Asset Inventory project.
- Increase due to solicitation of grant revenue for the Southwest Water District for a waterline extension project.

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

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

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

The General Fund is the chief operating fund of Wilson County. At the end of the current fiscal year, Wilson County's fund balance available in the General Fund was \$34,572,637, while total fund balance for the General Fund is \$43,526,029. The governing body of Wilson County has determined that the County should maintain an available fund balance of 18% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. The County currently has an available fund balance of 34.98% of General Fund expenditures and transfers out, while total fund balance represents 44.04% of that same amount.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$52,269,410, an increase of \$4,706,878. This increase is due primarily to the increase in fund balance in the School Capital Projects Fund. The County began a project in this fund during FY 2017.

The School Capital Projects Fund received \$5,920,581 in debt proceeds during the year. At year end, the unspent debt proceeds were \$4,867,029. The proceeds of the project will be used for several school improvement projects to include roof replacement, updating HVAC, security cameras, chiller, and paving.

## Management's Discussion and Analysis Wilson County

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,047,618. The budgetary increase was primarily attributable to increases during the year to restricted intergovernmental revenues and solicitation of grants. Overall, in FY2017 the County recognized increases over the estimated property tax and sales tax revenues than expected, in addition to decreasing departmental expenditures.

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

Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$13,482,487 and those for the water funds equaled \$1,822,150. The total growth in net position for the Solid Waste Fund was \$159,534, and the total increase in net position for the water funds was \$343,451. Other factors concerning the finances of these funds have already been addressed in the discussion of Wilson County's business-type activities.

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

**Capital Assets.** Wilson County's capital assets for its governmental and business-type activities as of June 30, 2017 amounted to \$52,164,130 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery, and equipment.

- Purchased new vehicles and equipment for Public Safety Department;
- Disposed of old equipment and vehicle in Public Safety Department;
- Purchased new equipment, vehicles, and building improvements for General Government;
- Disposal of equipment for General Government
- Purchased equipment for Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Purchased new equipment for Solid Waste Landfill;
- Disposed of old equipment in Solid Waste Landfill;
- Increase in equipment for Cultural and Recreational Departments;
- Disposed of old equipment in Cultural and Recreational Departments.

Management's Discussion and Analysis  
Wilson County

**Wilson County's Capital Assets  
(Net of Depreciation)  
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Construction in progress	210,934	-	425,981	-	636,915	-
Buildings and improvements	32,644,672	32,449,187	2,882,070	2,882,070	35,526,742	35,331,257
Equipment and plant distribution	10,193,272	10,054,945	28,815,951	28,749,804	39,009,223	38,804,749
Vehicles	5,549,335	5,159,882	1,016,914	1,016,914	6,566,249	6,176,796
Total	51,997,916	51,063,717	36,349,630	35,857,502	88,347,546	86,921,219
Less: Accumulated depreciation	26,025,355	23,875,814	10,158,061	9,277,381	36,183,416	33,153,195
Net assets	<u>\$ 25,972,561</u>	<u>\$ 27,187,903</u>	<u>\$ 26,191,569</u>	<u>\$ 26,580,121</u>	<u>\$ 52,164,130</u>	<u>\$ 53,768,024</u>

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

**Long-Term Debt.** As of June 30, 2017, Wilson County had total bonded debt outstanding of \$8,475,000, which is backed by the full-faith and credit of the County.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
All bonds	<u>\$ 400,000</u>	<u>\$ 2,450,000</u>	<u>\$ 8,075,000</u>	<u>\$ 8,275,000</u>	<u>\$ 8,475,000</u>	<u>\$ 10,725,000</u>

Wilson County has two legally separate water districts. During fiscal year 2012-2013, the County entered into a Limited Obligation Refunding agreement to defease the debt from three Series of USDA general obligation bonds of \$9,377,999 within the two districts.

This outstanding General Obligation indebtedness is out of a legal debt limit of approximately \$502,636,330. 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 expenses to total general governmental expenses is 6.03%, a slight decrease from fiscal year 2016 ratio of 6.09%.

The County's general obligation debt per capita at June 30, 2017 was \$4.90, while the County's \$32,605,589 gross debt per capita is \$399.02.

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

Management's Discussion and Analysis  
Wilson County

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

- Tax collections for Wilson County remain strong. In FY 2017, the tax collection rate was 98.5%.
- The County had a tax revaluation in 2016 that impacted the assessed value, with little growth in assessment in FY 2017.
- Increase in sales tax for the past two fiscal years and projected increase because of Sales Tax Redistribution.
- The employment rate of 7.3% at June 30, 2017 for Wilson County continues to be higher than the North Carolina average of 4.2%, however, lower from 8.7% at June 30, 2016.

**Budget Highlights for Fiscal Year 2017-2018**

**Governmental Activities.** The 2018 General Fund's adopted budget decreased \$4,108,332, 4% from the amended budget for the fiscal year ended June 30, 2017. The County completed the 2016 revaluation. The revaluation resulted in the County's January 2017 total assessed valued decreasing. The County tax rate continues to remain flat in with no tax rate increase in FY 2017–2018 budgeted revenues. The decrease in the budget from 2017 was decreases to budgetary expenditures for human services, economic development, and debt service. The County continued its commitment to education and employees, and the budget reflects cost-of-living adjustments for employees and increases to educational funding.

**Requests for Information**

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

# **BASIC FINANCIAL STATEMENTS**

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Assets:</b>				
Cash and cash equivalents	\$ 45,889,877	\$ 19,377,860	\$ 65,267,737	\$ 808,269
Receivables (net)	3,574,116	635,682	4,209,798	3,392
Due from other governments	7,492,374	80,851	7,573,225	-
Due from component unit	131,250	-	131,250	-
Internal balances	(97,445)	97,445	-	-
Inventories	-	-	-	1,178,995
Prepaid items	-	-	-	19,929
Restricted cash and cash equivalents	5,263,205	213,675	5,476,880	-
Notes receivable	1,076,923	-	1,076,923	-
Net investment in Joint Venture	986,267	-	986,267	-
Capital lease receivable - current portion	261,756	-	261,756	-
Capital lease receivable	1,047,026	-	1,047,026	-
Net pension asset	89,085	-	89,085	-
Capital assets:				
Land, improvements, and construction in progress	3,610,637	3,634,695	7,245,332	574,341
Other capital assets, net of depreciation	22,361,924	22,556,874	44,918,798	1,998,764
Total capital assets	25,972,561	26,191,569	52,164,130	2,573,105
Total assets	91,686,995	46,597,082	138,284,077	4,583,690
<b>Deferred Outflows of Resources:</b>				
Contributions to pension plan in current fiscal year	2,312,703	67,989	2,380,692	47,725
Pension deferrals	6,925,217	192,937	7,118,154	127,784
Charge on refunding of debt	475,730	-	475,730	-
Total deferred outflows of resources	9,713,650	260,926	9,974,576	175,509
<b>Liabilities:</b>				
Accounts payable and accrued expenses	3,834,078	317,980	4,152,058	172,658
Accrued interest payable	109,451	26,573	136,024	-
Due to other governments	506,334	-	506,334	43,750
Due to primary government	-	-	-	131,250
Liabilities to be paid from restricted cash:				
Customer deposits	-	213,675	213,675	-
Due within one year	5,384,384	372,230	5,756,614	-
Net pension liability - LGERS	10,718,534	308,058	11,026,592	183,794
Total pension liability - LEOSSA	2,481,531	-	2,481,531	-
Due in more than one year	39,283,849	13,069,500	52,353,349	406,196
Total liabilities	62,318,161	14,308,016	76,626,177	937,648

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	491,614	15,649	507,263	-
Other deferred inflows	1,653,368	-	1,653,368	6,440
Total deferred inflows of resources	2,144,982	15,649	2,160,631	6,440
<b>Net Position:</b>				
Net investment in capital assets	22,976,976	17,132,261	40,109,237	2,573,105
Restricted for:				
Stabilization by State statute	10,177,342	-	10,177,342	-
Public safety	397,561	-	397,561	-
Register of Deeds	202,777	-	202,777	-
Register of Deeds' pension plan	116,886	-	116,886	-
Health and human services	3,534,124	-	3,534,124	-
Working capital	-	-	-	249,852
Economic development projects	84	-	84	-
Transportation - insurance proceeds	46,350	-	46,350	-
Education	449,612	-	449,612	-
Law enforcement	-	-	-	1,329
Unrestricted (deficit)	(964,210)	15,402,082	14,437,872	990,825
Total net position	\$ 36,937,502	\$ 32,534,343	\$ 69,471,845	\$ 3,815,111

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, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 7,686,736	\$ 587,171	\$ -	\$ -
Public safety	23,523,954	4,064,099	880,203	-
Transportation	872,603	205,724	286,726	342,544
Environmental protection	276,226	-	-	-
Economic and physical development	3,130,028	-	286,815	-
Human services	37,060,454	7,353,545	19,607,371	-
Cultural and recreation	2,078,670	-	135,976	-
Education	24,883,817	-	-	100,000
Interest on long-term debt	588,088	-	-	-
Total governmental activities	<u>100,100,576</u>	<u>12,210,539</u>	<u>21,197,091</u>	<u>442,544</u>
<b>Business-Type Activities:</b>				
Landfill	2,846,113	2,936,719	438	-
Water	2,284,997	2,011,954	613,244	-
Total business-type activities	<u>5,131,110</u>	<u>4,948,673</u>	<u>613,682</u>	<u>-</u>
Total primary government	<u>\$ 105,231,686</u>	<u>\$ 17,159,212</u>	<u>\$ 21,810,773</u>	<u>\$ 442,544</u>
<b>Component Unit:</b>				
ABC Board	<u>\$ 6,356,672</u>	<u>\$ 6,507,562</u>	<u>\$ -</u>	<u>\$ -</u>

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



WILSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit Wilson County ABC Board
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (7,099,565)	\$ -	\$ (7,099,565)	
Public safety	(18,579,652)	-	(18,579,652)	
Transportation	(37,609)	-	(37,609)	
Environmental protection	(276,226)	-	(276,226)	
Economic and physical development	(2,843,213)	-	(2,843,213)	
Human services	(10,099,538)	-	(10,099,538)	
Cultural and recreation	(1,942,694)	-	(1,942,694)	
Education	(24,783,817)	-	(24,783,817)	
Interest on long-term debt	(588,088)	-	(588,088)	
Total governmental activities	<u>(66,250,402)</u>	<u>-</u>	<u>(66,250,402)</u>	
<b>Business-Type Activities:</b>				
Landfill	-	91,044	91,044	
Water	-	340,201	340,201	
Total business-type activities	<u>-</u>	<u>431,245</u>	<u>431,245</u>	
Total primary government	<u>(66,250,402)</u>	<u>431,245</u>	<u>(65,819,157)</u>	
<b>Component Unit:</b>				
ABC Board				\$ <u>150,890</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purpose	50,586,358	-	50,586,358	-
Local option sales tax	14,119,119	-	14,119,119	-
Other taxes and licenses	753,925	-	753,925	-
Grants and contributions not restricted to specific programs	262,500	-	262,500	-
Investment earnings, unrestricted	207,783	68,490	276,273	1,533
Miscellaneous	142,429	22,223	164,652	6,419
Total general revenues	<u>66,072,114</u>	<u>90,713</u>	<u>66,162,827</u>	<u>7,952</u>
Change in net position	<u>(178,288)</u>	<u>521,958</u>	<u>343,670</u>	<u>158,842</u>
<b>Net Position:</b>				
Beginning of year - July 1	38,809,298	32,012,385	70,821,683	3,656,269
Restatement	<u>(1,693,508)</u>	<u>-</u>	<u>(1,693,508)</u>	<u>-</u>
Beginning of year, restated - July 1	<u>37,115,790</u>	<u>32,012,385</u>	<u>69,128,175</u>	<u>3,656,269</u>
End of year - June 30	<u>\$ 36,937,502</u>	<u>\$ 32,534,343</u>	<u>\$ 69,471,845</u>	<u>\$ 3,815,111</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Capital Projects Fund		
<b>Assets:</b>				
Cash and cash equivalents	\$ 37,793,104	\$ 1,053,581	\$ 3,121,345	\$ 41,968,030
Restricted cash	396,176	4,867,029	-	5,263,205
Taxes receivable, net	1,410,719	-	40,820	1,451,539
Accounts and other receivables, net	1,458,323	-	18,472	1,476,795
Due from other governments	7,363,819	-	128,555	7,492,374
Due from component unit	131,250	-	-	131,250
Notes receivable	-	-	1,076,923	1,076,923
Total assets	<u>\$ 48,553,391</u>	<u>\$ 5,920,610</u>	<u>\$ 4,386,115</u>	<u>\$ 58,860,116</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,808,897	\$ 1,053,552	\$ 47,415	\$ 2,909,864
Due to other governments	84,777	-	421,557	506,334
Miscellaneous liabilities	69,601	-	-	69,601
Total liabilities	<u>1,963,275</u>	<u>1,053,552</u>	<u>468,972</u>	<u>3,485,799</u>
<b>Deferred Inflows of Resources</b>	<u>3,064,087</u>	<u>-</u>	<u>40,820</u>	<u>3,104,907</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by State statute	8,953,392	-	1,223,950	10,177,342
Register of Deeds	202,777	-	-	202,777
Public safety	-	-	397,561	397,561
Human services	1,834,575	-	1,699,549	3,534,124
Economic development projects	-	-	84	84
Transportation - insurance proceeds	-	-	46,350	46,350
Education	449,583	4,867,058	-	5,316,641
Committed:				
Tax revaluation	168,450	-	-	168,450
Assigned:				
Subsequent year's expenditures	7,346,925	-	-	7,346,925
Human services	141,002	-	-	141,002
Transportation	-	-	138,829	138,829
Future capital school	-	-	390,000	390,000
Future capital community college	7,169	-	-	7,169
Unassigned	24,422,156	-	(20,000)	24,402,156
Total fund balances	<u>43,526,029</u>	<u>4,867,058</u>	<u>3,876,323</u>	<u>52,269,410</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,553,391</u>	<u>\$ 5,920,610</u>	<u>\$ 4,386,115</u>	<u>\$ 58,860,116</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance, governmental funds	\$ 52,269,410
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,972,561
The County has a long-term receivable from an interlocal agreement. This asset does not provide a current financial resource and, therefore, is not reported in the funds.	1,308,782
Net investment in joint venture	986,267
Net pension asset	89,085
Contributions to pension plans in the current fiscal year and pension related deferrals are deferred outflows of resources on the Statement of Net Position.	2,312,703
Charges related to refunding bond issue	475,730
Other long-term assets are not available to pay for current-period expenditures	644,172
Consolidation of Internal Service Fund	2,971,399
Pension related deferrals	6,433,603
Deferred inflows of resources for taxes receivable	1,451,539
Net pension liability	(10,718,534)
Total pension liability	(2,481,531)
Some liabilities, including bonds payable, accrued interest, and other post-employment benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(44,777,684)</u>
Net position of governmental activities	<u>\$ 36,937,502</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 - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Capital Projects Fund		
<b>Revenues:</b>				
Ad valorem taxes	\$ 49,266,045	\$ -	\$ 1,479,626	\$ 50,745,671
Local option sales taxes	13,720,022	-	399,097	14,119,119
Other taxes and licenses	753,925	-	-	753,925
Unrestricted intergovernmental	271,450	-	-	271,450
Restricted intergovernmental	20,256,710	-	1,114,926	21,371,636
Permits and fees	1,434,931	-	-	1,434,931
Sales and service	10,901,937	-	158,874	11,060,811
Investment earnings	205,925	29	1,829	207,783
Miscellaneous	106,780	-	46,850	153,630
Total revenues	<u>96,917,725</u>	<u>29</u>	<u>3,201,202</u>	<u>100,118,956</u>
<b>Expenditures:</b>				
Current:				
General government	7,882,644	-	-	7,882,644
Public safety	19,721,952	-	2,414,538	22,136,490
Transportation	47,857	-	822,226	870,083
Environmental protection	262,994	-	-	262,994
Economic and physical development	2,818,412	-	250,000	3,068,412
Human services	35,616,669	-	-	35,616,669
Cultural and recreation	1,938,128	-	-	1,938,128
Intergovernmental:				
Education	23,830,265	1,053,552	-	24,883,817
Debt service:				
Principal	4,365,854	-	-	4,365,854
Interest and other charges	546,109	-	-	546,109
Total expenditures	<u>97,030,884</u>	<u>1,053,552</u>	<u>3,486,764</u>	<u>101,571,200</u>
Revenues over (under) expenditures	<u>(113,159)</u>	<u>(1,053,523)</u>	<u>(285,562)</u>	<u>(1,452,244)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (to) other funds	(1,794,100)	-	-	(1,794,100)
Transfers from other funds	-	-	1,794,100	1,794,100
Capital lease issued	190,587	-	-	190,587
Debt Proceeds	-	5,920,581	-	5,920,581
Sale of capital assets	47,954	-	-	47,954
Total other financing sources (uses)	<u>(1,555,559)</u>	<u>5,920,581</u>	<u>1,794,100</u>	<u>6,159,122</u>
Net change in fund balances	(1,668,718)	4,867,058	1,508,538	4,706,878
<b>Fund Balances:</b>				
Beginning of year, July 1	<u>45,194,747</u>	<u>-</u>	<u>2,367,785</u>	<u>47,562,532</u>
End of year, June 30	<u>\$ 43,526,029</u>	<u>\$ 4,867,058</u>	<u>\$ 3,876,323</u>	<u>\$ 52,269,410</u>

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

## WILSON COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	\$ 4,706,878
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:</p>	
Property taxes	(114,188)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,222,612
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(3,437)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,434,517)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	(6,111,168)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,223,125
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	89,578
Revenues and expenses reported in the statement of activities that do not use or provide current financial resources and, therefore, are not reported in the governmental funds.	370,893
Principal repayments and payments to escrow agent are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. (This includes debt refunding transactions.)	4,365,854
The change in the accrued interest liability account is reported as an expense in the entity-wide financial statements. However, it is not an expenditure in the governmental funds statement.	(41,979)
Consolidation of Internal Service Fund	508,065
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	(45,125)
Expenses related to compensated absences, pension, and other post-employment benefits that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(4,636,627)
Changes in deferred outflow related to bond issuance	<u>(16,496)</u>
Total changes in net position of governmental activities	<u>\$ (178,288)</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Over/Under</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 47,935,860	\$ 47,987,860	\$ 49,266,045	\$ 1,278,185
Local option sales tax	12,520,124	12,520,124	13,720,022	1,199,898
Other taxes and licenses	499,000	574,500	753,925	179,425
Unrestricted intergovernmental	252,250	252,250	271,450	19,200
Restricted intergovernmental	18,135,982	19,930,797	19,969,895	39,098
Permits and fees	1,323,377	1,323,377	1,434,931	111,554
Sales and services	11,516,084	11,596,084	10,901,937	(694,147)
Investment earnings	50,000	50,000	205,270	155,270
Miscellaneous	-	45,303	106,780	61,477
Total revenues	<u>92,232,677</u>	<u>94,280,295</u>	<u>96,630,255</u>	<u>2,349,960</u>
<b>Expenditures:</b>				
Current:				
General government	8,371,599	8,530,875	7,864,791	666,084
Public safety	20,717,303	21,150,297	19,721,952	1,428,345
Transportation	47,857	47,857	47,857	-
Environmental protection	295,141	296,571	262,994	33,577
Economic and physical development	1,540,530	1,543,493	1,347,783	195,710
Human services	39,405,352	42,017,327	35,616,669	6,400,658
Cultural and recreation	2,075,804	2,189,465	1,938,128	251,337
Intergovernmental:				
Education	23,837,434	23,837,434	23,830,265	7,169
Debt service:				
Principal retirement	4,359,241	4,365,856	4,365,854	2
Interest and other charges	468,870	468,870	546,109	(77,239)
Total expenditures	<u>101,119,131</u>	<u>104,448,045</u>	<u>95,542,402</u>	<u>8,905,643</u>
Revenues over (under) expenditures	<u>(8,886,454)</u>	<u>(10,167,750)</u>	<u>1,087,853</u>	<u>11,255,603</u>

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Over/Under</u>
<b>Other Financing Sources (Uses):</b>				
Transfers to other funds	(759,650)	(2,652,980)	(2,652,980)	-
Capital lease issued	-	190,588	190,587	(1)
Sale of capital assets	-	-	47,954	47,954
Fund balance appropriated	<u>9,646,104</u>	<u>12,630,142</u>	-	<u>(12,630,142)</u>
Total other financing sources (uses)	<u>8,886,454</u>	<u>10,167,750</u>	<u>(2,414,439)</u>	<u>(12,582,189)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,326,586)	<u>\$ (1,326,586)</u>
<b>Fund Balance:</b>				
Beginning of year, July 1			<u>44,655,082</u>	
End of year, June 30			43,328,496	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Restricted grants			286,815	
Investment earnings			655	
Transfer in from General Fund			858,880	
Expenditures - Economic Development			(1,470,629)	
Expenditures - tax listing			(17,853)	
Fund balance, beginning			<u>539,665</u>	
Fund balance, ending (Exhibit D)			<u>\$ 43,526,029</u>	

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 17,857,377	\$ 1,214,715	\$ 305,768	\$ 19,377,860	\$ 3,921,847
Restricted cash and cash equivalents	-	98,812	114,863	213,675	-
Receivables, net	42,138	118,681	474,863	635,682	1,610
Due from other governments	33,141	47,710	-	80,851	-
Total current assets	<u>17,932,656</u>	<u>1,479,918</u>	<u>895,494</u>	<u>20,308,068</u>	<u>3,923,457</u>
Capital assets:					
Land and construction in progress	3,081,656	48,389	504,650	3,634,695	-
Other capital assets, net of depreciation	<u>3,778,829</u>	<u>7,602,953</u>	<u>11,175,092</u>	<u>22,556,874</u>	<u>-</u>
Capital assets, net	<u>6,860,485</u>	<u>7,651,342</u>	<u>11,679,742</u>	<u>26,191,569</u>	<u>-</u>
Total assets	<u>24,793,141</u>	<u>9,131,260</u>	<u>12,575,236</u>	<u>46,499,637</u>	<u>3,923,457</u>
<b>Deferred Outflows of Resources:</b>					
Contributions to pension plan					
in current fiscal year	46,173	10,908	10,908	67,989	-
Pension deferrals	<u>153,505</u>	<u>19,716</u>	<u>19,716</u>	<u>192,937</u>	<u>-</u>
Total deferred outflows of resources	<u>199,678</u>	<u>30,624</u>	<u>30,624</u>	<u>260,926</u>	<u>-</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	159,848	26,871	131,261	317,980	854,613
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	26,748	12,650	12,650	52,048	-
Current portion of debt	43,481	79,862	143,928	267,271	-
Accrued interest	<u>-</u>	<u>8,773</u>	<u>17,800</u>	<u>26,573</u>	<u>-</u>
Total current liabilities	<u>230,077</u>	<u>152,231</u>	<u>334,475</u>	<u>716,783</u>	<u>854,613</u>

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



WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	98,812	114,863	213,675	-
Net pension liability	236,276	35,891	35,891	308,058	-
Accrued landfill closure and post-closure care costs	3,735,660	-	-	3,735,660	-
Compensated absences	20,631	1,112	1,112	22,855	-
Other post-employment benefits	419,524	54,427	54,427	528,378	-
Notes payable	-	264,831	317,197	582,028	-
Limited obligation bond	-	2,893,311	5,307,268	8,200,579	-
Total non-current liabilities	<u>4,412,091</u>	<u>3,348,384</u>	<u>5,830,758</u>	<u>13,591,233</u>	<u>-</u>
Total liabilities	<u>4,642,168</u>	<u>3,500,615</u>	<u>6,165,233</u>	<u>14,308,016</u>	<u>854,613</u>
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	<u>7,679</u>	<u>3,985</u>	<u>3,985</u>	<u>15,649</u>	<u>-</u>
<b>Net Position:</b>					
Net investment in capital assets	6,860,485	4,389,263	5,882,513	17,132,261	-
Unrestricted	<u>13,482,487</u>	<u>1,268,021</u>	<u>554,129</u>	<u>15,304,637</u>	<u>3,068,844</u>
Total net position	<u>\$ 20,342,972</u>	<u>\$ 5,657,284</u>	<u>\$ 6,436,642</u>	<u>32,436,898</u>	<u>\$ 3,068,844</u>
The assets and liabilities of the Internal Service Fund are not included in the fund financial statements, but are included in the business-type activities of the Statement of Net Position.				<u>97,445</u>	
Total net position - business-type activities				<u>\$ 32,534,343</u>	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Activities Internal Service Fund
<b>Operating Revenues:</b>					
Charges for services	\$ 2,936,719	\$ 891,412	\$ 1,120,542	\$ 4,948,673	\$ 6,760,385
<b>Operating Expenses:</b>					
Salaries and employee benefits	1,292,504	156,700	156,761	1,605,965	-
Operating expense	1,226,126	288,367	252,041	1,766,534	6,233,347
Landfill closure	67,817	-	-	67,817	-
Depreciation/amortization	259,666	275,482	350,072	885,220	-
Water purchase	-	223,846	261,477	485,323	-
Total operating expenses	<u>2,846,113</u>	<u>944,395</u>	<u>1,020,351</u>	<u>4,810,859</u>	<u>6,233,347</u>
Operating income (loss)	<u>90,606</u>	<u>(52,983)</u>	<u>100,191</u>	<u>137,814</u>	<u>527,038</u>
<b>Non-Operating Revenues (Expenses):</b>					
Interest/investment revenue	68,490	-	-	68,490	-
Restricted intergovernmental revenue	438	117,099	496,145	613,682	-
Interest expense	-	(113,586)	(206,665)	(320,251)	-
Miscellaneous revenue	-	-	3,250	3,250	-
Total non-operating revenues (expenses)	<u>68,928</u>	<u>3,513</u>	<u>292,730</u>	<u>365,171</u>	<u>-</u>
Change in net position	159,534	(49,470)	392,921	502,985	527,038
Beginning of year - July 1	<u>20,183,438</u>	<u>5,706,754</u>	<u>6,043,721</u>	<u>31,933,913</u>	<u>2,541,806</u>
End of year - June 30	<u>\$ 20,342,972</u>	<u>\$ 5,657,284</u>	<u>\$ 6,436,642</u>	<u>\$ 32,436,898</u>	<u>\$ 3,068,844</u>
Change in net position, per above				\$ 502,985	
Internal service funds are used by management to charge the cost of health insurance to individual funds. A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities of the Statement of Activities.				<u>18,973</u>	
Total change in net position - business-type activities				<u>\$ 521,958</u>	

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

## WILSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities			Total	Governmental Activities Internal Service Fund
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 3,091,924	\$ 839,059	\$ 804,110	\$ 4,735,093	\$ 6,758,775
Cash paid for goods and services	(1,236,784)	(516,002)	(427,333)	(2,180,119)	(6,542,050)
Cash paid to employees for services	(1,234,999)	(149,499)	(149,559)	(1,534,057)	-
Net cash provided (used) by operating activities	<u>620,141</u>	<u>173,558</u>	<u>227,218</u>	<u>1,020,917</u>	<u>216,725</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(84,479)	-	(425,981)	(510,460)	-
Principal paid on bond maturities and equipment contracts	-	(94,075)	(158,836)	(252,911)	-
Interest paid on bond maturities equipment contracts	-	(115,179)	(207,178)	(322,357)	-
Net cash provided (used) by capital and related financing activities	<u>(84,479)</u>	<u>(209,254)</u>	<u>(791,995)</u>	<u>(1,085,728)</u>	<u>-</u>
<b>Cash Flows from Non-Capital and Related Activities:</b>					
Grants	438	117,099	496,145	613,682	-
Other non-operating revenues	-	-	3,250	3,250	-
Net cash provided (used) by non-capital and related financing activities	<u>438</u>	<u>117,099</u>	<u>499,395</u>	<u>616,932</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	68,490	-	-	68,490	-
Net increase (decrease) in cash and cash equivalents	604,590	81,403	(65,382)	620,611	216,725
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	<u>17,252,787</u>	<u>1,232,124</u>	<u>486,013</u>	<u>18,970,924</u>	<u>3,705,122</u>
End of year - June 30	<u>\$ 17,857,377</u>	<u>\$ 1,313,527</u>	<u>\$ 420,631</u>	<u>\$ 19,591,535</u>	<u>\$ 3,921,847</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	<u>\$ 90,606</u>	<u>\$ (52,983)</u>	<u>\$ 100,191</u>	<u>\$ 137,814</u>	<u>\$ 527,038</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation/amortization	259,666	275,482	350,072	885,220	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	156,236	(55,875)	(339,142)	(238,781)	(1,610)
(Increase) decrease in deferred outflows of resources for pensions	(158,741)	(20,388)	(20,388)	(199,517)	-
Increase (decrease) in deferred inflows of resources for pensions	(16,990)	(2,182)	(2,182)	(21,354)	-
Increase (decrease) in net pension liability	190,672	24,490	24,490	239,652	-
Increase (decrease) in post-closure	67,817	-	-	67,817	-
Increase (decrease) in accounts payable and accrued liabilities	(2,350)	703	109,866	108,219	(308,703)
Increase (decrease) in OPEB payable	<u>33,225</u>	<u>4,311</u>	<u>4,311</u>	<u>41,847</u>	<u>-</u>
Total adjustments	<u>529,535</u>	<u>226,541</u>	<u>127,027</u>	<u>883,103</u>	<u>(310,313)</u>
Net cash provided (used) by operating activities	<u>\$ 620,141</u>	<u>\$ 173,558</u>	<u>\$ 227,218</u>	<u>\$ 1,020,917</u>	<u>\$ 216,725</u>

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

**WILSON COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITON  
FIDUCIARY FUNDS  
JUNE 30, 2017**

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 77,143
Accounts receivable	<u>37,174</u>
Total assets	<u>\$ 114,317</u>
<b>Liabilities:</b>	
Miscellaneous liabilities	\$ 51,908
Intergovernmental payable	<u>62,409</u>
Total liabilities	<u>\$ 114,317</u>

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### I. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

##### Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government net position (the “County”) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

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

##### Fund Financial Statements

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The County reports the following major governmental funds:

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

**School Capital Projects Fund** – The School Capital Projects Fund is used to account for school improvement and new construction projects.

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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

### **Governmental Fund Financial Statements**

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates, are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

### **C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Revaluation Fund, Economic Development Fund, Fire District Fund, Emergency Telephone Service Fund, Economic Development Grant Fund, Public Buildings Fund, School Capital Projects Fund, Capital Reserve Fund, Transportation Fund, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Grant Fund and the Southwest Water District Capital Project Fund. A financial plan was adopted by the County as part of the Annual Budget ordinance approval for the Internal Service Fund operations as required by General Statutes.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

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

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

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

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

The County's and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 3. **Restricted Assets**

Governmental Funds: \$168,450 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$227,726 in the General Fund is classified as restricted for unspent grant proceeds for human services. \$4,867,029 in the School Capital Projects Fund is classified as restricted for unspent debt proceeds.

Enterprise funds: \$213,675 of customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

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

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

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

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

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

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

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

### 7. **Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

distribution systems, \$5,000; infrastructure, \$20,000; furniture and equipment, \$5,000; computer software, \$5,000; and vehicles, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Wilson County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of 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 after all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Wilson County Board of Education.

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

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

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **8. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criteria for this category – prepaid taxes, taxes receivable, and other pension related deferrals.

### **9. Long-Term Obligations**

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

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

### **10. Compensated Absences**

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

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 11. Net Position/Fund Balances

#### Net Position

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

#### Fund Balances

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

The governmental fund types classify fund balances as follows:

**Non-Spendable Fund Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

*Restricted for Economic Development Projects* – portion of fund balance that is restricted by revenue source for use for construction of economic development projects.

*Restricted for Transportation* – portion of fund balance that is restricted by revenue source for replacement of vehicles.

*Restricted for Education* – portion of fund balance that is restricted by revenue source for debt service for school related debt.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

Restricted fund balance at June 30, 2017 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Schools Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
Restricted, all other:			
Register of Deeds	\$ 202,777	\$ -	\$ -
Public safety	-	-	397,561
Human services	1,834,575	-	1,699,549
Economic development projects	-	-	84
Transportation	-	-	46,350
Education	449,583	4,867,058	-
Total	<u>\$ 2,486,935</u>	<u>\$ 4,867,058</u>	<u>\$ 2,143,544</u>

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A due to unspent debt proceeds of \$4,867,029 and restricted for Register of Deeds pension plan of \$116,886, a net difference of \$4,750,143.

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

*Committed for Tax Revaluation* – portion of fund balance that can only be used for tax revaluation.

Committed fund balance at June 30, 2017 is as follows:

<u>Purpose</u>	<u>General Fund</u>
Committed:	
Tax revaluation	<u>\$ 168,450</u>

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

*Assigned for Subsequent Year's Expenditures* – portion of fund balance that has been budgeted by the Board of Commissioners for 2017-2018 expenditures.

*Assigned for Human Services* – portion of fund balance that has been budgeted by the Board for use with social services.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

*Assigned for Transportation* – portion of fund balance that has been budgeted by the Board for the use in public transportation.

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

*Assigned for Future Capital Community College* – portion of fund balance that has been budgeted by the Board for future community college capital construction.

Assigned fund balance at June 30, 2017 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>
Assigned:		
Subsequent year's expenditures	\$ 7,346,925	\$ -
Health and human services	141,002	-
Transportation	-	138,829
Future school capital	-	390,000
Future capital community college	7,169	-
Total	\$ 7,495,096	\$ 528,829

**Unassigned Fund Balance** – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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

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



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 12. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Plan (RODSPF) (the "State-administered defined benefit pension plans"). For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the State-administered defined benefit pension plans and additions to/deductions from the State-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the State-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

## II. Detail Notes On All Funds

### A. Assets

#### 1. Deposits

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

At June 30, 2017, the County's deposits had a carrying amount of \$42,085,981 and a bank balance of \$42,333,886. Of the bank balance, \$290,319 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2017, Wilson County had \$4,710 cash on hand.

At June 30, 2017, the carrying amount of deposits for the Wilson County ABC Board was \$801,369, and the bank balance was \$1,102,337. Of the bank balance, \$466,663 was covered by federal depository insurance, and \$635,674 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2017, Wilson County ABC Board had \$6,900 cash on hand.

### 2. Investments

As of June 30, 2017, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>Over 1 Year</u>
NC Capital Management Trust:					
Government Portfolio	Amortized cost	\$ 20,614,477	N/A	N/A	N/A
Term Portfolio*	Fair Value-Level 1	8,116,592	\$ 8,116,592	N/A	N/A
Total		<u>\$ 28,731,069</u>	<u>\$ 8,116,592</u>	<u>\$ -</u>	<u>\$ -</u>

\*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted in active markets for identical assets).

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2017. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

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

At June 30, 2017, 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>
2014	\$ 1,544,796	\$ 366,890	\$ 1,911,686
2015	1,546,941	228,175	1,775,116
2016	1,564,668	89,970	1,654,638
2017	1,554,366	-	1,554,366
Total	<u>\$ 6,210,771</u>	<u>\$ 685,035</u>	<u>\$ 6,895,806</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**4. Receivables**

Receivables at the government-wide level at June 30, 2017 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 2,014,852	\$ 2,850,303	\$ 7,363,819	\$ 12,228,974
Other governmental	18,472	58,302	128,555	205,329
Total receivables	2,033,324	2,908,605	7,492,374	12,434,303
Allowance for doubtful accounts	(554,919)	(812,894)	-	(1,367,813)
Total governmental activities	<u>\$ 1,478,405</u>	<u>\$ 2,095,711</u>	<u>\$ 7,492,374</u>	<u>\$ 11,066,490</u>
<b>Business-Type Activities:</b>				
Landfill	\$ 70,670	\$ -	\$ 33,141	\$ 103,811
Water and Sewer	758,772	-	47,710	806,482
Total receivables	829,442	-	80,851	910,293
Allowance for doubtful accounts	(193,760)	-	-	(193,760)
Total business-type activities	<u>\$ 635,682</u>	<u>\$ -</u>	<u>\$ 80,851</u>	<u>\$ 716,533</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	\$ 2,338,207	\$ -
White goods disposal tax	-	5,293
Scrap tire tax	-	2,786
North Carolina administrative reimbursement and other	5,025,612	72,772
CDBG	20,000	-
Transportation	23,914	-
Emergency telephone	84,641	-
Total	<u>\$ 7,492,374</u>	<u>\$ 80,851</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

The future minimum lease payments receivable as of June 30, 2017 were as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2018	\$ 261,756
2019	261,756
2020	261,756
2021	261,756
2022	261,758
Total	<u>\$ 1,308,782</u>

### Note Receivable

The County granted two promissory notes in the amounts of \$500,000 and \$576,923 to Wilson County Properties, Inc. for the purpose of acquiring property and building an industrial building to hold for sale as a means to attract businesses to locate to Wilson County. The remaining balance of the promissory note is payable in full upon maturity. The note is without interest.

Scheduled future maturities of the note receivable are as follows:

<b>Year Ending</b>	
<b>June 30</b>	<b>Amount</b>
2018	\$ -
2019	-
2020	-
2021	-
2022	1,076,923
Total	<u>\$ 1,076,923</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 5. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
<b>Governmental Activities:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,399,703	\$ -	\$ -	\$ 3,399,703
Construction in progress	-	210,934	-	210,934
Total non-depreciable assets	<u>3,399,703</u>	<u>210,934</u>	<u>-</u>	<u>3,610,637</u>
<b>Depreciable Capital Assets:</b>				
Buildings	25,219,062	-	-	25,219,062
Other improvements	7,230,125	195,485	-	7,425,610
Furniture and equipment	10,054,945	342,415	204,088	10,193,272
Vehicles	<u>5,159,882</u>	<u>473,778</u>	<u>84,325</u>	<u>5,549,335</u>
Total depreciable assets	<u>47,664,014</u>	<u>1,011,678</u>	<u>288,413</u>	<u>48,387,279</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	11,645,356	474,880	-	12,120,236
Other improvements	2,694,972	234,888	-	2,929,860
Furniture and equipment	5,636,943	1,139,076	200,651	6,575,368
Vehicles	<u>3,898,543</u>	<u>585,673</u>	<u>84,325</u>	<u>4,399,891</u>
Total accumulated depreciation	<u>23,875,814</u>	<u>\$ 2,434,517</u>	<u>\$ 284,976</u>	<u>26,025,355</u>
Total depreciable capital assets, net	<u>23,788,200</u>			<u>22,361,924</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 27,187,903</u>			<u>\$ 25,972,561</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

General government	\$ 500,307
Public safety	1,201,565
Economic and physical development	31,724
Human services	538,659
Cultural and recreation	155,042
Environmental protection	4,700
Transportation	<u>2,520</u>
Total	<u>\$ 2,434,517</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
<b>Business-Type Activities:</b>				
<b>Solid Waste:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 3,081,656	\$ -	\$ -	\$ 3,081,656
<b>Depreciable Capital Assets:</b>				
Buildings	1,735,292	-	-	1,735,292
Infrastructure	1,146,778	-	-	1,146,778
Furniture and equipment	2,649,440	84,479	18,332	2,715,587
Vehicles	935,326	-	-	935,326
Total depreciable assets	6,466,836	84,479	18,332	6,532,983
<b>Less Accumulated Depreciation:</b>				
Buildings	116,386	40,231	-	156,617
Infrastructure	149,109	25,218	-	174,327
Furniture and equipment	1,720,075	141,158	18,331	1,842,902
Vehicles	527,249	53,059	-	580,308
Total accumulated depreciation	2,512,819	\$ 259,666	\$ 18,331	2,754,154
Total depreciable capital assets, net	3,954,017			3,778,829
<b>Solid Waste Capital Assets, Net</b>	<u>7,035,673</u>			<u>6,860,485</u>
<b>Southeast Water District:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	48,389	\$ -	\$ -	48,389
<b>Depreciable Capital Assets:</b>				
Plant and distribution system	10,864,951	-	-	10,864,951
Office and maintenance equipment	16,420	-	-	16,420
Vehicles	40,794	-	-	40,794
Total depreciable assets	10,922,165	-	-	10,922,165
<b>Less Accumulated Depreciation:</b>				
Plant and distribution system	2,996,985	271,435	-	3,268,420
Office and maintenance equipment	10,607	750	-	11,357
Vehicles	31,276	8,159	-	39,435
Total accumulated depreciation	3,038,868	\$ 280,344	\$ -	3,319,212
Total depreciable capital assets, net	7,883,297			7,602,953
<b>Southeast Water District Capital Assets, Net</b>	<u>7,931,686</u>			<u>7,651,342</u>



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2017</u>
<b>Business-Type Activities (continued):</b>				
<b>Southwest Water District:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	78,669	\$ -	\$ -	78,669
Construction in progress	-	425,981	-	425,981
Total non-depreciable assets	<u>78,669</u>	<u>425,981</u>	<u>-</u>	<u>504,650</u>
<b>Depreciable Capital Assets:</b>				
Plant and distribution system	15,204,365	-	-	15,204,365
Office and maintenance equipment	14,628	-	-	14,628
Vehicles	40,794	-	-	40,794
Total depreciable assets	<u>15,259,787</u>	<u>-</u>	<u>-</u>	<u>15,259,787</u>
<b>Less Accumulated Depreciation:</b>				
Plant and distribution system	3,685,602	350,092	-	4,035,694
Office and maintenance equipment	8,816	750	-	9,566
Vehicles	31,276	8,159	-	39,435
Total accumulated depreciation	<u>3,725,694</u>	<u>\$ 359,001</u>	<u>\$ -</u>	<u>4,084,695</u>
Total depreciable capital assets, net	<u>11,534,093</u>			<u>11,175,092</u>
<b>Southwest Water District</b>				
<b>Capital Assets, Net</b>	<u>11,612,762</u>			<u>11,679,742</u>
<b>Business-Type Activities</b>				
<b>Capital Assets, Net</b>	<u>\$ 26,580,121</u>			<u>\$ 26,191,569</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### Construction Commitments

The government has active construction projects as of June 30, 2017. The projects include extending waterlines in the Southwest Water District to the Town of Sims, School Improvement to various schools for the Wilson At June 30, 2017, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Southwest Water District Capital Project Fund	\$ 528,531	\$ 150,589
2017 school improvement	<u>1,053,552</u>	<u>4,867,028</u>
Total	<u>\$ 1,582,083</u>	<u>\$ 5,017,617</u>

### Discretely Presented Component Unit

Capital asset activity for the ABC Board for the year ended June 30, 2017 was as follows:

	<u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
<b>Wilson County ABC Board:</b>				
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
Total assets not depreciated	<u>574,341</u>	<u>-</u>	<u>-</u>	<u>574,341</u>
<b>Depreciable Capital Assets:</b>				
Buildings	2,422,013	-	-	2,422,013
Furniture and equipment	467,007	11,445	-	478,452
Vehicles	49,021	6,700	-	55,721
Leasehold improvements	49,225	-	-	49,225
Total depreciable assets	<u>2,987,266</u>	<u>18,145</u>	<u>-</u>	<u>3,005,411</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	472,134	49,745	-	521,879
Furniture and equipment	358,890	46,926	-	405,816
Vehicles	41,365	5,104	-	46,469
Leasehold improvements	26,275	6,208	-	32,483
Total accumulated depreciation	<u>898,664</u>	<u>\$ 107,983</u>	<u>\$ -</u>	<u>1,006,647</u>
Total depreciable capital assets, net	<u>2,088,602</u>			<u>1,998,764</u>
<b>ABC Board Capital Assets, Net</b>	<u>\$ 2,662,943</u>			<u>\$ 2,573,105</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2017 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Due to Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 3,460,353	\$ 326,310	\$ 109,451	\$ 84,777	\$ 3,980,891
Other governmental	<u>47,415</u>	<u>-</u>	<u>-</u>	<u>421,557</u>	<u>468,972</u>
Total governmental activities	<u>\$ 3,507,768</u>	<u>\$ 326,310</u>	<u>\$ 109,451</u>	<u>\$ 506,334</u>	<u>\$ 4,449,863</u>
<b>Business-Type Activities:</b>					
Solid waste	\$ 122,275	\$ 37,573	\$ -	\$ -	\$ 159,848
Water Distribution Funds:					
Southeast district	26,871	-	8,773	-	35,644
Southwest district	<u>131,261</u>	<u>-</u>	<u>17,800</u>	<u>-</u>	<u>149,061</u>
Total business-type activities	<u>\$ 280,407</u>	<u>\$ 37,573</u>	<u>\$ 26,573</u>	<u>\$ -</u>	<u>\$ 344,553</u>

**2. Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description.** The County is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017 was 8.00% of compensation for law enforcement officers and 7.32% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,287,136 for the year ended June 30, 2017.

*Refunds of Contributions.* County employees who have terminated service as a contributing member of LGERS may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the County reported a liability of \$11,026,592 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.51955%, which was an increase of 0.01148% from its proportion measure as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$2,972,514. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 207,171	\$ 386,384
Changes of assumptions	755,223	-
Net difference between projected and actual earnings on pension plan investments	6,096,316	-
Changes in proportion and differences between County contributions and proportionate share of contributions	34,256	67,721
County contributions subsequent to the measurement date	<u>2,287,136</u>	<u>-</u>
Total	<u>\$ 9,380,102</u>	<u>\$ 454,105</u>

\$2,287,136 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2018	\$ 1,009,204
2019	1,009,871
2020	2,875,427
2021	1,744,359
2022	-
Thereafter	-
Total	<u>\$ 6,638,861</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**Actuarial Assumptions.** The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County’s proportionate share of the net pension asset, or net pension liability, would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 26,171,245	\$ 11,026,592	\$ (1,623,350)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

### **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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% 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. A separate report was not issued for the plan.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	10
Active members	<u>88</u>
Total	<u><u>98</u></u>

### 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB Statements 73.

### Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

***Death After Retirement (Health):*** RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

***Deaths Before Retirement:*** RP-2014 Employee base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

***Death After Retirement (Beneficiary):*** RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 123% for males and females.



**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Death After Retirement (Disabled):** RP-2014 Disabled Retiree base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 103% for males and 99% for females.

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the employees. The County's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$175,142 as benefits came due.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the County reported a total pension liability of \$2,481,531. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$195,450.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 51,793
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>89,578</u>	<u>-</u>
Total	<u>\$ 89,578</u>	<u>\$ 51,793</u>

\$89,578 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ (10,096)
2019	(10,096)
2020	(10,096)
2021	(10,096)
2022	(10,096)
Thereafter	<u>(1,313)</u>
Total	<u>\$ (51,793)</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

\$89,156 paid as benefits came due and \$422 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate.* The following presents the County's total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b>(2.86%)</b>	<b>Rate (3.86%)</b>	<b>(4.86%)</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total pension liability	<u>2,702,472</u>	<u>2,481,531</u>	<u>2,281,206</u>

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

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	<b>2017</b>
Beginning balance	\$ 2,513,338
Service cost	118,624
Interest on the total pension liability	86,600
Changes of assumptions or other inputs	(61,889)
Benefit payments	<u>(175,142)</u>
Ending balance of the total pension liability	<u>\$ 2,481,531</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

**Plan Description.** Wilson County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension fund financial statements for

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

the Internal Revenue Code Section 401(k) Plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$188,339 for the reporting year. No amounts were forfeited.

### **Registers of Deeds' Supplemental Pension Fund**

**Plan Description.** The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing, multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,978 for the year ended June 30, 2017.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the County reported an asset of \$89,085 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2016, the County's proportion was 0.47649%, which was a decrease of 0.00058% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$6,495. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 95	\$ 1,153
Changes of assumptions	23,734	-
Net difference between projected and actual earnings on pension plan investments	153	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,206	212
County contributions subsequent to the measurement date	3,978	-
Total	\$ 29,166	\$ 1,365

\$3,978 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2018	\$ 10,296
2019	10,344
2020	4,177
2021	(994)
2022	-
Thereafter	-
Total	\$ 23,823

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

**Actuarial Assumptions.** The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Discount Rate.** The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (2.75 percent) or 1 percentage point higher (4.75 percent) than the current rate:

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension liability (asset)	\$ (71,831)	\$ (89,085)	\$ (103,579)

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**Other Post-Employment Benefits**

**Plan Description.** Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This Plan provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees’ Retirement System (System) and have at least 15 years of creditable service with the County with at least ten years being continuous and uninterrupted immediately prior to retirement. In addition to the 15 years of minimum service, the employee must qualify to receive an unreduced benefit from the System. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County Commissioners may amend the provisions.

As eligible retirees hired before July 1, 2015 go on Medicare at the age of 65, the County will only pay the Medicare supplement. This amount is a reduced amount from the normal health care plan covered by the County. This benefit is not offered to employees hired on or after July 1, 2015.

A separate report was not issued for the plan.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Membership of the HCB Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	165	12
Active plan members	571	79
<b>Total</b>	<b>736</b>	<b>91</b>

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

The current ARC rate is 12.71% of annual covered payroll. For the current year, the County contributed \$1,940,301, or 7.17%, of annual covered payroll. The County obtains healthcare coverage through private insurers. Contributions made by employees totaled \$21,250, plus dependent coverage payments in the amount of \$25,911 for a grand total contribution of \$47,161.

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

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Annual required contribution	\$ 3,437,782
Interest on net OPEB obligation	711,193
Adjustment to annual required contribution	(679,410)
Annual OPEB cost (expense)	3,469,565
Contributions made	(1,940,301)
Increase (decrease) in net OPEB obligation	1,529,264
Net OPEB obligation, beginning of year	17,779,814
Net OPEB obligation, end of year	\$ 19,309,078

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

<b>For Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2015	\$ 2,579,572	31.7%	\$15,295,680
2016	3,364,995	26.2%	17,779,814
2017	3,469,565	55.9%	19,309,078

**Funded Status and Funding Progress.** As of June 30, 2016, the most recent actuarial plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL), was \$43,993,703. The covered payroll (annual payroll of active employees covered by the plan) was \$27,051,216, and the ratio of the UAAL to the covered payroll was 162.6%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2016 actuarial valuation, the projected unit credit actuarial cost method was used and a 30-year level of percentage pay, closed amortization period and method. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.00% annually. The investment rate included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2016 was 30 years.



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **Other Employment Benefits**

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

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

Federal and State 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 30 years after closure. The landfill stopped accepting solid waste on January 1, 1998.

The County is also permitted to accept construction and demolition waste on top of a closed landfill site for maximum period of five years or until maximum capacity has been reached. The estimated future costs to close the construction and demolition area and subsequent post-closure costs based on remaining capacity at June 30, 2017 are \$3,779,141.

The County has met the requirements of a local government financial test that is one option under federal and State laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund that accumulates resources through annual contributions for the payment of closure and post-closure care costs. At June 30, 2017, those funds are held in investments with a cost and market value of \$4,986,525. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 4. Deferred Outflows and Inflows of Resources

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

	<b>Deferred Inflows</b>
Prepaid taxes not yet earned	\$ 1,653,368
Taxes receivable, net (General Fund)	1,410,719
Taxes receivable, net (Special Revenue)	40,820
Differences between expected and actual experience	
LGERS & ROD	387,537
Changes of assumptions	
LEOSSA	51,793
Changes in proportion and differences between County contributions and proportionate share of contributions	
LGERS & ROD	67,933
Total	\$ 3,612,170

Deferred outflows of resources at year-end are comprised of the following:

	<b>Deferred Outflows</b>
Charge on refunding of debt	\$ 475,730
Differences between expected and actual experience	
LGERS & ROD	207,266
Changes of assumptions	
LGERS & ROD	778,957
Net difference between projected and actual earnings on pension plan investments	
LGERS & ROD	6,096,469
Changes in proportion and differences between County contributions and proportionate share of contributions	
LGERS & ROD	35,462
Contributions to pension plan in current fiscal year (LGERS & ROD)	2,291,114
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	89,578
Total	\$ 9,974,576

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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 \$200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through multi-state public entity captive for single occurrence losses in excess of \$600,000 retention up to a \$2 million limit for liability coverage and \$1,750,000 of each loss in excess of \$250,000 per occurrence retention for property and auto physical damage. The County is self-funded for Workers' Compensation and contracts with Compensation Claims Solution to administer the claims through statutory limits. Safety National Casualty Corporation provides excess insurance for single occurrence losses in excess of \$600,000 for employees up to a limit of \$1 million per occurrence.

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

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

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

The County operates a limited risk, self-insurance program to provide health benefits to County employees. Premiums are paid into the General Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The Interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Administrative services are contracted with BCBSNC. Aggregate stop/loss is purchased in the amount of 125% of expected annual claims and losses above \$138,000 on any one claim.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$5,640,851 in claims was incurred for benefits during the year ended June 30, 2017. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Unpaid claims, beginning of year	\$ 1,162,192	\$ 761,769
Incurred claims (including IBNRs)	5,640,851	6,016,039
Claim payments	<u>(5,950,863)</u>	<u>(5,615,616)</u>
Unpaid claims, end of year	<u>\$ 852,180</u>	<u>\$ 1,162,192</u>

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

In accordance with G.S. 18B-700(i), each Board member and the employees designated as the General Manager and the Finance Officer are bonded in the amount of \$50,000 secured by a corporate surety. Also in accordance with G.S. 18B-803(b), each store manager is bonded in the amount of \$50,000 secured by a corporate surety.

### 6. Contingent Liabilities

At June 30, 2017, 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 material adverse effect on the County's financial position.

### 7. Long-Term Obligations

#### Capital Leases

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

1. Lease executed on December 1, 2006 for the Miller Road building requiring 180 monthly installments starting at \$7,233 with an estimated annual CPI adjustment of 2%. At the end of the lease, the County has a purchase option of \$250,000.
2. Lease executed on October 1, 2012 for an IBM server requiring sixty monthly installments of \$652,

## WILSON COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

3. Lease executed on August 21, 2015 for virtualization servers requiring thirty-six monthly installments of \$5,260,
4. Lease executed on October 7, 2015 for a copier requiring three annual installments of \$4,871,
5. Lease executed January 13, 2016 for monitors and defibrillators requiring five annual installments of \$75,157,
6. Lease executed on January 26, 2016 for voting machines requiring five annual installments of \$75,547,
7. Lease executed on July 1, 2016 for laptops requiring three annual installments of \$51,531,
8. Lease executed on August 1, 2016 for computer equipment requiring thirty-six monthly installments of \$1,517.

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>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 1,038,858	\$ 452,443	\$ 586,415
Buildings	<u>1,526,750</u>	<u>230,940</u>	<u>1,295,810</u>
Total	<u>\$ 2,565,608</u>	<u>\$ 683,383</u>	<u>\$ 1,882,225</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 377,180
2019	316,142
2020	249,815
2021	86,800
2022	43,400
2023-2026	<u>-</u>
Total minimum lease payments	1,073,337
Less: amount representing interest	<u>(24,049)</u>
Present value of the minimum lease payments	<u>\$ 1,049,288</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**General Obligation Indebtedness**

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

In November 2012, the Water Districts (a blended component unit of the County) issued GO debt (30 year), the proceeds of which are used to refund existing USDA District debt. The original issue amount of the GO debt was \$9,190,000 with annual installments of \$190,000 to \$410,000; plus interest at 2 to 4.5 percent through June 1, 2042. The balance at June 30, 2016 was \$8,275,000. The County then issued Limited Obligation Bonds in an amount sufficient enough to purchase all the Districts GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

The County’s general obligation bonds payable at June 30, 2017 are comprised of the following individual issues:

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

\$5,300,000 Library Bonds Series 2003 -  
February 2, 2003; due in annual principal installments  
of \$350,000 through February 2018; interest at 3.25%  
to 3.6%; payable on February 1 and August 1 \$ 400,000

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2017, including interest payments, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>\$ 400,000</u>	<u>\$ 14,400</u>	<u>\$ 400,000</u>	<u>\$ 14,400</u>

The Water Districts are responsible for accounting for the limited obligation bonds.

**Water Department Limited Obligations:**

Serviced by the County's Water Districts:  
\$9,190,000 2012 limited obligation water bonds;  
due in annual installments of \$190,000 to \$410,000;  
plus interest at 2.0% to 4.5% through June 1, 2042 \$ 8,075,000

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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

<b>Year Ending June 30</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2018	\$ 210,000	\$ 299,913
2019	215,000	292,513
2020	230,000	283,913
2021	235,000	274,513
2022	245,000	265,313
2023-2027	1,365,000	1,172,363
2028-2032	1,620,000	909,944
2033-2037	1,920,000	587,625
2038-2042	<u>2,035,000</u>	<u>213,150</u>
Total	<u>\$ 8,075,000</u>	<u>\$ 4,299,247</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

The County's financing debt at June 30, 2017 is comprised of the following notes payable:

	<u>Balance</u> <u>June 30, 2017</u>
<b>Notes Payable:</b>	
\$905,000 Financing Agreement - Energy Conservation - September 15, 2006; due in annual principal and interest payments of \$96,864 through May 2018; interest at 4.35%	\$ 92,824
\$322,370 Financing Agreement - Energy Conservation - August 21, 2007, due in annual principal and interest payments of \$29,317 through January 2022; interest at 4.353%	128,512
\$14,495,000 2016 Financing Agreement- Advance Refunding of 2007 Certificates of Participation semi-annual principal and interest payments beginning October 1, 2016 through April 1, 2028; interest rate of 2.16%	13,100,000
\$5,235,125 Economic Development Park - backed by an Inter-local agreement between the County of Wilson and the City of Wilson, each sharing one-half the amount of annual debt service; annual principal and interest payments of \$523,513, beginning June 8, 2013 through June 8, 2022; interest rate of 3.69%	2,617,563
\$576,923 NC Eastern Region Revolving Loan Fund - annual principal and interest payments beginning May 2015 through April 16, 2019; without interest	230,769
\$26,211 Financing Agreement - Health Equipment - annual principal and interest payments beginning June 2015 through June 17, 2018; interest rate of 1.97%	6,747
\$756,152 School Improvements - June 13, 2017; due in semi-annual fixed principal payments of \$378,076, plus interest at 1.84% through June 2019; payable on December 1 and June 1	756,152
\$5,164,427 School Improvements QZAB - June 13, 2017; due in annual fixed principal payments of \$16,629 first two years and \$394,705 thereafter, through June 2032; without interest	5,164,427
Total	<u>\$ 22,096,994</u>



# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>June 30, 2017</u>
<b>Notes Payable Water Department:</b>	
Serviced by the Southwest Water District; 2009 DENR Drinking Water Revolving loan; \$576,724 due in annual installments of \$28,837; beginning 2009; plus interest at 2.10% through May 1, 2029	\$ 346,033
Serviced by the Southeast Water District; 2009 DENR Drinking Water Revolving loan; \$481,507 due in annual installments of \$24,076; beginning 2009; plus interest at 2.10% through May 1, 2029	<u>288,906</u>
Total	<u>\$ 634,939</u>

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2017, including interest payments, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,481,638	\$ 389,572	\$ 52,911	\$ 13,334	\$ 2,534,549	\$ 402,906
2019	2,353,137	343,349	52,911	12,223	2,406,048	355,572
2020	2,213,869	287,986	52,911	11,111	2,266,780	299,097
2021	2,195,037	240,069	52,911	11,111	2,247,948	251,180
2022	2,176,258	192,530	52,911	11,111	2,229,169	203,641
2023-2027	7,653,527	474,552	264,557	38,890	7,918,084	513,442
2028-2032	<u>3,023,528</u>	<u>22,680</u>	<u>105,827</u>	<u>11,111</u>	<u>3,129,355</u>	<u>33,791</u>
Total	<u>\$ 22,096,994</u>	<u>\$ 1,950,738</u>	<u>\$ 634,939</u>	<u>\$ 108,891</u>	<u>\$ 22,731,933</u>	<u>\$ 2,059,629</u>

At June 30, 2017, the County had a legal debt margin of \$502,636,330.

**Debt Related to Capital Activities** – Of the total governmental activities debt listed, only \$4,525,703 relates to assets the County holds title.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 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, 2017:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Governmental Activities:</b>					
General					
obligation debt	\$ 2,450,000	\$ -	\$ 2,050,000	\$ 400,000	\$ 400,000
Capitalized leases	1,229,594	190,587	370,893	1,049,288	363,975
Notes payable	18,492,267	5,920,581	2,315,854	22,096,994	2,481,638
Compensated absences	2,278,197	2,159,888	2,096,834	2,341,251	2,138,771
Net pension liability (LGERS)	2,211,782	8,506,752	-	10,718,534	-
Total pension liability (LEOSSA)	644,366	1,837,165	-	2,481,531	-
Other post-employment benefits	<u>17,293,283</u>	<u>3,374,623</u>	<u>1,887,206</u>	<u>18,780,700</u>	<u>-</u>
Total governmental activities	<u>\$ 44,599,489</u>	<u>\$ 21,989,596</u>	<u>\$ 8,720,787</u>	<u>\$ 57,868,298</u>	<u>\$ 5,384,384</u>
	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
<b>Business-Type Activities:</b>					
<b>Southeast Water District:</b>					
Limited obligation bond	\$ 2,920,000	\$ -	\$ 70,000	\$ 2,850,000	\$ 75,000
Notes payable	312,981	-	24,075	288,906	24,075
Bond premium	128,035	-	4,862	123,173	4,862
Compensated absences	13,048	13,116	12,402	13,762	12,650
Net pension liability (LGERS)	11,401	24,490	-	35,891	-
Other post-employment benefits	<u>50,116</u>	<u>9,780</u>	<u>5,469</u>	<u>54,427</u>	<u>-</u>
Total water districts	<u>3,435,581</u>	<u>47,386</u>	<u>116,808</u>	<u>3,366,159</u>	<u>116,587</u>

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Current</u>
	<u>July 1, 2016</u>			<u>June 30, 2017</u>	<u>Portion</u>
					<u>of Balance</u>
<b>Business-Type Activities:</b>					
<b>Southwest Water District:</b>					
Limited obligation bond	\$ 5,355,000	\$ -	\$ 130,000	\$ 5,225,000	\$ 135,000
Notes payable	374,869	-	28,836	346,033	28,836
Bond premium	235,125	-	8,929	226,196	8,928
Compensated absences	13,047	13,116	12,401	13,762	12,650
Net pension liability (LGERS)	11,401	24,490	-	35,891	-
Other post-employment benefits	50,116	9,780	5,469	54,427	-
Total water districts	<u>6,039,558</u>	<u>47,386</u>	<u>185,635</u>	<u>5,901,309</u>	<u>185,414</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Current</u>
	<u>July 1, 2016</u>			<u>June 30, 2017</u>	<u>Portion</u>
					<u>of Balance</u>
<b>Solid Waste:</b>					
Accrued landfill closure and post-closure care costs	\$ 3,711,324	\$ 111,340	\$ 43,523	\$ 3,779,141	\$ 43,481
Compensated absences	39,071	34,532	26,224	47,379	26,748
Net pension liability (LGERS)	45,604	190,672	-	236,276	-
Other post-employment benefits	386,299	75,382	42,157	419,524	-
Total solid waste	<u>4,182,298</u>	<u>411,926</u>	<u>111,904</u>	<u>4,482,320</u>	<u>70,229</u>
Total business-type activities	<u>\$ 13,657,437</u>	<u>\$ 506,698</u>	<u>\$ 414,347</u>	<u>\$ 13,749,788</u>	<u>\$ 372,230</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Current</u>
	<u>July 1, 2016</u>			<u>June 30, 2017</u>	<u>Portion</u>
					<u>of Balance</u>
<b>Discretely Presented Component Unit:</b>					
<b>Long-Term Liabilities:</b>					
Compensated absences	\$ 43,320	\$ 5,145	\$ -	\$ 48,465	\$ -
Net pension liability (LGERS)	39,494	144,300	-	183,794	-
Accrued liabilities	322,070	35,661	-	357,731	-
Total long-term liabilities	<u>\$ 404,884</u>	<u>\$ 185,106</u>	<u>\$ -</u>	<u>\$ 589,990</u>	<u>\$ -</u>

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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.

**8. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2017 consist of the following:

From General Fund to the Public Buildings Fund for DSS facilities improvement	\$ 1,619,700
From the General Fund to the Capital Reserve Fund for moving funds for the construction on the animal shelter and EMS southern submission	170,000
From the General Fund to the Economic Development Grant Fund for County match of of project funding	<u>4,400</u>
Total	<u>\$ 1,794,100</u>

**9. Net Investment in Capital Assets**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 25,972,561</u>	<u>\$ 26,191,569</u>
Long-term debt gross	23,546,282	9,059,308
Less: Long-term debt related to assets not owned by the County	(19,020,579)	-
Less: Other debt not issued for capital	<u>(1,530,118)</u>	-
Capital debt, net	<u>2,995,585</u>	<u>9,059,308</u>
Net investment in capital assets	<u>\$ 22,976,976</u>	<u>\$ 17,132,261</u>

Deferred charge on refunding of \$475,730 and \$4,867,029 of unspent debt proceeds are related to debt for assets not owned by the County and is excluded from the above calculation.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### 10. Fund Balance

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

Total fund balance - General Fund	\$ 43,526,029
<b>Less:</b>	
Stabilization by State statute	<u>8,953,392</u>
Total available fund balance	<u>\$ 34,572,637</u>

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

### III. 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 the 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 the City based on election by the Board. The bylaws of the Council state that the County and the City are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the County contributed \$294,045 to the Council for the fiscal year ended June 30, 2017. 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, 2017. 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 Rocky Mount, City of Wilson, Edgecombe County, and Nash County, participates in a joint venture to operate the Rocky Mount/Wilson Airport Authority (Authority). Each of the entities appoints members of the seven-member Board of Commissioners of the Authority. The County appoints one of the seven Board members. The County has an ongoing financial responsibility for the Authority. The County contributed \$47,857 to the Authority's operating purposes during the year ended June 30, 2017. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$986,267 has been reported in the governmental activities in the County's basic financial statements at June 30, 2017. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, North Carolina 27822.

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **Wilson Technical Community College**

The County, in conjunction with the State of North Carolina and the Wilson County Board of Education, participates in a joint venture to operate the Wilson Technical Community College. Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,226,982 and \$1,120,831 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. 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, 2017. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

### **Eastpoint**

Wilson County, in conjunction with Bladen, Columbus, Duplin, Edgecombe, Nash, Lenoir, Robeson, Sampson, Scotland, Wayne, and Greene counties, participate in a joint venture to operate Eastpoint, a Local Management Entity (LME) and Managed Care Organization (MCO) of Mental Health, Developmental Disabilities, and Substance Abuse Services. The area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. Each of the counties will have either two or three representatives based on population as published by the NC Department of Health and Human Services. Wilson County has two representatives on the Board. Each participant in the joint venture makes an annual appropriation to the joint venture, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2017, Wilson County contributed \$331,317 to Eastpoint. None of the participating governments have an equity interest in Eastpoint, so no equity interest has been reflected in the financial statements at June 30, 2017. Complete financial statements for Eastpoint may be obtained from Eastpoint's corporate office at 514 East Main Street, PO Box 369, Beulaville, North Carolina 28518.

## **IV. Jointly Governed Organizations**

### **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 \$40,694 to the Council during the fiscal year ended June 30, 2017.

**WILSON COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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.

**V. Benefit Payments Issued by the State**

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

	<u>Federal</u>	<u>State</u>
Medical Assistance Program Medicaid -	\$ 85,942,054	\$ 46,475,603
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	2,013,345	-
Temporary Assistance for Needy Families	513,828	-
Foster Care Title IV-E	62,131	16,892
Adoption Assistance	360,803	89,985
Chafee Foster Care Independence	12,009	-
CWS Adoption Subsidy and Vendor	-	229,135
State/County Special Assistance for Adults (SC/SA)	-	874,358
SAA/SAD HB 1030	-	44,540
SFHF Maximization	-	72,753
State Foster Home	-	48,319
Children's Health Insurance Program - NC Health Choice	<u>1,760,600</u>	<u>17,697</u>
Total	<u>\$ 90,664,770</u>	<u>\$ 47,869,282</u>

**VI. Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

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

# WILSON COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### VII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to certain Provisions of GASB Statements 67 and 68*, in the fiscal year ended June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period (fiscal year ended December 31, 2016). As a result, net position for governmental activities decreased \$1,693,508.



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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Schedule of Funding Progress for Other Post-Employment Benefits

Schedule of Local Governmental Employees' Retirement System Proportionate Share of Net Pension Liability

Schedule of Local Governmental Employees' Retirement System Employer Contributions Last Three Fiscal Years

Schedule of Register of Deeds' Supplemental Pension Fund Employers Proportionate Share of Net Pension Liability

Schedule of Register of Deeds' Supplemental Pension Fund Employers Contributions Last Three Fiscal Years

Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance

Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance

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## WILSON COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017

## Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 31,148,581	\$ 31,148,581	0.00%	\$ 26,887,613	115.85%
12/31/2010	-	32,207,864	32,207,864	0.00%	28,343,788	113.63%
12/31/2012	-	30,661,034	30,661,034	0.00%	26,485,900	115.76%
12/31/2014	-	38,041,619	38,041,619	0.00%	30,130,954	126.30%
6/30/2016	-	43,993,703	43,993,703	0.00%	27,051,216	162.60%

## Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,707,166	13.00%
2010	2,707,166	15.00%
2011	2,808,685	17.51%
2012	2,808,685	19.62%
2013	2,891,680	24.79%
2014	2,891,680	28.35%
2015	2,555,379	32.02%
2016	3,337,652	26.39%
2017	3,437,782	56.44%

## Notes to the Required Schedules:

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

Valuation date	6/30/2016
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical trend assumptions	
Pre-Medicare trend rate	7.75% to 5.00%
Medicare trend rate	5.75% to 5.00%
Year of Ultimate trend rate	2022
*Includes inflation at	3.00%

**WILSON COUNTY, NORTH CAROLINA****WILSON COUNTY'S PROPORTIONATE SHARE  
OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FOUR FISCAL YEARS\***

	<b>Local Governmental Employees' Retirement System</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Wilson County's proportion of the net pension liability (asset) (%)	0.51955%	0.50807%	0.51274%	0.50750%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ 11,026,592	\$ 2,280,188	\$ (3,023,866)	\$ 6,117,324
Wilson County's covered-employee payroll	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961	\$ 26,563,359
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.96%	7.94%	( 10.48%)	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\*This will be the same percentage for all participant employers in the LGERS plan.

**Note:** This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## WILSON COUNTY, NORTH CAROLINA

WILSON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FOUR FISCAL YEARS

	<u>Local Governmental Employees' Retirement System</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,287,136	\$ 2,046,962	\$ 2,057,877	\$ 2,046,767
Contributions in relation to the contractually required contribution	<u>2,287,136</u>	<u>2,046,962</u>	<u>2,057,877</u>	<u>2,046,767</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 30,890,267	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961
Contributions as a percentage of covered-employee payroll	7.40%	6.86%	7.16%	7.09%

**Note:** This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

## WILSON COUNTY, NORTH CAROLINA

WILSON COUNTY'S PROPORTIONATE SHARE  
 OF NET PENSION LIABILITY (ASSET)  
 REQUIRED SUPPLEMENTARY INFORMATION  
 LAST FOUR FISCAL YEARS\*

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 Register of Deeds' Supplemental Pension Fund
 

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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Wilson County's proportion of the net pension liability (asset) (%)	0.47649%	0.47707%	0.49006%	0.47400%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (89,085)	\$ (110,556)	\$ (110,078)	\$ (111,078)
Wilson County's covered-employee payroll	\$ 80,834	\$ 80,773	\$ 79,202	\$ 70,926
Wilson County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(1 10.21%)	(1 36.87%)	( 46.58%)	( 39.30%)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

## WILSON COUNTY, NORTH CAROLINA

WILSON COUNTY'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST FOUR FISCAL YEARSRegister of Deeds' Supplemental Pension Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,978	\$ 3,892	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>3,978</u>	<u>3,892</u>	<u>3,818</u>	<u>4,001</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202
Contributions as a percentage of covered-employee payroll	4.92%	4.81%	4.73%	5.05%

**Note:** This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULES OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
FOR THE YEAR ENDED JUNE 30, 2017**

**Law Enforcement Officers' Special Separation Allowance**

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	<b>2017</b>
Beginning balance	\$ 2,513,338
Service cost	118,624
Interest on the total pension liability	86,600
Changes of assumptions or other inputs	(61,889)
Benefit payments	(175,142)
Ending balance of the total pension liability	<u>\$ 2,481,531</u>

The amounts presented for each fiscal year were determined as of the prior December 31.



**WILSON COUNTY, NORTH CAROLINA****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
FOR THE YEAR ENDED JUNE 30, 2017****Law Enforcement Officers' Special Separation Allowance**

	<u>2017</u>
Total pension liability	\$ 2,481,531
Covered payroll	4,028,341
Total pension liability as a percentage of covered payroll	61.60%

## Notes to the schedules:

Wilson County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

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# **Major Funds**

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## WILSON COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONSOLIDATED  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Economic Development Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 49,266,045	\$ -	\$ -	\$ -	\$ 49,266,045
Local option sales tax	13,720,022	-	-	-	13,720,022
Other taxes and licenses	753,925	-	-	-	753,925
Unrestricted intergovernmental	271,450	-	-	-	271,450
Restricted intergovernmental	19,969,895	-	286,815	-	20,256,710
Permits and fees	1,434,931	-	-	-	1,434,931
Sales and services	10,901,937	-	-	-	10,901,937
Investment earnings	205,270	655	-	-	205,925
Miscellaneous	106,780	-	-	-	106,780
Total revenues	<u>96,630,255</u>	<u>655</u>	<u>286,815</u>	<u>-</u>	<u>96,917,725</u>
<b>Expenditures:</b>					
Current:					
General government	7,864,791	17,853	1,470,629	-	9,353,273
Public safety	19,721,952	-	-	-	19,721,952
Transportation	47,857	-	-	-	47,857
Environmental protection	262,994	-	-	-	262,994
Economic and physical development	1,347,783	-	-	-	1,347,783
Human services	35,616,669	-	-	-	35,616,669
Cultural and recreation	1,938,128	-	-	-	1,938,128
Intergovernmental:					
Education	23,830,265	-	-	-	23,830,265
Debt service:					
Principal retirement	4,365,854	-	-	-	4,365,854
Interest and other charges	546,109	-	-	-	546,109
Total expenditures	<u>95,542,402</u>	<u>17,853</u>	<u>1,470,629</u>	<u>-</u>	<u>97,030,884</u>
Revenues over (under) expenditures	<u>1,087,853</u>	<u>(17,198)</u>	<u>(1,183,814)</u>	<u>-</u>	<u>(113,159)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers to other funds	(2,652,980)	-	-	858,880	(1,794,100)
Transfers from other funds	-	75,000	783,880	(858,880)	-
Capital lease proceeds	190,587	-	-	-	190,587
Sale of capital assets	47,954	-	-	-	47,954
Total other financing sources (uses)	<u>(2,414,439)</u>	<u>75,000</u>	<u>783,880</u>	<u>-</u>	<u>(1,555,559)</u>
Net change in fund balances	(1,326,586)	57,802	(399,934)	-	(1,668,718)
<b>Fund Balances:</b>					
Beginning of year, July 1	<u>44,655,082</u>	<u>110,648</u>	<u>429,017</u>	<u>-</u>	<u>45,194,747</u>
End of year, June 30	<u>\$ 43,328,496</u>	<u>\$ 168,450</u>	<u>\$ 29,083</u>	<u>\$ -</u>	<u>\$ 43,526,029</u>

## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes	\$ 47,588,860	\$ 48,924,743	\$ 1,335,883
Interest	399,000	341,302	(57,698)
Total	<u>47,987,860</u>	<u>49,266,045</u>	<u>1,278,185</u>
<b>Local Option Sales Taxes</b>	<u>12,520,124</u>	<u>13,720,022</u>	<u>1,199,898</u>
<b>Other Taxes and Licenses:</b>			
Franchise tax	70,000	90,092	20,092
Rental vehicle sales tax	45,000	46,227	1,227
Privilege and civil licenses	-	238	238
Beer and wine tax	120,000	126,522	6,522
Excise tax	339,500	490,846	151,346
Total	<u>574,500</u>	<u>753,925</u>	<u>179,425</u>
<b>Unrestricted Intergovernmental:</b>			
Housing Authority	8,500	8,950	450
Wilson County ABC Board:			
Profit distribution	243,750	262,500	18,750
Total	<u>252,250</u>	<u>271,450</u>	<u>19,200</u>
<b>Restricted Intergovernmental:</b>			
General Fund	1,326,107	1,292,447	(33,660)
Library	135,476	135,976	500
Health services	2,210,405	2,156,198	(54,207)
Social services	16,164,609	16,289,158	124,549
Court facility fees	94,200	96,116	1,916
Total	<u>19,930,797</u>	<u>19,969,895</u>	<u>39,098</u>
<b>Permits and Fees:</b>			
Building permits and inspection fees	115,000	188,012	73,012
Register of Deeds	322,500	336,472	13,972
Public safety	412,000	515,707	103,707
Health services	473,877	394,740	(79,137)
Total	<u>1,323,377</u>	<u>1,434,931</u>	<u>111,554</u>



WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues (continued):</b>			
<b>Sales and Services:</b>			
Jail fees and Sheriff fees	1,045,191	1,021,343	(23,848)
Rents, concessions, and fees	7,150,893	5,965,234	(1,185,659)
Ambulance service fees	2,300,000	2,527,049	227,049
Communication center	1,100,000	1,388,311	288,311
Total	<u>11,596,084</u>	<u>10,901,937</u>	<u>(694,147)</u>
<b>Investment Earnings</b>	<u>50,000</u>	<u>205,270</u>	<u>155,270</u>
<b>Miscellaneous:</b>			
Other	<u>45,303</u>	<u>106,780</u>	<u>61,477</u>
Total revenues	<u>94,280,295</u>	<u>96,630,255</u>	<u>2,349,960</u>
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Board of Commissioners:</b>			
Salaries and employee benefits	61,369	61,361	8
Other operating expenditures	45,360	38,103	7,257
Total	<u>106,729</u>	<u>99,464</u>	<u>7,265</u>
<b>Administration:</b>			
Salaries and employee benefits	359,075	358,591	484
Other operating expenditures	13,200	12,286	914
Capital outlay	2,900	488	2,412
Total	<u>375,175</u>	<u>371,365</u>	<u>3,810</u>
<b>Human Resources:</b>			
Salaries and employee benefits	211,296	203,656	7,640
Other operating expenditures	83,150	68,431	14,719
Total	<u>294,446</u>	<u>272,087</u>	<u>22,359</u>
<b>Board of Elections:</b>			
Salaries and employee benefits	300,443	268,163	32,280
Other operating expenditures	122,239	111,108	11,131
Capital outlay	96,000	75,547	20,453
Total	<u>518,682</u>	<u>454,818</u>	<u>63,864</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Finance:</b>			
Salaries and employee benefits	505,606	486,955	18,651
Other operating expenditures	42,075	30,546	11,529
Total	<u>547,681</u>	<u>517,501</u>	<u>30,180</u>
<b>Office of Tax Supervisor:</b>			
Salaries and employee benefits	976,928	928,994	47,934
Other operating expenditures	343,060	312,753	30,307
Data processing charges	147,000	121,983	25,017
Capital outlay	15,825	15,031	794
Total	<u>1,482,813</u>	<u>1,378,761</u>	<u>104,052</u>
<b>Technology Services:</b>			
Salaries and employee benefits	433,247	430,198	3,049
Other operating expenditures	69,500	50,955	18,545
Data processing charges	295,490	265,484	30,006
Capital outlay	111,080	98,153	12,927
Total	<u>909,317</u>	<u>844,790</u>	<u>64,527</u>
<b>Register of Deeds:</b>			
Salaries and employee benefits	345,498	342,753	2,745
Other operating expenditures	65,510	57,456	8,054
Total	<u>411,008</u>	<u>400,209</u>	<u>10,799</u>
<b>Public Buildings:</b>			
Other operating expenditures	832,911	714,889	118,022
Capital outlay	397,702	366,259	31,443
Total	<u>1,230,613</u>	<u>1,081,148</u>	<u>149,465</u>
<b>Maintenance Administration</b>			
Salaries and employee benefits	643,565	624,091	19,474
Other operating expenditures	96,503	75,285	21,218
Total	<u>740,068</u>	<u>699,376</u>	<u>40,692</u>
<b>Court Facilities:</b>			
Other operating expenditures	192,101	151,549	40,552
<b>Central Service:</b>			
Other operating expenditures	1,587,607	1,461,279	126,328

## WILSON COUNTY, NORTH CAROLINA

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Other:</b>			
Upper Coastal Plain COG	38,000	38,000	-
Other area projects	96,635	94,444	2,191
Total	<u>134,635</u>	<u>132,444</u>	<u>2,191</u>
Total general government	<u>8,530,875</u>	<u>7,864,791</u>	<u>666,084</u>
<b>Public Safety:</b>			
<b>Sheriff:</b>			
Salaries and employee benefits	6,151,533	5,747,734	403,799
Other operating expenditures	1,051,089	1,004,180	46,909
Capital outlay	489,658	488,515	1,143
Total	<u>7,692,280</u>	<u>7,240,429</u>	<u>451,851</u>
<b>Jail:</b>			
Salaries and employee benefits	2,772,279	2,501,016	271,263
Other operating expenditures	1,247,956	1,244,757	3,199
Capital outlay	30,150	30,150	-
Total	<u>4,050,385</u>	<u>3,775,923</u>	<u>274,462</u>
<b>Animal Control:</b>			
Salaries and employee benefits	511,521	501,155	10,366
Other operating expenditures	101,710	90,782	10,928
Capital outlay	32,095	31,996	99
Total	<u>645,326</u>	<u>623,933</u>	<u>21,393</u>
<b>Emergency Communications:</b>			
Salaries and employee benefits	2,443,443	2,215,394	228,049
Other operating expenditures	330,691	280,988	49,703
Capital outlay	43,880	19,983	23,897
Total	<u>2,818,014</u>	<u>2,516,365</u>	<u>301,649</u>
<b>Emergency Management:</b>			
Salaries and employee benefits	174,234	167,873	6,361
Other operating expenditures	78,961	64,690	14,271
Total	<u>253,195</u>	<u>232,563</u>	<u>20,632</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Emergency Medical Services:</b>			
Salaries and employee benefits	4,636,398	4,358,090	278,308
Other operating expenditures	757,042	707,355	49,687
Capital outlay	297,657	267,294	30,363
Total	<u>5,691,097</u>	<u>5,332,739</u>	<u>358,358</u>
Total public safety	<u>21,150,297</u>	<u>19,721,952</u>	<u>1,428,345</u>
<b>Transportation:</b>			
Rocky Mount/Wilson Airport	<u>47,857</u>	<u>47,857</u>	<u>-</u>
<b>Environmental Protection:</b>			
<b>Forestry Program:</b>			
Other operating expenditures	<u>88,940</u>	<u>85,893</u>	<u>3,047</u>
<b>Soil Conservation:</b>			
Salaries and employee benefits	187,851	164,763	23,088
Other operating expenditures	<u>19,780</u>	<u>12,338</u>	<u>7,442</u>
Total	<u>207,631</u>	<u>177,101</u>	<u>30,530</u>
Total environmental protection	<u>296,571</u>	<u>262,994</u>	<u>33,577</u>
<b>Economic and Physical Development:</b>			
<b>Agricultural Extension and 4-H:</b>			
Salaries and employee benefits	473,633	381,885	91,748
Other operating expenditures	<u>69,430</u>	<u>50,385</u>	<u>19,045</u>
Total	<u>543,063</u>	<u>432,270</u>	<u>110,793</u>
<b>Planning and Zoning:</b>			
Salaries and employee benefits	585,045	527,184	57,861
Other operating expenditures	102,340	75,580	26,760
Capital outlay	<u>18,000</u>	<u>17,704</u>	<u>296</u>
Total	<u>705,385</u>	<u>620,468</u>	<u>84,917</u>
<b>Other:</b>			
Other projects	<u>295,045</u>	<u>295,045</u>	<u>-</u>
Total economic and physical development	<u>1,543,493</u>	<u>1,347,783</u>	<u>195,710</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Human Services:</b>			
<b>Diversified Opportunities</b>	29,250	29,250	-
<b>Senior Center:</b>			
Salaries and employee benefits	97,797	97,761	36
Other operating expenditures	32,629	26,779	5,850
Total	<u>130,426</u>	<u>124,540</u>	<u>5,886</u>
<b>Home and Community Care Block Grant:</b>			
Operating expenses	405,100	411,175	(6,075)
<b>Health:</b>			
<b>Administration:</b>			
Salaries and employee benefits	80,227	63,290	16,937
Other operating expenditures	492,988	424,403	68,585
Capital outlay	640,526	102,606	537,920
Total	<u>1,213,741</u>	<u>590,299</u>	<u>623,442</u>
<b>Health Promotion:</b>			
Salaries and employee benefits	14,200	9,931	4,269
Other operating expenditures	10,505	9,617	888
Total	<u>24,705</u>	<u>19,548</u>	<u>5,157</u>
<b>Tuberculosis Control:</b>			
Salaries and employee benefits	69,579	69,573	6
Other operating expenditures	24,911	20,425	4,486
Total	<u>94,490</u>	<u>89,998</u>	<u>4,492</u>
<b>Home Health:</b>			
Salaries and employee benefits	3,340,518	2,923,513	417,005
Other operating expenditures	1,923,921	1,916,270	7,651
Capital outlay	42,866	41,627	1,239
Total	<u>5,307,305</u>	<u>4,881,410</u>	<u>425,895</u>
<b>Family Planning:</b>			
Salaries and employee benefits	648,902	645,807	3,095
Other operating expenditures	200,842	150,147	50,695
Capital outlay	1,000	-	1,000
Total	<u>850,744</u>	<u>795,954</u>	<u>54,790</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Maternal Health:</b>			
Salaries and employee benefits	608,929	570,939	37,990
Other operating expenditures	136,841	100,050	36,791
Total	<u>745,770</u>	<u>670,989</u>	<u>74,781</u>
<b>Environmental Health:</b>			
Salaries and employee benefits	484,560	479,836	4,724
Other operating expenditures	28,164	24,594	3,570
Total	<u>512,724</u>	<u>504,430</u>	<u>8,294</u>
<b>Immunization:</b>			
Salaries and employee benefits	93,055	88,654	4,401
Other operating expenditures	114,408	112,890	1,518
Total	<u>207,463</u>	<u>201,544</u>	<u>5,919</u>
<b>Communicable Diseases:</b>			
Salaries and employee benefits	299,439	265,727	33,712
Other operating expenditures	27,451	17,722	9,729
Total	<u>326,890</u>	<u>283,449</u>	<u>43,441</u>
<b>Comprehensive Breast Cancer Prevention:</b>			
Salaries and employee benefits	16,920	16,535	385
Other operating expenditures	44,130	15,784	28,346
Total	<u>61,050</u>	<u>32,319</u>	<u>28,731</u>
<b>Child Health:</b>			
Salaries and employee benefits	534,313	396,907	137,406
Other operating expenditures	29,240	19,503	9,737
Total	<u>563,553</u>	<u>416,410</u>	<u>147,143</u>
<b>Child Service Coordinator:</b>			
Salaries and employee benefits	282,402	216,993	65,409
Other operating expenditures	6,200	4,113	2,087
Total	<u>288,602</u>	<u>221,106</u>	<u>67,496</u>
<b>WIC Clinic Administration:</b>			
Salaries and employee benefits	47,529	47,246	283
Other operating expenditures	6,000	3,867	2,133
Total	<u>53,529</u>	<u>51,113</u>	<u>2,416</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>WIC Nutrition Education:</b>			
Salaries and employee benefits	121,769	107,629	14,140
Other operating expenditures	2,450	1,478	972
Total	<u>124,219</u>	<u>109,107</u>	<u>15,112</u>
<b>AIDS Control:</b>			
Salaries and employee benefits	11,641	10,175	1,466
Other operating expenditures	817	428	389
Total	<u>12,458</u>	<u>10,603</u>	<u>1,855</u>
<b>Bioterrorism:</b>			
Salaries and employee benefits	38,363	21,738	16,625
Other operating expenditures	12,966	12,353	613
Capital outlay	1,274	1,273	1
Total	<u>52,603</u>	<u>35,364</u>	<u>17,239</u>
<b>WIC Client Services:</b>			
Salaries and employee benefits	480,163	479,190	973
Other operating expenditures	4,800	4,284	516
Total	<u>484,963</u>	<u>483,474</u>	<u>1,489</u>
<b>School Based Health Center:</b>			
Salaries and employee benefits	98,066	61,736	36,330
Other operating expenditures	121,934	47,909	74,025
Total	<u>220,000</u>	<u>109,645</u>	<u>110,355</u>
<b>Mental Health:</b>			
Other operating expenditures	331,317	331,317	-
<b>Maternal Child Care:</b>			
Salaries and employee benefits	187,994	185,615	2,379
Other operating expenditures	19,397	7,396	12,001
Total	<u>207,391</u>	<u>193,011</u>	<u>14,380</u>
<b>WIC Breastfeeding:</b>			
Salaries and employee benefits	56,412	49,764	6,648
Other operating expenditures	3,200	1,989	1,211
Total	<u>59,612</u>	<u>51,753</u>	<u>7,859</u>

**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Adult Health:</b>			
Salaries and employee benefits	363,741	285,080	78,661
Other operating expenditures	61,425	28,145	33,280
Total	<u>425,166</u>	<u>313,225</u>	<u>111,941</u>
Total health	<u>12,168,295</u>	<u>10,396,068</u>	<u>1,772,227</u>
<b>Social Services:</b>			
<b>Administration:</b>			
Salaries and employee benefits	15,257,269	14,018,085	1,239,184
Other operating expenditures	2,968,780	2,561,530	407,250
Capital outlay	41,651	-	41,651
Total	<u>18,267,700</u>	<u>16,579,615</u>	<u>1,688,085</u>
<b>4D Child Support:</b>			
Salaries and employee benefits	97,280	19,379	77,901
Other operating expenditures	527,659	101,532	426,127
Total	<u>624,939</u>	<u>120,911</u>	<u>504,028</u>
<b>Income Maintenance Programs:</b>			
AFDC Fostercare	467,082	122,044	345,038
Special assistance - adults	993,048	928,165	64,883
Medicaid - County participation	1,700,000	850,512	849,488
Total	<u>3,160,130</u>	<u>1,900,721</u>	<u>1,259,409</u>
<b>Other Services:</b>			
Other operating expenditures	<u>6,810,507</u>	<u>5,790,028</u>	<u>1,020,479</u>
<b>Emergency Solutions Programs:</b>			
Other operating expenditures	<u>97,305</u>	<u>72,428</u>	<u>24,877</u>
<b>Eat More Move More:</b>			
Salaries and employee benefits	32,375	25,590	6,785
Other operating expenditures	117,625	66,730	50,895
Total	<u>150,000</u>	<u>92,320</u>	<u>57,680</u>
<b>Community Response Program:</b>			
Salaries and employee benefits	65,059	20,107	44,952
Other operating expenditures	34,941	19,036	15,905
Total	<u>100,000</u>	<u>39,143</u>	<u>60,857</u>



**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Every Teen Counts:</b>			
Other operating expenditures	20,000	6,798	13,202
Total social services	<u>29,230,581</u>	<u>24,601,964</u>	<u>4,628,617</u>
<b>Veterans Affairs:</b>			
Salaries and employee benefits	52,775	52,774	1
Other operating expenditures	900	898	2
Total	<u>53,675</u>	<u>53,672</u>	<u>3</u>
Total human services	<u>42,017,327</u>	<u>35,616,669</u>	<u>6,400,658</u>
<b>Cultural and Recreation:</b>			
<b>Recreation:</b>			
Other operating expenditures	188,070	167,070	21,000
<b>Libraries:</b>			
Salaries and employee benefits	1,418,368	1,285,676	132,692
Other operating expenditures	475,027	404,306	70,721
Capital outlay	108,000	81,076	26,924
Total	<u>2,001,395</u>	<u>1,771,058</u>	<u>230,337</u>
Total cultural and recreation	<u>2,189,465</u>	<u>1,938,128</u>	<u>251,337</u>
<b>Education:</b>			
Public schools - current	19,482,452	19,482,452	-
Public schools - capital outlay	1,000,000	1,000,000	-
Community colleges - current	2,226,982	2,226,982	-
Community colleges - capital outlay	1,128,000	1,120,831	7,169
Total education	<u>23,837,434</u>	<u>23,830,265</u>	<u>7,169</u>
<b>Debt Service:</b>			
Principal retirement	4,365,856	4,365,854	2
Interest and other charges	468,870	546,109	(77,239)
Total debt service	<u>4,834,726</u>	<u>4,911,963</u>	<u>(77,237)</u>
Total expenditures	<u>104,448,045</u>	<u>95,542,402</u>	<u>8,905,643</u>

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	(10,167,750)	1,087,853	11,255,603
<b>Other Financing Sources (Uses):</b>			
Transfers to other funds:			
Revaluation Fund	(75,000)	(75,000)	-
Economic Development Fund	(783,880)	(783,880)	-
Economic Development Grant Fund	(4,400)	(4,400)	-
Capital Reserve Fund	(170,000)	(170,000)	-
Public Buildings Fund	(1,619,700)	(1,619,700)	-
Capital lease obligations issued	190,588	190,587	(1)
Sale of capital assets	-	47,954	47,954
Fund balance appropriated	<u>12,630,142</u>	<u>-</u>	<u>(12,630,142)</u>
Total other financing sources (uses)	<u>10,167,750</u>	<u>(2,414,439)</u>	<u>(12,582,189)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,326,586)</u>	<u>\$ (1,326,586)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>44,655,082</u>	
End of year, June 30		<u>\$ 43,328,496</u>	

## WILSON COUNTY, NORTH CAROLINA

**LEGALLY BUDGETED TAX REVALUATION AND ECONOMIC DEVELOPMENT FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ -	\$ 286,815	\$ 286,815
Investment earnings	<u>655</u>	<u>-</u>	<u>655</u>
Total revenues	<u>655</u>	<u>286,815</u>	<u>287,470</u>
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	17,853	-	17,853
Economic development:			
Economic incentives	<u>-</u>	<u>1,470,629</u>	<u>1,470,629</u>
Total expenditures	<u>17,853</u>	<u>1,470,629</u>	<u>1,488,482</u>
Revenues over (under) expenditures	(17,198)	(1,183,814)	(1,201,012)
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>75,000</u>	<u>783,880</u>	<u>858,880</u>
Net change in fund balances	57,802	(399,934)	(342,132)
<b>Fund Balances:</b>			
Beginning of year, July 1	<u>110,648</u>	<u>429,017</u>	<u>539,665</u>
End of year, June 30	<u>\$ 168,450</u>	<u>\$ 29,083</u>	<u>\$ 197,533</u>

## WILSON COUNTY, NORTH CAROLINA

REVALUATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 655	\$ 655
<b>Expenditures:</b>			
Current:			
General government:			
Tax listing	<u>75,000</u>	<u>17,853</u>	<u>57,147</u>
Revenues over (under) expenditures	(75,000)	(17,198)	57,802
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>57,802</u>	<u>\$ 57,802</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>110,648</u>	
End of year, June 30		<u>\$ 168,450</u>	

**WILSON COUNTY, NORTH CAROLINA**

**ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 562,500	\$ 286,815	\$ 275,685
<b>Expenditures:</b>			
Current:			
General government:			
Economic incentives	<u>1,746,380</u>	<u>1,470,629</u>	<u>275,751</u>
Revenues over (under) expenditures	<u>(1,183,880)</u>	<u>(1,183,814)</u>	<u>(66)</u>
<b>Other Financing Sources (Uses):</b>			
Transfer in:			
General Fund	783,880	783,880	-
Fund balance appropriated	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total other financing sources (uses)	<u>1,183,880</u>	<u>783,880</u>	<u>400,000</u>
Net change in fund balance	<u>\$ -</u>	<u>(399,934)</u>	<u>\$ (399,934)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>429,017</u>	
End of year, June 30		<u>\$ 29,083</u>	

## WILSON COUNTY, NORTH CAROLINA

**MAJOR FUND - SCHOOL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 29	\$ 29
<b>Expenditures:</b>			
Capital outlay	5,920,581	1,053,552	4,867,029
Revenues over (under) expenditures	<u>(5,920,581)</u>	<u>(1,053,523)</u>	<u>4,867,058</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Installment Debt	756,153	756,153	-
QZAB Bond Proceeds	<u>5,164,428</u>	<u>5,164,428</u>	<u>-</u>
Total other financing sources (uses)	<u>5,920,581</u>	<u>5,920,581</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	4,867,058	<u>\$ 4,867,058</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ 4,867,058</u>	

# **Nonmajor Governmental Funds**

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<b>Fire Districts Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Transportation Fund</b>	<b>Economic Development Grant Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 421,917	\$ 397,881	\$ 206,596	\$ 84	\$ 1,026,478
Taxes receivable, net	40,820	-	-	-	40,820
Accounts receivable, net	-	-	18,472	-	18,472
Due from other governments	-	84,641	23,914	-	108,555
Notes receivable	-	-	-	1,076,923	1,076,923
Total assets	<u>\$ 462,737</u>	<u>\$ 482,522</u>	<u>\$ 248,982</u>	<u>\$ 1,077,007</u>	<u>\$ 2,271,248</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 680	\$ 21,417	\$ -	\$ 22,097
Due to other governments	421,557	-	-	-	421,557
Total liabilities	<u>421,557</u>	<u>680</u>	<u>21,417</u>	<u>-</u>	<u>443,654</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	<u>40,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,820</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	-	84,641	42,386	1,076,923	1,203,950
Human services	-	-	-	-	-
Economic development projects	-	-	-	84	84
Transportation - insurance proceeds	-	-	46,350	-	46,350
Public safety	360	397,201	-	-	397,561
Assigned:					
Transportation	-	-	138,829	-	138,829
Future capital	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>360</u>	<u>481,842</u>	<u>227,565</u>	<u>1,077,007</u>	<u>1,786,774</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 462,737</u>	<u>\$ 482,522</u>	<u>\$ 248,982</u>	<u>\$ 1,077,007</u>	<u>\$ 2,271,248</u>



WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>Community Grant Fund</u>	<u>Public Buildings Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 5,318	\$ 1,699,549	\$ 390,000	\$ 2,094,867	\$ 3,121,345
Taxes receivable, net	-	-	-	-	40,820
Accounts receivable, net	-	-	-	-	18,472
Due from other governments	20,000	-	-	20,000	128,555
Notes receivable	-	-	-	-	1,076,923
Total assets	<u>\$ 25,318</u>	<u>\$ 1,699,549</u>	<u>\$ 390,000</u>	<u>\$ 2,114,867</u>	<u>\$ 4,386,115</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 25,318	\$ -	\$ -	\$ 25,318	\$ 47,415
Due to other governments	-	-	-	-	421,557
Total liabilities	<u>25,318</u>	<u>-</u>	<u>-</u>	<u>25,318</u>	<u>468,972</u>
<b>Deferred Inflows of Resources:</b>					
Taxes receivable	-	-	-	-	40,820
<b>Fund Balances:</b>					
Restricted:					
Stabilization by State statute	20,000	-	-	20,000	1,223,950
Human services	-	1,699,549	-	1,699,549	1,699,549
Economic development projects	-	-	-	-	84
Transportation	-	-	-	-	46,350
Public safety	-	-	-	-	397,561
Assigned:					
Transportation	-	-	-	-	138,829
Future capital	-	-	390,000	390,000	390,000
Unassigned	(20,000)	-	-	(20,000)	(20,000)
Total fund balances	<u>-</u>	<u>1,699,549</u>	<u>390,000</u>	<u>2,089,549</u>	<u>3,876,323</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,318</u>	<u>\$ 1,699,549</u>	<u>\$ 390,000</u>	<u>\$ 2,114,867</u>	<u>\$ 4,386,115</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Fire District Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 1,479,626	\$ -	\$ -	\$ -	\$ 1,479,626
Local option sales tax	399,097	-	-	-	399,097
Restricted intergovernmental	-	485,656	629,270	-	1,114,926
Sales and services	-	-	158,874	-	158,874
Investment earnings	-	1,829	-	-	1,829
Miscellaneous	-	-	46,850	-	46,850
Total revenues	<u>1,878,723</u>	<u>487,485</u>	<u>834,994</u>	<u>-</u>	<u>3,201,202</u>
<b>Expenditures:</b>					
Economic and physical development	-	-	-	250,000	250,000
Public safety	1,878,746	535,792	-	-	2,414,538
Transportation	-	-	822,226	-	822,226
Total expenditures	<u>1,878,746</u>	<u>535,792</u>	<u>822,226</u>	<u>250,000</u>	<u>3,486,764</u>
Revenues over (under) expenditures	(23)	(48,307)	12,768	(250,000)	(285,562)
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	-	-	-	4,400	4,400
Net change in fund balances	(23)	(48,307)	12,768	(245,600)	(281,162)
<b>Fund Balances:</b>					
Beginning of year, July 1	<u>383</u>	<u>530,149</u>	<u>214,797</u>	<u>1,322,607</u>	<u>2,067,936</u>
End of year, June 30	<u>\$ 360</u>	<u>\$ 481,842</u>	<u>\$ 227,565</u>	<u>\$ 1,077,007</u>	<u>\$ 1,786,774</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Community Grants Fund</u>	<u>Public Buildings Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,479,626
Local option sales tax	-	-	-	-	399,097
Restricted intergovernmental	-	-	-	-	1,114,926
Sales and services	-	-	-	-	158,874
Investment earnings	-	-	-	-	1,829
Miscellaneous	-	-	-	-	46,850
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,201,202</u>
<b>Expenditures:</b>					
Economic and physical development	-	-	-	-	250,000
Public safety	-	-	-	-	2,414,538
Transporation	-	-	-	-	822,226
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,486,764</u>
Revenues over (under) expenditures	-	-	-	-	(285,562)
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds	<u>-</u>	<u>1,619,700</u>	<u>170,000</u>	<u>1,789,700</u>	<u>1,794,100</u>
Net change in fund balances	-	1,619,700	170,000	1,789,700	1,508,538
<b>Fund Balances:</b>					
Beginning of year, July 1	<u>-</u>	<u>79,849</u>	<u>220,000</u>	<u>299,849</u>	<u>2,367,785</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 1,699,549</u>	<u>\$ 390,000</u>	<u>\$ 2,089,549</u>	<u>\$ 3,876,323</u>

## WILSON COUNTY, NORTH CAROLINA

**FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year	\$ 1,806,683	\$ 1,449,366	\$ (357,317)
Prior year	33,287	30,260	(3,027)
Total ad valorem taxes	<u>1,839,970</u>	<u>1,479,626</u>	<u>(360,344)</u>
Other taxes	<u>360,096</u>	<u>399,097</u>	<u>39,001</u>
Total revenues	2,200,066	1,878,723	(321,343)
<b>Expenditures:</b>			
Public safety	<u>2,200,066</u>	<u>1,878,746</u>	<u>321,320</u>
Net change in fund balance	<u>\$ -</u>	(23)	<u>\$ (23)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>383</u>	
End of year, June 30		<u>\$ 360</u>	

## WILSON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental			
NC 911 Board	\$ 437,472	\$ 437,471	\$ (1)
NC 911 Grant	48,185	48,185	-
Investment earnings	750	1,829	1,079
Total revenues	<u>486,407</u>	<u>487,485</u>	<u>1,078</u>
<b>Expenditures:</b>			
Implemental functions	80,654	72,756	7,898
Telephone	170,268	166,677	3,591
Software maintenance	112,363	103,659	8,704
Hardware maintenance	144,694	139,399	5,295
Training	11,000	5,116	5,884
Grant expenditures	48,185	48,185	-
Total expenditures	<u>567,164</u>	<u>535,792</u>	<u>31,372</u>
Revenues over (under) expenditures	(80,757)	(48,307)	32,450
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>80,757</u>	<u>-</u>	<u>(80,757)</u>
Net change in fund balance	<u>\$ -</u>	<u>(48,307)</u>	<u>\$ (48,307)</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>530,149</u>	
End of year, June 30		<u>\$ 481,842</u>	

## WILSON COUNTY, NORTH CAROLINA

**TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 190,463	\$ (36,782)
Capital Grant	403,000	342,544	(60,456)
Public Transportation Grant	118,374	96,263	(22,111)
Sales and services	155,150	158,874	3,724
Miscellaneous	<u>46,850</u>	<u>46,850</u>	<u>-</u>
Total revenues	<u>950,619</u>	<u>834,994</u>	<u>(115,625)</u>
<b>Expenditures:</b>			
Salaries and employee benefits	105,703	104,037	1,666
Operating expenses	487,355	346,655	140,700
Capital outlay	<u>403,000</u>	<u>371,534</u>	<u>31,466</u>
Total expenditures	<u>996,058</u>	<u>822,226</u>	<u>173,832</u>
Revenues over (under) expenditures	(45,439)	12,768	58,207
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>45,439</u>	<u>-</u>	<u>(45,439)</u>
Net change in fund balance	<u>\$ -</u>	<u>12,768</u>	<u>\$ 12,768</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>214,797</u>	
End of year, June 30		<u>\$ 227,565</u>	

## WILSON COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT GRANT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay	\$ 826,924	\$ 826,923	\$ 1
Total expenditures	<u>826,924</u>	<u>826,923</u>	<u>1</u>
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	822,524	-	(822,524)
Transfers in	<u>4,400</u>	<u>4,400</u>	<u>-</u>
Total other financing sources (uses)	<u>826,924</u>	<u>4,400</u>	<u>(822,524)</u>
Net change in fund balance	<u>\$ -</u>	(822,523)	<u>\$ (822,523)</u>
<b>Reconciliation of Budgetary Basis with Modified Accrual Basis:</b>			
Economic loans made		<u>576,923</u>	
Net change in fund balance, modified accrual basis		(245,600)	
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>1,322,607</u>	
End of year, June 30		<u>\$ 1,077,007</u>	

## WILSON COUNTY, NORTH CAROLINA

**PUBLIC BUILDINGS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Expenditures:</b>			
Capital outlay	\$ 1,619,700	\$ -	\$ 1,619,700
<b>Other Financing Sources (Uses):</b>			
Transfers in (out)	<u>1,619,700</u>	<u>1,619,700</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,619,700	<u>\$ 1,619,700</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>79,849</u>	
End of year, June 30		<u>\$ 1,699,549</u>	



**WILSON COUNTY, NORTH CAROLINA**

**CAPITAL RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
<b>Expenditures:</b>			
Capital outlay	\$ 170,000	\$ -	\$ 170,000
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>170,000</u>	<u>170,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	170,000	<u>\$ 170,000</u>
<b>Fund Balance:</b>			
Beginning of year, July 1		<u>220,000</u>	
End of year, June 30		<u>\$ 390,000</u>	

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# **Major Enterprise Funds**

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## WILSON COUNTY, NORTH CAROLINA

### SOLID WASTE FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 2,823,094	\$ 2,936,719	\$ 113,625
Non-operating revenues:			
Restricted intergovernmental revenues	438	438	-
Investment earnings	12,898	68,490	55,592
Total non-operating revenues	<u>13,336</u>	<u>68,928</u>	<u>55,592</u>
Total revenues	<u>2,836,430</u>	<u>3,005,647</u>	<u>169,217</u>
<b>Expenditures:</b>			
Operating expenses	2,947,976	2,450,685	497,291
Capital outlay	96,941	95,950	991
Total expenditures	<u>3,044,917</u>	<u>2,546,635</u>	<u>498,282</u>
Revenues over (under) expenditures	(208,487)	459,012	(329,065)
<b>Other Financing Sources (Uses):</b>			
Fund balance appropriated	<u>208,487</u>	<u>-</u>	<u>(208,487)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>459,012</u>	<u>\$ 459,012</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Capital outlays		84,479	
Depreciation		(259,666)	
Change in deferred outflows of resources - pension		158,741	
Change in deferred inflows of resources - pension		16,990	
Change in net pension liability		(190,672)	
Increase in accrued landfill closure and costs		(67,817)	
Increase in post-employment benefit		(33,225)	
Increase in accrued compensated absences		<u>(8,308)</u>	
Total reconciling items		<u>(299,478)</u>	
Change in net position		<u>\$ 159,534</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOUTHEAST WATER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 916,165	\$ 891,412	\$ (24,753)
Non-operating revenues:			
Restricted intergovernmental	148,692	117,099	(31,593)
Total revenues	<u>1,064,857</u>	<u>1,008,511</u>	<u>(56,346)</u>
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	624,986	438,122	186,864
Water purchases	230,615	223,846	6,769
Total operating expenditures	<u>855,601</u>	<u>661,968</u>	<u>193,633</u>
Debt service:			
Interest	115,180	115,179	1
Principal	94,076	94,075	1
Total debt service	<u>209,256</u>	<u>209,254</u>	<u>2</u>
Total expenditures	<u>1,064,857</u>	<u>871,222</u>	<u>193,635</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>137,289</u>	<u>\$ 137,289</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Principal paid on long-term debt		94,075	
Depreciation and amortization		(275,482)	
Change in deferred outflows of resources - pension		20,388	
Change in deferred inflows of resources - pension		2,182	
Change in net pension liability		(24,490)	
Change in accrued interest		1,593	
Increase in other post-employment benefit		(4,311)	
Increase in accrued compensated absences		(714)	
Total reconciling items		<u>(186,759)</u>	
Change in net position		<u>\$ (49,470)</u>	

## WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 1,081,949	\$ 1,120,542	\$ 38,593
Non-operating revenues:			
Restricted intergovernmental	70,684	70,164	(520)
Other	-	3,250	3,250
Total non-operating revenues	<u>70,684</u>	<u>73,414</u>	<u>2,730</u>
Total revenues	<u>1,152,633</u>	<u>1,193,956</u>	<u>41,323</u>
<b>Expenditures:</b>			
Operating expenditures:			
Operating expenses	547,337	401,856	145,481
Water purchases	<u>239,279</u>	<u>261,477</u>	<u>(22,198)</u>
Total operating expenditures	<u>786,616</u>	<u>663,333</u>	<u>123,283</u>
Debt service:			
Interest	207,180	207,178	2
Principal	<u>158,837</u>	<u>158,836</u>	<u>1</u>
Total debt service	<u>366,017</u>	<u>366,014</u>	<u>3</u>
Total expenditures	<u>1,152,633</u>	<u>1,029,347</u>	<u>123,286</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>164,609</u>	<u>\$ 164,609</u>

**Reconciliation from Budgetary Basis  
(Modified Accrual) to Full Accrual:**

Reconciling items:	
Revenues from capital project	425,981
Principal paid on long-term debt	158,836
Depreciation and amortization	(350,072)
Change in deferred outflows of resources - pension	20,388
Change in deferred inflows of resources - pension	2,182
Change in net pension liability	(24,490)
Change in accrued interest	513
Increase in other post-employment benefit	(4,311)
Increase in accrued compensated absences	(715)
Total reconciling items	<u>228,312</u>
Change in net position	<u>\$ 392,921</u>

## WILSON COUNTY, NORTH CAROLINA

SOUTHWEST WATER DISTRICT CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 576,571	\$102,550	\$425,981	\$528,531	\$ (48,040)
<b>Expenditures:</b>					
Administration costs	3,414	56,587	3,115	59,702	(56,288)
Engineering	50,237	45,963	39,151	85,114	(34,877)
Construction	522,920	-	383,715	383,715	139,205
Total expenditures	<u>576,571</u>	<u>102,550</u>	<u>425,981</u>	<u>528,531</u>	<u>48,040</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**WILSON COUNTY, NORTH CAROLINA**

**WATER FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Non-operating revenues:			
District revenue	\$ 507,914	\$ 507,913	\$ (1)
<b>Expenditures:</b>			
Debt service:			
Principal retirement	200,000	200,000	-
Interest	307,914	307,913	1
Total debt service	<u>507,914</u>	<u>507,913</u>	<u>1</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# **Internal Service Fund**

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**WILSON COUNTY, NORTH CAROLINA**

**HOSPITAL - SELF INSURANCE  
SCHEDULE OF REVENUES AND EXPENDITURES -  
FINANCIAL PLAN AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Operating revenues:			
Insurance premiums	\$ 6,772,925	\$ 6,760,385	\$ (12,540)
<b>Expenditures:</b>			
Operating expenditures:			
Insurance claims and expenses	<u>6,772,925</u>	<u>6,233,347</u>	<u>539,578</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 527,038</u>	<u>\$ 527,038</u>

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# **Agency Funds**

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## WILSON COUNTY, NORTH CAROLINA

## AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Fines and Forfeitures Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 415,461	\$ 415,461	\$ -
<b>Liabilities:</b>				
Intergovernmental payable	\$ -	\$ 415,461	\$ 415,461	\$ -
<b>Deed of Trust Fee Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,984	\$ 41,170	\$ 44,043	\$ 2,111
<b>Liabilities:</b>				
Intergovernmental payable	\$ 4,984	\$ 41,170	\$ 44,043	\$ 2,111
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 15,160	\$ 87,724	\$ 86,716	\$ 16,168
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 15,160	\$ 87,724	\$ 86,716	\$ 16,168
<b>Jail Inmate Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 32,922	\$ 360,572	\$ 358,822	\$ 34,672
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 32,922	\$ 360,572	\$ 358,822	\$ 34,672
<b>Sheriff Account Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,764	\$ 75,247	\$ 77,943	\$ 1,068
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 3,764	\$ 75,247	\$ 77,943	\$ 1,068

## WILSON COUNTY, NORTH CAROLINA

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>Tax Collections Held for Municipalities:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 89,499	\$ 1,403,158	\$ 1,469,533	\$ 23,124
Accounts receivable	-	172,699	135,525	37,174
Total assets	<u>\$ 89,499</u>	<u>\$ 1,575,857</u>	<u>\$ 1,605,058</u>	<u>\$ 60,298</u>
<b>Liabilities:</b>				
Intergovernmental payable	<u>\$ 89,499</u>	<u>\$ 1,575,857</u>	<u>\$ 1,605,058</u>	<u>\$ 60,298</u>
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 146,329	\$ 2,383,332	\$ 2,452,518	\$ 77,143
Accounts receivable	-	172,699	135,525	37,174
Total assets	<u>\$ 146,329</u>	<u>\$ 2,556,031</u>	<u>\$ 2,588,043</u>	<u>\$ 114,317</u>
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 51,846	\$ 523,543	\$ 523,481	\$ 51,908
Intergovernmental payable	94,483	2,032,488	2,064,562	62,409
Total liabilities	<u>\$ 146,329</u>	<u>\$ 2,556,031</u>	<u>\$ 2,588,043</u>	<u>\$ 114,317</u>

## **ADDITIONAL FINANCIAL DATA**

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This section includes additional information on property taxes.

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Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy – General Fund

Analysis of Current Tax Levy – Fire Districts

Secondary Market Disclosures

Ten Largest Taxpayers

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**WILSON COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2017**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 48,926,575	\$ 48,195,677	\$ 730,898
2015-2016	837,600	-	490,484	347,116
2014-2015	329,536	-	121,255	208,281
2013-2014	255,636	-	67,833	187,803
2012-2013	217,235	-	40,460	176,775
2011-2012	184,940	-	11,596	173,344
2010-2011	110,366	-	8,880	101,486
2009-2010	101,333	-	6,760	94,573
2008-2009	103,889	-	7,352	96,537
2007-2008	93,861	-	4,543	89,318
2006-2007	94,819	-	94,819	-
Total	<u>\$ 2,329,215</u>	<u>\$ 48,926,575</u>	<u>\$ 49,049,659</u>	2,206,131

Less: Allowance for uncollectible accounts:

General Fund (795,412)

Ad valorem taxes receivable, net:

General Fund \$ 1,410,719

**Reconciliation with Revenues:**

Ad valorem taxes - General Fund \$ 49,266,045

Reconciling items:

Interest collected (341,302)

Taxes written off 94,819

Miscellaneous 30,097

Total reconciling items (216,386)

Total collections and credits \$ 49,049,659

## WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2017

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 6,590,301,715	0.73	\$ 48,150,544	\$ 43,083,026	\$ 5,067,518
<b>Discoveries</b>	153,070,279	0.73	1,171,193	1,171,193	-
<b>Abatements:</b>					
At current year's rate	(45,718,400)	0.73	(334,549)	(334,549)	-
At prior year's rate	(7,129,589)	0.73	(60,613)	(60,613)	-
Total abatements	(52,847,989)		(395,162)	(395,162)	-
Total property valuation	<u>\$ 6,690,524,005</u>				
<b>Net Levy</b>			48,926,575	43,859,057	5,067,518
Uncollected taxes at June 30, 2017			(730,898)	(730,898)	-
<b>Current Year's Taxes Collected</b>			<u>\$ 48,195,677</u>	<u>\$ 43,128,159</u>	<u>\$ 5,067,518</u>
<b>Current Levy Collection Percentage</b>			<u>98.51%</u>	<u>98.33%</u>	<u>100.00%</u>

**WILSON COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Original Levy</b>	<b>Uncollected Balance June 30, 2017</b>
Tri County	\$ 33,634	\$ 3,227
Green Hornet	16,682	249
Moyton	56,921	3,049
Polly Watson	7,874	337
Sims	59,982	1,236
East Nash	255,712	18,131
Lee Woodard	203,592	4,235
Toisnot	87,116	1,153
Rock Ridge	189,082	4,676
Silver Lake	116,710	3,438
Sanoca	79,588	6,549
Beulah	70,896	2,048
Cross Roads	111,855	4,434
Bakertown	49,498	2,848
Contentnea	132,821	2,621
West Edgecombe	2,617	71
Total original levy	<u>1,474,580</u>	<u>58,302</u>
Less: Allowance for uncollectible accounts:		
Fire districts		<u>(17,482)</u>
Ad valorem taxes receivable, net:		
Fire districts		<u>\$ 40,820</u>
Less uncollected taxes at June 30, 2017	<u>(58,302)</u>	
<b>Current Year's Taxes Collected</b>	<u>\$ 1,416,278</u>	
<b>Current Levy Collection Percentage</b>		<u>96.05%</u>

**WILSON COUNTY, NORTH CAROLINA**

**SECONDARY MARKET DISCLOSURE  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2017**

**Secondary Market Disclosures:**

**Assessed Valuation:**

Assessment Ratio	<u>100.00%</u>
Real property <sup>1</sup>	\$ 4,612,997,427
Personal property	1,274,078,966
Public service companies <sup>2</sup>	109,267,064
Motor vehicles	<u>694,180,548</u>
Assessed valuation at current year rates	<u>\$ 6,690,524,005</u>
Tax rate per \$100	<u>\$ 0.73</u>
Levy (includes discoveries, releases, and abatements)	\$ 48,840,825
Penalties	<u>85,750</u>
Net levy (includes discoveries, releases, and abatements) - all rates	<u>\$ 48,926,575</u>

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

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

Note 1: The next revaluation of real property will become effective with the 2015-2016 levy and will be reflected in the collections for the fiscal year ending June 30, 2017.

County-wide	\$ 48,926,574
Special fire districts	1,474,580
Solid waste district	<u>1,091,563</u>
Total	<u>\$ 51,492,717</u>



## WILSON COUNTY, NORTH CAROLINA

### TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2017

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 329,854,575	30.91%
BB&T Centralized Solutions Inc.	Financial	158,749,012	14.88%
Merck	Pharmaceutical	119,803,170	11.23%
BD RX INC	Pharmaceutical	92,908,357	8.71%
Sandoz	Pharmaceutical	81,907,955	7.68%
Alliance One	Tobacco	69,277,120	6.49%
Perdue Pharmaceuticals	Pharmaceutical	68,057,116	6.38%
DLP Wilson Medical Center INC	Medical	62,842,655	5.89%
Linamar Forginings Inc	Manufacturing	43,215,059	4.05%
Ardagh Glass Inc	Bottling	40,580,250	3.80%
Total		<u>\$ 1,067,195,269</u>	<u>100.00%</u>

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# STATISTICAL SECTION

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## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 17,651,796	\$ 16,779,850	\$ 16,394,856	\$ 16,914,580	\$ 18,731,866	\$ 19,698,346	\$ 21,398,624	\$ 22,025,930	\$ 23,278,257	\$ 22,976,976
Restricted	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799	13,193,216	14,924,736
Unrestricted	(15,129,108)	(19,608,823)	(14,931,994)	(15,774,211)	(10,211,306)	(7,960,954)	(3,200,604)	(3,548,324)	2,337,825	(964,210)
Total Governmental Activities Net Position	\$ 2,628,404	\$ (2,690,219)	\$ 1,632,868	\$ 8,757,259	\$ 16,586,926	\$ 21,975,339	\$ 28,757,357	\$ 32,101,405	\$ 38,809,298	\$ 36,937,502
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 17,117,626	\$ 17,026,441	\$ 17,013,528	\$ 17,157,058	\$ 17,343,940	\$ 17,618,131	\$ 26,285,558	\$ 26,291,591	\$ 17,254,112	\$ 17,132,261
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	15,487,424	15,978,199	15,513,216	15,008,537	14,628,460	13,920,346	5,079,206	5,435,155	14,758,273	15,402,082
Total Business-Type Activities Net Position	\$ 32,605,050	\$ 33,004,640	\$ 32,526,744	\$ 32,165,595	\$ 31,972,400	\$ 31,538,477	\$ 31,364,764	\$ 31,726,746	\$ 32,012,385	\$ 32,534,943
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 34,769,422	\$ 33,806,291	\$ 33,408,384	\$ 34,071,638	\$ 36,075,806	\$ 37,316,477	\$ 47,684,182	\$ 48,317,521	\$ 40,532,369	\$ 40,109,237
Restricted	105,716	138,754	170,006	7,616,890	8,066,366	10,237,947	10,559,337	13,623,799	13,193,216	14,924,736
Unrestricted	358,316	(3,630,624)	581,222	(765,674)	4,417,154	5,959,392	1,878,602	1,886,831	17,096,098	14,437,872
Total Primary Government Net Position	\$ 35,233,454	\$ 30,314,421	\$ 34,159,612	\$ 40,922,854	\$ 48,559,326	\$ 53,513,816	\$ 60,122,121	\$ 63,828,151	\$ 70,821,683	\$ 69,471,845

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 9,716,338	\$ 9,168,058	\$ 8,957,720	\$ 8,882,777	\$ 7,651,150	\$ 7,248,404	\$ 9,903,936	\$ 9,127,244	\$ 7,779,568	\$ 7,686,736
Public safety	17,310,695	19,485,200	19,306,051	19,196,921	19,815,892	20,830,220	22,263,611	21,366,326	23,383,365	23,523,954
Transportation	44,199	59,660	50,861	50,724	49,967	50,246	47,857	37,357	50,377	872,603
Environmental protection	263,185	294,273	301,191	300,558	284,161	290,665	524,329	479,357	604,412	276,226
Economic and physical development	3,802,793	3,332,631	3,533,157	3,042,014	3,025,416	3,427,689	3,393,417	3,182,859	2,422,830	3,130,028
Human services	34,831,798	35,791,530	34,813,467	34,454,057	33,731,053	35,039,483	34,289,859	33,194,761	35,403,117	37,060,454
Cultural and recreational	2,012,515	2,122,205	2,014,077	2,002,703	1,813,114	1,903,182	1,847,127	1,897,152	2,074,703	2,078,670
Education	30,153,307	28,193,496	18,848,568	18,596,063	18,847,287	18,795,853	20,610,088	21,736,297	22,712,089	24,883,817
Interest on long-term debt	2,168,694	2,170,700	2,067,724	1,439,974	1,539,092	1,430,380	1,216,232	1,026,307	641,444	588,088
Total government activities expenses	100,303,524	100,617,753	89,892,816	87,965,791	86,757,132	89,016,122	94,096,436	92,047,660	95,071,905	100,100,576
Business-Type Activities:										
Landfill	2,552,162	2,379,231	2,549,099	2,408,065	2,535,925	2,632,369	2,603,931	2,454,250	2,701,774	2,846,113
Water	1,655,504	1,711,393	1,849,152	1,813,444	1,870,248	2,279,006	2,434,397	1,970,238	2,169,985	2,284,997
Total business-type activities expenses	4,207,666	4,090,624	4,398,251	4,221,509	4,406,173	4,911,375	5,038,328	4,424,488	4,871,759	5,131,110
Total primary government expenses	\$ 104,511,190	\$ 104,708,377	\$ 94,291,067	\$ 92,187,300	\$ 91,163,305	\$ 93,927,497	\$ 99,134,764	\$ 96,472,148	\$ 99,943,664	\$ 105,231,686
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 785,436	\$ 882,443	\$ 952,104	\$ 775,757	\$ 779,845	\$ 807,579	\$ 502,902	\$ 519,520	\$ 842,806	\$ 587,171
Public safety	3,928,008	4,083,112	3,569,290	4,585,775	4,779,443	5,125,848	5,263,315	3,842,377	3,930,346	4,064,099
Transportation	21,872	49,892	70,637	51,861	213,920	205,362	226,852	170,271	162,321	205,724
Human services	6,251,536	7,995,214	7,472,782	7,252,008	7,564,365	7,207,332	8,674,555	7,890,687	7,943,171	7,353,545
Cultural and recreational	25,744	28,841	32,653	34,332	59,828	57,037	-	-	-	-
Operating grants and contributions	17,415,740	18,101,406	20,207,494	19,282,450	18,398,248	17,364,048	18,277,404	19,660,556	19,711,748	21,197,091
Capital grants and contributions	63,154	1,653,878	1,701,926	3,172,885	1,960,955	1,457,437	2,711,121	2,052,455	1,873,739	442,544
Total government activities program revenues	28,491,490	32,794,786	34,007,086	35,154,868	33,756,604	32,248,596	35,656,149	34,135,866	34,464,131	33,850,174
Business-Type Activities:										
Charges for services:										
Landfill	2,663,594	2,470,560	2,347,945	2,327,996	2,610,208	2,649,072	2,612,503	2,787,838	2,991,581	2,936,719
Water	1,200,633	1,367,028	1,514,292	1,514,426	1,572,563	1,801,028	1,873,413	1,825,054	2,063,158	2,011,954
Operating grants and contributions	803,500	-	-	-	-	-	-	54,400	30,000	613,682
Capital grants and contributions	-	321,336	-	-	-	-	-	-	-	-
Total business-type program revenues	4,667,727	4,158,924	3,862,237	3,842,422	4,182,771	4,450,100	4,485,916	4,667,292	5,084,739	5,562,355
Total primary government program revenues	33,159,217	36,953,710	37,869,323	38,997,290	37,939,375	36,698,696	40,142,065	38,803,158	39,548,870	39,412,529
<b>Net (Expense)/Revenue</b>										
Governmental activities	(71,812,034)	(67,822,967)	(55,885,730)	(52,810,923)	(53,000,528)	(56,767,526)	(58,440,287)	(57,911,794)	(60,607,774)	(66,250,402)
Business-type activities	460,061	66,300	(536,014)	(379,087)	(223,402)	(461,275)	(552,412)	242,804	212,980	431,245
Total primary government net expense	\$ (71,351,973)	\$ (67,754,667)	\$ (56,421,744)	\$ (53,190,010)	\$ (53,223,930)	\$ (57,228,801)	\$ (58,992,699)	\$ (57,668,990)	\$ (60,394,794)	\$ (65,819,157)

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property taxes	\$ 42,242,034	\$ 47,418,462	\$ 47,985,145	\$ 48,432,721	\$ 48,652,157	\$ 49,589,056	\$ 52,414,386	\$ 51,596,469	\$ 52,136,281	\$ 50,586,358
Local option sales tax	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117	13,607,344	14,119,119
Other taxes and licenses	1,284,311	1,279,712	644,480	687,322	499,644	530,176	699,995	625,189	628,459	753,925
Grants and contributions not restricted to specific programs	230,929	150,000	225,000	225,000	250,345	243,750	243,750	365,625	121,875	262,500
Investment earnings, unrestricted	1,472,840	526,767	84,638	73,441	68,897	89,810	47,280	39,376	106,848	207,783
Miscellaneous, unrestricted	69,334	(353,399)	284,644	259,932	156,371	108,558	239,841	128,209	214,860	142,429
Special item - economic development incentive	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	20,600	-	-	-	-	-	-
Total governmental activities	61,619,677	62,504,344	60,188,817	59,935,314	60,830,215	62,286,960	65,222,305	65,098,985	66,815,667	66,072,114
Business-Type Activities:										
Investment earnings, unrestricted	710,498	331,290	58,118	38,538	30,207	27,352	345,483	14,758	38,119	68,490
Miscellaneous, unrestricted	-	-	-	-	-	-	33,216	208,588	34,540	22,223
Transfers	-	-	-	(20,600)	-	-	-	-	-	-
Total business-type activities	710,498	331,290	58,118	17,938	30,207	27,352	378,699	223,346	72,659	90,713
Total primary government	\$ 62,330,175.0	\$ 62,835,634.0	\$ 60,246,935.0	\$ 59,953,252.0	\$ 60,860,422.0	\$ 62,314,312.0	\$ 65,601,004.0	\$ 65,322,331.0	\$ 66,888,326.0	\$ 66,162,827.0
<b>Change in Net Position</b>										
Governmental activities	\$ (10,192,357)	\$ (5,318,623)	\$ 4,323,087	\$ 7,124,391	\$ 7,829,687	\$ 5,492,082	\$ 6,782,018	\$ 7,187,191	\$ 6,207,893	\$ (178,288)
Business-type activities	1,170,559	399,590	(477,896)	(361,149)	(193,195)	(433,923)	(173,713)	466,150	285,639	521,958
Total primary government	\$ (9,021,798)	\$ (4,919,033)	\$ 3,845,191	\$ 6,763,242	\$ 7,636,492	\$ 5,058,159	\$ 6,608,305	\$ 7,653,341	\$ 6,493,532	\$ 343,670

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 7,421,733	\$ 6,729,102	\$ 7,194,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	17,357,420	16,563,965	19,247,970	-	-	-	-	-	-	-
Restricted	-	-	-	6,022,889	7,183,183	9,395,506	8,961,836	12,013,772	11,773,860	11,440,327
Committed	-	-	-	2,729,890	3,262,228	1,025,855	644,054	254,787	110,648	168,450
Assigned	-	-	-	5,638,789	7,540,784	11,627,353	9,306,913	9,001,980	10,796,104	7,495,096
Unassigned	-	-	-	17,897,429	19,012,749	18,117,920	22,840,764	22,879,746	22,514,135	24,422,156
Total general fund	\$ 24,779,153	\$ 23,293,067	\$ 26,442,580	\$ 32,286,997	\$ 36,998,944	\$ 40,166,634	\$ 41,753,567	\$ 44,150,285	\$ 45,194,747	\$ 43,526,029
All Other Governmental Funds										
Reserved	\$ 105,739	\$ 169,578	\$ 231,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	8,677,836	2,049,401	1,571,911	-	-	-	-	-	-	-
Special revenue funds	587,180	849,967	1,180,163	-	-	-	-	-	-	-
Restricted	-	-	-	1,594,001	945,895	842,441	1,597,501	1,610,027	1,419,356	8,234,552
Assigned	-	-	-	426,262	435,618	340,196	975,023	328,323	468,429	528,829
Non-spendable	-	-	-	-	-	-	-	-	500,000	-
Unassigned	-	-	-	75,359	-	-	(6,506)	(6,955)	(20,000)	(20,000)
Total all other governmental funds	\$ 9,370,755	\$ 3,068,946	\$ 2,984,029	\$ 2,095,622	\$ 1,381,513	\$ 1,182,637	\$ 2,566,018	\$ 1,931,395	\$ 2,367,785	\$ 8,743,381

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



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues:</b>										
Ad valorem taxes	\$ 42,217,538	\$ 47,155,793	\$ 47,998,574	\$ 48,337,108	\$ 48,486,720	\$ 49,482,035	\$ 52,992,608	\$ 51,937,667	\$ 51,887,117	\$ 50,745,671
Local option sales tax	16,320,229	13,482,802	10,964,910	10,236,298	11,202,801	11,725,610	11,577,053	12,344,117	13,607,344	14,119,119
Other taxes and licenses	1,284,311	1,279,712	1,206,796	687,322	499,644	530,176	699,995	625,189	628,459	753,925
Unrestricted intergovernmental revenues	208,151	150,000	268,665	225,000	250,345	243,750	254,149	386,087	130,421	271,450
Restricted intergovernmental revenues	19,660,135	19,997,001	21,575,164	22,886,533	20,475,539	19,489,754	22,191,573	21,480,140	21,612,997	21,371,636
Permits and fees	544,339	428,857	421,293	384,117	400,205	447,437	1,293,039	1,247,286	865,616	1,434,931
Sales and services	8,306,220	12,368,929	11,424,648	11,884,218	12,608,346	12,311,405	12,171,537	11,903,335	12,035,838	11,060,811
Investment earnings	1,472,840	526,767	84,638	73,441	68,897	62,458	47,280	39,376	106,848	207,783
Miscellaneous	72,906	217,505	294,269	213,499	344,420	427,439	282,065	83,741	178,696	153,630
Total revenues	90,086,669	95,607,366	94,238,957	94,927,536	94,336,917	94,720,064	101,509,299	100,046,938	101,053,336	100,118,956
<b>Expenditures:</b>										
General government	8,291,245	8,797,504	8,472,516	8,290,694	7,399,100	7,221,725	8,539,044	8,892,958	9,277,143	7,882,644
Public safety	16,598,002	18,484,597	18,052,745	15,929,725	19,216,818	19,974,519	22,206,531	20,773,507	22,451,613	22,136,490
Transportation	43,921	56,403	47,857	47,857	47,857	47,857	47,857	47,857	47,857	870,083
Environmental protection	244,530	264,780	278,506	281,693	269,781	279,338	281,859	274,118	265,817	262,994
Economic and physical development	3,445,811	3,165,096	2,764,400	5,066,317	5,613,412	3,448,155	3,354,289	3,203,158	2,547,218	3,068,412
Human services	34,468,410	34,590,796	33,432,009	33,127,310	32,955,787	33,651,603	34,365,815	33,942,679	36,018,778	35,616,669
Cultural and recreational	1,809,886	1,866,074	1,769,221	1,745,106	1,649,070	1,759,841	1,673,799	1,746,637	1,903,244	1,938,128
Intergovernmental:										
Education	19,399,207	20,866,815	18,689,717	18,596,063	18,417,173	18,795,853	20,610,068	21,736,297	22,712,089	24,883,817
Capital projects	11,575,737	8,108,572	853,109	421,594	991,388	472,641	1,168,920	1,313,220	4,188	-
Debt service:										
Principal retirement	4,802,271	4,582,563	4,900,826	4,918,749	5,004,797	4,996,939	5,702,386	5,349,232	5,181,555	4,365,854
Interest and fees	1,615,172	2,665,170	2,165,489	1,568,512	1,439,934	1,484,592	1,250,373	1,061,244	773,812	546,109
Bond issuance cost				144,909						
Total expenditures	102,294,192	103,448,370	91,426,395	90,138,529	93,005,117	92,133,063	99,200,941	98,340,907	101,183,314	101,571,200
Excess of revenues over (under) expenditures	(12,207,523)	(7,841,004)	2,812,562	4,789,007	1,331,800	2,587,001	2,308,358	1,706,031	(129,978)	(1,452,244)
<b>Other financing sources (uses):</b>										
Debt proceeds	18,563,512	-	-	-	-	-	-	-	-	5,920,581
Refunding bonds issued	-	-	-	10,200,000	-	-	-	-	14,495,000	-
Premium on refunding bonds	-	-	-	386,487	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	(10,438,084)	-	-	-	-	(14,386,684)	-
Transfers in to other funds	-	-	-	1,927,903	133,888	240,207	1,527,000	977,293	-	-
Transfer out to other funds	(803,500)	-	-	(1,907,303)	(133,888)	(240,207)	(1,527,000)	(977,293)	(170,000)	(1,794,100)
Installment purchase obligations issued	-	-	-	-	5,235,125	300,000	603,134	-	170,000	1,794,100
Capital lease obligation issued	-	-	252,034	-	46,475	36,813	58,822	-	955,570	190,587
Refunding issued	-	-	-	-	(2,617,562)	-	-	-	46,944	47,954
Sales of capital assets	-	53,109	-	-	-	-	-	56,064	-	-
Total other financing sources (uses)	17,760,012	53,109	252,034	169,003	2,664,038	336,813	661,956	56,064	1,110,830	6,159,122
Net change in fund balances	\$ 5,552,489	\$ (7,787,895)	\$ 3,064,596	\$ 4,958,010	\$ 3,995,838	\$ 2,923,814	\$ 2,970,314	\$ 1,762,095	\$ 980,852	\$ 4,706,878
Debt service as a percentage of noncapital expenditures	7.61%	8.23%	8.46%	7.98%	7.28%	7.20%	7.63%	6.64%	6.09%	5.00%

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

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

Fiscal Year Ended 30-Jun	Real Property					Total	Total Direct Tax Rate
	Residential Property	Public Service	Personal Property	Motor Vehicles			
2008	3,735,135,051	65,415,105	1,007,905,553	609,610,462		5,418,066,171	0.7300
2009	4,502,749,848	81,287,907	1,043,167,315	592,139,523		6,219,344,593	0.7300
2010	4,633,928,475	79,703,635	1,076,134,029	583,287,626		6,373,053,765	0.7300
2011	4,694,480,580	78,226,687	1,132,425,735	480,408,940		6,385,541,942	0.7300
2012	4,715,489,339	83,300,049	1,141,746,126	546,149,593		6,486,685,107	0.7300
2013	4,745,155,195	85,302,868	1,521,437,440	212,760,541		6,564,656,044	0.7300
2014	4,942,838,796	83,889,129	1,207,165,362	665,844,441		6,899,737,728	0.7300
2015	4,910,234,502	82,135,749	1,223,753,613	624,457,251		6,840,581,115	0.7300
2016	4,902,889,291	96,434,987	1,248,597,390	671,073,243		6,918,994,911	0.7300
2017	4,612,997,427	109,267,064	1,274,078,966	694,180,548		6,690,524,005	0.7300

Source: Wilson County Tax Administrator/Collector

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

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

Fiscal Year Ended June 30	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Wilson County</b>	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.73000	0.73000	0.76000
<b>Municipality Rates:</b>										
Black Creek	0.5500	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000	0.59360	0.59750	0.59750
Elm City	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.56000	0.51500	0.63000
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.61000	0.61000	0.61000
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.45000	0.45000	0.45000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.58000	0.58000	0.58000
Sharpsburg	0.5500	0.6500	0.6500	0.6500	0.6500	0.5000	0.5000	0.50000	0.50000	0.45000
Sims	0.4700	0.4700	0.5000	0.5000	0.5000	0.5000	0.5000	0.50000	0.50000	0.50000
Stantonsburg	0.5000	0.5000	0.4600	0.4600	0.4600	0.4300	0.4300	0.43000	0.43000	0.43000
Wilson	0.5550	0.5550	0.5150	0.5150	0.5150	0.5150	0.5150	0.51500	0.51500	0.51500
Wilson-Municipal	0.7300	0.7350	0.6850	0.6850	0.6850	0.6850	0.6850	0.68500	0.68500	0.68500
<b>Fire Districts:</b>										
Bakertown	0.0600	0.0600	0.0850	0.0850	0.0850	0.0850	0.0850	0.08500	0.08500	0.08500
Beulah	0.0800	0.0800	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250
Black Creek	0.1050	0.1050	0.0500	0.0500	0.0500	0.0500	0.0500	0.04360	0.04750	0.04750
Contentnea	0.0625	0.0625	0.0950	0.0950	0.0950	0.0600	0.0600	0.06000	0.06000	0.06000
Cross Roads	0.0650	0.0650	0.0975	0.0975	0.0975	0.0975	0.0975	0.09750	0.09000	0.09750
East Nash	0.1025	0.1025	0.1350	0.1350	0.1350	0.1350	0.1350	0.13500	0.13500	0.13500
Green Hornet	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250
Lee Woodard	0.1120	0.1120	0.0825	0.0825	0.0825	0.0725	0.0725	0.07250	0.07250	0.07250
Moyton	0.1070	0.1070	0.1300	0.1300	0.1300	0.1300	0.1300	0.13000	0.13000	0.13000
Polly Watson	0.0750	0.0750	0.1075	0.1075	0.1075	0.0875	0.0875	0.08750	0.08750	0.08750
Rock Ridge	0.0675	0.0675	0.1000	0.1000	0.1000	0.1000	0.1000	0.10000	0.10000	0.10000
Sanoca	0.0925	0.0925	0.1250	0.1250	0.1250	0.1250	0.1250	0.12500	0.12500	0.12500
Silver Lake	0.0945	0.0945	0.1225	0.1225	0.1225	0.1225	0.1225	0.12250	0.12250	0.12250
Sims	0.0400	0.0400	0.0725	0.0725	0.0725	0.0725	0.0725	0.07250	0.07250	0.07250
Toisnot	0.0150	0.0150	0.0475	0.0475	0.0475	0.0475	0.0475	0.04750	0.04750	0.04750
Tri County	0.1000	0.1000	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250	0.11250
West Edgecombe	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250	0.08250

Source: Wilson County Tax Administrator/Collector

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

**Table 7**  
**Wilson County, North Carolina**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

Taxpayer	Type of Business	2017			2007		
		2016 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2006 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone	Tire manufacturing	\$ 329,854,575	1	4.77 %	\$ 270,334,504	1	5.20 %
BB&T Centralized Solutions Inc.	Financial	158,749,012	2	2.29	77,995,606	3	1.50
Merck Sharp & Dohme	Pharmaceutical	119,803,170	3	1.73	n/a	n/a	n/a
BD RX Inc.	Pharmaceutical	92,908,357	4	1.34	141,212,119	2	2.71
Sandoz	Pharmaceutical	81,907,955	5	1.18	40,088,068	7	0.77
Alliance One	Tobacco	69,277,120	6	1.00	68,550,885	4	1.42
Perdue Pharmaceuticals	Pharmaceutical	68,057,116	7	0.98	66,084,828	5	1.27
DLP Wilson Medical Center	Medical	62,842,655	8	0.91	37,949,159	8	0.73
Linamar Forginings	Manufacturing	43,215,059	9	0.62	33,671,678	6	0.65
Ardagh Glass Inc,	Bottling	40,580,250	10	0.59	22,041,440	n/a	0.00
<b>Total</b>		<b>\$ 1,067,195,269</b>		<b>15.42%</b>	<b>\$ 757,928,287</b>		<b>14.57%</b>

Source: Wilson County Tax Administrator/Collector

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	Fiscal Year	Amount	Amount	Percentage of Levy	Years	Amount	Percentage of Levy	
2008	41,117,227	39,769,810		96.72%	\$ 635,632	\$ 40,405,443	98.27%	
2009	46,091,324	44,480,655		96.51%	623,049	45,103,703	97.86%	
2010	46,645,101	45,190,484		96.88%	721,049	45,911,533	98.43%	
2011	47,031,339	45,454,664		96.65%	432,628	45,887,292	97.57%	
2012	47,428,433	45,754,592		96.47%	1,104,879	46,859,471	98.80%	
2013	47,968,099	46,285,917		96.49%	1,402,784	47,688,701	99.42%	
2014	50,448,327	49,310,094		97.74%	1,534,993	50,845,087	100.79%	
2015	50,003,458	49,136,708		98.27%	1,064,098	50,200,806	100.39%	
2016	50,587,842	49,750,242		98.34%	844,040	50,594,282	100.01%	
2017	48,926,575	48,195,677		98.51%	893,982	49,089,659	100.33%	

Source: Wilson County Tax Administrator/Collector

**TABLE 9**  
**Wilson County, North Carolina**  
**General Government Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Alcoholic Beverage Tax	Rental Vehicle Tax	Franchise Tax	Real Estate Transfer Tax	Privilege and Civil Licenses	Total
2008	42,217,538	16,320,229	112,059	36,867	102,488	528,349	8,014	59,325,544
2009	47,155,793	13,482,802	115,115	33,054	92,214	294,445	9,952	61,183,375
2010	47,998,574	10,964,910	37,330	35,866	87,829	357,046	8,394	59,489,949
2011	48,337,108	10,236,298	107,507	40,040	82,552	287,295	8,945	59,099,745
2012	46,853,188	10,925,633	120,501	37,447	99,253	234,873	7,570	58,278,465
2013	47,688,700	11,431,555	113,971	31,803	93,218	282,332	8,852	59,650,431
2014	50,841,094	11,280,037	123,483	49,331	89,737	429,290	8,154	62,821,126
2015	55,401,949	12,527,937	133,060	50,384	81,349	359,813	583	68,555,075
2016	55,493,118	13,808,947	122,716	103,215	71,851	380,549	-	69,980,396
2017	54,159,362	14,333,203	127,724	55,687	72,031	494,531	13,163	69,255,701

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Installment Obligations	Capitalized Leases	Installment Obligations	Water Bonds				
2008	19,235,000	34,616,861	1,415,026		9,745,000		65,011,887	2.56%	836.79
2009	17,570,000	31,770,501	1,185,320	\$ 1,058,231	9,617,500		61,201,552	2.39%	781.10
2010	15,910,000	28,611,276	1,239,344	1,005,320	9,485,000		56,250,940	2.09%	712.79
2011	14,760,000	25,497,516	1,030,353	952,409	9,347,000		51,587,278	1.94%	644.80
2012	12,975,000	27,599,246	864,438	899,494	9,204,000		51,542,178	1.78%	631.31
2013	10,095,000	25,782,306	767,856	846,582	8,850,000		46,341,744	1.72%	569.45
2014	7,270,000	23,508,054	751,905	793,674	8,660,000		40,983,633	1.42%	499.68
2015	4,855,000	20,573,822	593,323	743,761	8,470,000		35,235,906	1.20%	432.89
2016	2,450,000	18,492,267	1,229,594	687,850	8,638,160		31,497,871	1.05%	386.90
2017	400,000	22,096,994	1,049,288	634,939	8,424,369		32,605,590	1.06%	399.02

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

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

<sup>1</sup> See Table 12 for personal income and population data.

**Table 11**  
**Wilson County, North Carolina**  
**Ratio of General Bonded Debt Outstanding and Legal Debt Margin**  
**Last Ten Fiscal Years**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General bonded debt outstanding										
General obligation bonds	\$ 19,235,000	\$ 17,570,000	\$ 15,910,000	\$ 14,760,000	\$ 12,975,000	\$ 10,095,000	\$ 7,270,000	\$ 4,855,000	\$ 2,450,000	\$ 400,000
Assessed Value	5,418,086,171	6,219,344,293	6,373,053,765	6,385,541,942	6,486,685,107	6,564,656,044	6,899,737,728	6,840,581,115	6,918,995,093	6,690,524,005
Percentage of estimated actual property value	0.36%	0.28%	0.25%	0.23%	0.20%	0.15%	0.11%	0.07%	0.04%	0.01%
Per capita	247.58	224.24	201.60	184.49	158.92	124.05	88.64	59.65	30.09	4.90
Legal debt limit - eight percent (8%) of assessed valuation	433,445,294	497,547,543	509,844,301	510,843,355	518,934,809	525,172,484	551,979,018	547,246,489	553,519,607	535,241,920
Total Net Debt Applicable to Debt Limit	65,011,887	61,201,552	56,250,940	51,587,278	51,542,181	45,495,162	40,983,633	35,754,383	31,497,871	32,605,590
Legal debt margin	\$ 368,433,407	\$ 436,345,991	\$ 453,593,361	\$ 459,256,077	\$ 467,392,628	\$ 479,677,322	\$ 510,995,385	\$ 511,492,106	\$ 522,021,736	\$ 502,636,330
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	15.00%	12.30%	11.03%	10.10%	9.93%	8.66%	7.42%	6.53%	5.69%	6.09%

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



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

Fiscal Year	(1) Population	(1) Personal Income (in thousands)	(1) Per Capita Personal Income	(3) Median Age	(2) School Enrollment	(2) Graduation Rate Percentage	(8) Unemployment Rate Percentage
2008	77,692	2,539,242	32,683	23.96	12,424	54.8%	7.9%
2009	78,353	2,556,486	32,628	35.10	12,395	58.2%	12.9%
2010	78,917	2,688,926	33,044	39.00 (6)	12,469	64.9%	12.7%
2011	80,005 (7)	2,653,765	33,170	39.00 (6)	12,194	69.1%	13.5%
2012	81,643 (7)	2,903,306	35,561	39.00 (6)	12,043	77.3%	13.6%
2013	81,380 (7)	2,699,375	33,170	38.30 (1)	12,307	79.70%	13.5%
2014	82,020 (7)	2,881,509	35,197	39.00 (6)	13,099 (6)	77.80%	9.9%
2015	81,397 (7)	2,937,718	35,972	39.00 (6)	13,469	81.50%	10.5%
2016	81,410 (7)	2,993,982	36,044	39.00	12,084	81.50%	9.3%
2017	81,714 (7)	3,073,841	37,617	40.00	13,330	79.80%	7.3%

**Sources:**

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Wilson County Board of Education
- (3) State Library of North Carolina - Woods and Poole Annual County Profile
- (4) ERS/USDA Data - NC Unemployment and Median Household Income
- (5) Employment Security Commission of North Carolina, seasonally adjusted rates as of June 30  
<http://accessnc.commerce.state.nc.us/EDIS/demographics.html>
- (7) NC Dept. of Revenue Sales Tax Distribution
- (8) [https://ycharts.com/indicators/wilson\\_nc\\_unemployment\\_rate](https://ycharts.com/indicators/wilson_nc_unemployment_rate)

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

Employer	2017			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BB&T	2,318	1	6.81 %	2,200	1	5.78 %
Bridgestone Americas Tire Operations, LLC	2,100	2	6.17	2,000	2	5.25
Wilson County Schools	1,600	3	4.70	1,500	3	3.94
Wilson Medical Center	818	4	2.40	1,250	4	3.28
Alliance One International	620	6	1.82	890	5	2.34
UTC Aerospace Systems	735	5	2.16	670	6	1.76
Smithfield Packing Company	600	7	2.06	655	7	1.72
County of Wilson	700	8	1.76	650	8	1.71
City of Wilson	715	9	2.10	525	9	1.38
Sandoz	462	10	1.36	500	10	1.31
Total	10,668		31.36 %	10,840		28.46 %
Balance of employment	23,350		68.64 %	27,246		71.54 %
Total employment	34,018		100.00 %	38,086		100.00 %

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

**Table 14**  
**Wilson County, North Carolina**  
**Full-Time County Government Employees by Function/Program**  
**Full-Time-Equivalent County Government Employees by Function/Program FY2017**  
**Last Ten Fiscal Years**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
County Manager	3	3	4	4	4	4	3	4	3	3
Tax administration	16	16	15	17	17	16	17	17	17	17
Board of Elections	3	3	2	3	3	3	3	3	3	3
Register of Deeds	6	6	5	6	6	6	6	6	6	6
Human resources	2	2	2	2	2	2	3	3	3	3
IT Department	5	5	5	5	5	5	4	5	5	6
Finance	7	7	7	6	6	6	6	6	7	7
Public buildings	5	6	7	6	6	10	14	14	12	13
Cultural and recreational										
Library	20	20	19	19	19	27	27	26	26	22
Public safety										
Sheriff	71	81	76	83	83	92	93	99	89	92
Detention center	59	33	35	43	43	45	45	47	44	50
Animal control	7	8	8	8	8	9	9	9	9	9
Emergency communications	30	31	32	31	31	31	34	38	38	36
Emergency management	2	2	2	2	2	2	2	2	2	2
Emergency medical services	40	45	48	49	49	69	72	69	72	65
Transportation										
Transportation	1	1	1	1	1	1	1	1	2	2
Economic and physical development										
Cooperative extension	10	10	9	9	9	11	11	11	11	3
Environmental protection										
Planning	8	9	9	9	9	9	9	9	6	9
Soil and water conservation	4	4	4	4	4	3	3	3	3	3
Human services										
Health	133	135	129	136	136	136	131	140	110	122
Senior Center	1	1	1	1	1	2	2	2	2	2
Social services	202	204	215	214	214	218	213	237	228	254
Veterans affairs	1	1	1	1	1	1	1	1	1	1
Utilities										
Water	4	4	4	4	4	5	5	5	5	5
Solid waste	8	6	8	10	10	38	38	38	38	13
Total	648	643	648	673	673	751	752	795	742	748

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	86	89	91	99	98	98	97	99	98	98
Canine units	0	0	0	0	4	4	4	4	4	4
EMS										
Stations	1	1	1	1	1	1	1	2	2	2
Ambulances/QRVs	13	13	13	17	17	17	18	18	18	18
Defibrillators	12	12	12	12	12	12	12	12	12	12
Cultural and Recreation										
Libraries	6	6	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	218	218	218	218	218	218	218	218	218	218
Pump stations	3	3	3	3	3	3	3	3	3	3

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Building permits issued	190	123	141	98	87	182	175	155	124	222
Building inspections conducted	3,629	2,134	2,342	2,850	177	2,969	2,758	1,746	2,473	2,821
Sheriff										
Arrests	2,832	3,012	3,194	2,806	2,723	2,274	2,226	2,377	2,201	2,253
Citations	1,046	1,453	1,916	1,088	1,455	958	650	1,483	750	804
Fire										
Inspections	90	54	83	82	76	81	53	181	40	46
EMS										
Calls	11,709	11,900	12,300	13,014	12,924	13,730	13,719	13,523	14,495	15,907
Solid Waste										
MSW (tons)	6,936	6,855	6,026	6,311	6,447	6,334	6,287	6,282	5,720	6,758
C&D (tons)	26,888	12,419	14,917	14,009	15,154	13,477	11,674	14,231	36,240	18,755
Recycle (tons)	943	748	772	1,085	1,112	1,111	1,387	2,215	3,003	3,005
Tires (tons)	3,422	3,155	2,250	1,912	2,285	1,347	1,285	1,466	1,511	1,814
Oil (gallons)	3,066	2,584	2,756	3,095	2,376	2,246	1,627	4,123	5,415	4,507
Batteries (count)*	354	262	146	83	84	123	*4,320	n/a	2,956	5,256
Jail										
Inmates admitted (average)	6,488	6,590	5,129	5,200	5,353	6,039	6,695	5,783	5,870	5,534
Inmates (daily average)	245	193	191	173	176	198	220	190	189	182
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5,232	5,357	5,538	5,606	5,757	5,841	5,730	8,466	8,590	8,794
Family and children's Medicaid (active cases)	6,703	7,232	7,625	7,655	8,042	8,220	8,403	**20,010	10,924	11,035
Food stamps (active cases)	4,896	5,832	7,041	8,125	8,255	8,338	8,959	9,090	9,024	8,379
Children in foster care	80	76	69	63	60	58	60	73	68	43
Children in DSS custody	80	76	69	63	60	58	60	73	68	43
Day care (children served)	1,129	1,125	1,075	800	852	703	771	730	731	730
Child support (collections)	\$9,298,672	\$9,313,957	\$9,232,088	\$8,893,924	\$8,946,811	\$8,690,277	\$8,403,110	\$8,458,736	\$8,457,195	\$8,399,644
Work First (active cases)	2,930	2,881	2,920	2,925	2,35	249	233	249	275	229
Reception services (clients seen)	55,633	55,411	57,570	59,917	60,292	58,310	50,612	48,915	60,583	41,059
Health Department										
TB (clients seen)	1,791	1,805	1,508	2,210	2,325	2,589	2,735	2,805	2,896	3,364
Communicable disease/STD (client visits)	8,570	8,527	9,589	2,669	3,425	3,456	3,567	3,787	1,942	1,666
Pharmacy (prescriptions filled)	4,889	5,068	6,911	6,095	5,722	5,923	6,025	6,155	41,988	5,170
BCCCP (clients visits)	60	77	76	54	49	76	77	80	76	85
HIV/AIDS (tests)	3,602	3,893	3,797	4,418	3,725	3,872	3,942	4,102	3,209	2,842
Immunizations (administered)	5,799	7,745	10,257	10,133	10,125	11,280	11,569	12,589	4,827	3,794
Lab (tests)	29,303	33,929	32,672	27,304	28,294	29,854	40,953	41,872	37,950	30,694
Environmental health (onsite inspections)	192				472	515	1,268	1,299	1,228	1,544
Environmental health (restaurant inspections)	338	270	409		547	902	1,720	1,864	1,659	968
WIC (caseloads)	36,286	38,278	34,576		3,255	37,251	2,853	2,963	2,948	2,639
Cultural and Recreational										
Libraries - circulation of youth services	90,241	94,925	115,032	122,218	128,538	118,558	129,149	127,899	111,452	92,537
Libraries - circulation of adult services	129,984	143,936	162,240	154,082	150,340	133,204	170,703	158,998	156,372	153,464
Education										
ADM	12,424	12,642	12,461	12,177	12,043	12,307	13,099	13,469	12,084	12,211

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

\* Batteries were calculated in weight rather than count for FY2014

\*\*Transition to NC Fast from EIS is per person rather than household

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# COMPLIANCE SECTION

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina (the "County") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2017. Our report includes a reference to other auditors who audited the financial statements of the Wilson County ABC Board, as described in our report on Wilson County's financial statements. 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 of the financial statements, we considered Wilson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilson County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2017

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

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

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

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

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

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

We have audited the compliance of Wilson County, North Carolina with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Wilson County's major federal programs for the year ended June 30, 2017. Wilson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Those standards, the OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2017-001 that we consider to be a material weakness.

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Hickory, North Carolina

November 30, 2017

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

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

## **Report On Compliance For Each Major State Program; And Internal Control Over Compliance; In Accordance With the OMB Uniform Guidance; And The State Single Audit Implementation Act**

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

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

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

We have audited the compliance of Wilson County, 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 could have a direct and material effect on each of Wilson County's major State programs for the year ended June 30, 2017. Wilson County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

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

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

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

Our responsibility is to express an opinion on compliance for each of Wilson County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Wilson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, Wilson County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2017-001 and 2017-002 that we consider to be material weaknesses.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.



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

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 30, 2017

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified?
- Significant deficiency (s) identified?

No

None reported

Non-compliance material to financial statements noted?

No

**Federal Awards**

Internal control over major federal programs:

- Material weakness (es) identified?
- Significant deficiency (s) identified?

Yes

None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**1. Summary of Auditor’s Results (continued)**

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.775, 93.777, 93.778
TANF Cluster	93.558, 93.714
Child Care Development Fund Cluster/ Subsidized Childcare Cluster	93.575, 93.596, 93.658, 93.558

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$3,000,000</u>
---	--------------------

Auditee qualified as low-risk auditee?	No
--	----

**State Awards**

Internal control over major State programs:

- |   |               |
|---|---------------|
| • Material weakness (es) identified?      | Yes           |
| • Significant deficiency (es) identified? | None reported |

Type of auditor’s report issued on compliance for major State programs:	Unmodified
---	------------

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	Yes
---	-----

Identification of major State programs:

**Program Name**

Medicaid Cluster  
State/County Special Assistance for Adults (SC/SA)  
Subsidized Child Care Cluster

# WILSON COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

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

None reported.

### 3. Federal Award Findings and Questioned Costs

#### US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services  
Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778  
Grant Number: XIX-MAP17

#### Finding: 2017-001

#### MATERIAL WEAKNESS

**Criteria:** In accordance with 42 CFR 435 documentation must be obtained as needed to determine if a recipient meets specific eligibility standards, and documentation must be maintained to support those determinations. In accordance with 2 CFR 200 management should have an adequate system of internal control procedures in place to ensure that active cases are eligible for benefits and that closed casefiles are terminated or redetermined timely.

**Condition:** Four applicants had changes in SSI benefits and continued to receive benefits while terminated or on hold. Three applicants had been terminated from SSI and were listed on termination reports. Each case was not redetermined in a timely manner and the applicants continued to receive benefits. One applicant had been terminated from SSI, but was not listed on a termination report; the file did not have documentation of redetermination and the applicant continued to receive benefits. Upon further review, each applicant was eligible to receive Medicaid benefits through eligibility in another program.

**Context:** Of the 6,930 casefiles, we examined 110 and we determined that the above condition applied to four applicants (4%). These applicants had been terminated from SSI but the certification period was not shortened; the County did not have evidence in the casefile, and the applicant continued to receive benefits. Three applicants appeared on termination reports which were not reviewed in a timely manner. Each applicant was eligible to receive Medicaid benefits through eligibility in another program.

**Effect:** Participant could receive benefits they are not eligible for due to change in SSI benefits.

**Cause:** Caseworker did not have proper documentation of the status of SSI benefits in the casefile. Caseworker did not work termination report or NC Fast task notifications in a timely manner.

**Identification of a Repeat Finding:** This is a repeat finding from the immediate previous audit, 2016-003.

**Questioned Costs:** The finding represents an internal control issue; therefore, no questioned costs are applicable. Upon further review, each applicant was eligible to receive benefits.

## WILSON COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2017

#### 3. Federal Award Findings and Questioned Costs (continued):

##### **Finding: 2017-001 (continued)**

**Recommendation:** Case workers should review the status of SSI cases and ensure documentation of SSI terminations or holds are contained in the case file. Termination reports and NC Fast task notifications should be reviewed promptly when received to determine if the case should be redetermined or terminated.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.

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

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

Program Name: Medical Assistance Program (Medicaid; Title XIX)

**Finding: 2017-001** – Management should have an adequate system of internal control procedures in place to ensure that active case files are eligible for benefits and that closed case files are terminated or redetermined timely. See more details at Finding 2017-001 in Section III – Federal Award Findings and Questioned Costs.

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

Program Name: State/County Special Assistance for Adults (SC/SA)

##### **Finding: 2017-002**

#### **MATERIAL WEAKNESS**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to properly review and assess the eligibility of individuals to ensure the accuracy of the benefits being provided is within program requirements. Management must monitor activities under federal awards to assure compliance with federal requirements.

**Condition:** The County Department of Social Services did not have adequate review controls in place to ensure the proper eligibility determinations were being made and documented.

**Context:** The County did not have a review policy formally in place for the entire period under audit.

**Effect:** Case files could be missing the required eligibility determination documentation, which would allow benefits to be provided to individuals who are not eligible.

**Cause:** Weakness in implementation of controls over second party review procedures performed by management.

**WILSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**4. State Award Findings and Questioned Costs (continued):**

**Finding: 2017-002 (continued)**

**Identification of a Repeat Finding:** This is a repeat finding from the immediate previous audit, 2016-010.

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

**Recommendation:** Management should adhere to the County's policy in implementing second party reviews. Evidence of documentation of reviews should be retained and include signatures of all parties involved during the review. Any deficiencies noted during the review should be corrected within a timely manner and documented as such.

**Views of Responsible Officials and Planned Corrective Actions:** See Corrective Action Plan submitted with this report.



**COUNTY OF WILSON**  
**FINANCE DEPARTMENT**  
PO BOX 1728, WILSON, NC 27894-1728  
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**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2017**

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

None reported.

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

**Finding: 2017-001**

**Name of Contact Person:** Glenn Osbourne, Director

**Corrective Action/Management's Response:** The Department believes this finding is attributable to NCFAST. Terminations of SSI are made by the Social Security Administration (SSA). The only way the Department becomes aware of the SSI terminations is through NCFAST. SSA does not notify the Department directly. NCFAST has been generating the SSI termination report since December 2015. The SSI report generated by NCFAST is unreliable, duplicative, extremely hard to read, poorly organized and in short, is a horrible report to decipher. For example, one of the cases upon which this finding is based is a SSI termination which occurred in March 2017 which should have shown up on the NCFAST SSI termination report in April 2017 but did not show up on the SSI termination report until August 2017 (4 months later than the time it should have shown up on the report). This does not allow the Department adequate time to re-determine eligibility timely for Medicaid under other Medicaid programs. In other words, cases should appear on the report timely once the SSI is terminated and the Department has had situations where the case did not appear on the report until the 4<sup>th</sup> month after the SSI ended which can cause late reviews. Other defects with the NCFAST generated SSI termination report include the following. Once cases are worked they should come off of the report and they don't. The names on the report are not dropping off the report when cases are worked. The report continues to proliferate in old names to the point that it is extremely convoluted making it difficult to determine the new clients from the old clients on the report. Some of the reports are more than 20 pages long of case names. The SSI termination report does not accurately list all the clients that should appear on the report. Also, if the SSI recipient is not the case owner, the SSI recipient name appears under whomever is the current case head owner under other programs such as Food & Nutrition or Family and Children's Medicaid, and the worker has to determine which client that SSI has terminated which is like looking for a needle in a haystack.

**CORRECTIVE ACTION PLAN (continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

This is directly attributable to the NCFAST system. The Department will continue to advocate for the state to fix the defects with the report so it will become accurate, current, and timely. It is the Department's understanding that NCFAST is aware of these defects, the problems the report is causing counties, the fact that the report is causing counties to have compliance findings and has indicated it is working on the problems.

The Department wishes to state for the record that it does not believe the workers are or have been behind on working the SSI termination report. The workers have been working the NCFAST generated SSI termination report and contending with all the report's defects since 2015.

The Department's corrective action plan to achieve compliance is to create a new internal Excel SSI terminations spreadsheet. The NCFAST SSI termination report data including all the current names on the SSI termination and alert report will be uploaded and will capture new clients as they appear on the report and help identify all duplications. The Department is utilizing the sorting and organizing features of Excel to help it achieve a more accurate and manageable report. The Department is also working to strengthen the SSI termination process by working to capture the client's name as it appears on the SSI termination/alert report, and NCF SSI cases without owner. Designated IMC workers are reviewing the SSI termination/alert report and the SSI report from NCF SSI cases without owner. The Department's plan is for workers from other programs to email SSI termination tasks to the designated IMC worker. However, workers are not able to forward tasks to the AMED workers at this time due to the fact that tasks will not forward to the workers through the NCFAST system. A NCFAST help desk ticket has been submitted for possible resolution of this issue.

The Department would like to note that the following SSI cases that were tested during the audit remained Medicaid eligible based on income and resources and it was verified that the clients remained eligible; therefore no cost was associated with these cases.

**Proposed Completion Date:** Immediately and ongoing



**CORRECTIVE ACTION PLAN (continued)  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Finding: 2017-002**

**Name of Contact Person:** Glenn Osbourne, Director

**Corrective Action/Management's Response:** The Department has a master quality assurance plan which has been revised to address general Department-wide expectations. The Department has revised its program specific internal controls. These policies are written and include how many will be second partied each month, by whom it be reviewed, when it will be reviewed by during the month (providing workers a deadline), and if deficiencies are noted during a review, the Department will indicate what the next steps to take are, how long the Department will allow the caseworker to correct the deficiencies and to alert reviewer when corrected, how long the Department will allow the reviewer to re-review the deficiencies for approval that it has been corrected. The policy has been written and disbursed to program staff. The Department has reviewed the policy with workers.

**Proposed Completion Date:** Immediately and ongoing

**WILSON COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017**

**2016-001:** Corrected.

**2016-002:** Corrected.

**2016-003:** Modified and repeated in current year as Finding 2017-001.

**2016-004:** Corrected.

**2016-005:** Corrected.

**2016-006:** Corrected.

**2016-007:** Corrected.

**2016-008:** Corrected.

**2016-009:** Corrected.

**2016-010:** Modified and repeated in current year as Finding 2017-002.

**2016-011:** Corrected.

**2016-012:** Corrected.

**2016-013:** Corrected.

**2016-014:** Corrected.

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures
<b>FEDERAL AWARDS:</b>						
<u>U. S. Department of Agriculture</u>						
<u>Food and Nutrition Service</u>						
Passed-Through the N.C. Department of Health and Human Services: Division of Social Services: Administration: <u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u> State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Admin	10.561	175NC406S2514	\$ 1,484,618	\$ -	\$ -	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	175NC406S2514	149,312	-	-	-
Total SNAP Cluster			1,633,930	-	-	-
<u>Passed-Through the N.C. Department of Health and Human Services:</u> <u>Division of Public Health:</u> Special Supplemental Nutrition Program for Women, Infants and Children: Administration						
Administration	10.557	13A25403GH98	532,538	-	-	-
Direct Benefit Payments	10.557	5NC700705	2,013,345	-	-	-
Total Special Supplemental Nutrition Program for Women, Infants, and Children			2,545,883	-	-	-
Total U.S. Department of Agriculture			4,179,813	-	-	-
<u>U.S. Department of Homeland Security:</u> Passed-through Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disaster)						
Disaster Grants - Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4285-DR-NC	76,039	25,346	-	-
Emergency Management Performance Grants	97.042	1500-80163HD-2016	52,959	-	-	-
Total U.S. Department of Homeland Security			128,998	25,346	-	-
<u>U.S. Department of Health and Human Services</u> <u>Administration for Community Living</u> Passed-Through Centralina Council of Governments: <u>Aging Cluster:</u> Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers						
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	FRC13	56,794	3,341	-	-
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	FRC17	256,227	15,072	-	-
Nutrition Services Incentive Program	93.053	FRC17	41,372	-	-	-
Total Aging Cluster			354,393	18,413	-	-
Social Services Block Grant	93.667	G1601NCSOSR	21,973	628	-	-
<u>Administration for Children and Families</u> Passed-Through the N.C. Department of Health and Human Services: <u>TANF Cluster:</u> Division of Social Services: Temporary Assistance for Needy Families (TANF) State Programs: Work First Admin						
Work First Admin	93.558	G1601NCTANF/G1701NCTANF	340,500	-	-	-
Work First Service	93.558	G1601NCTANF/G1701NCTANF	1,734,348	-	-	-
Direct Benefit Payments- TANF Payments & Penalties	93.558	G1601NCTANF/G1701NCTANF	513,828	-	-	-
Temporary Assistance for Needy Families (TANF)	93.558	13A15151T298	89,045	-	-	-
Total TANF Cluster			2,677,721	-	-	-
<u>Child Care Development Fund Cluster:</u> Division of Social Services: Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Admin	93.596	DSS 2017	216,623	-	-	-
Division of Child Development: Child Care and Development Block Grant - Discretionary Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory						
Child Care and Development Block Grant - Discretionary	93.575	536147; 536151	1,882,817	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	536145	703,123	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	536148	203,901	-	-	-
Total Child Care Fund Cluster			3,006,464	-	-	-
Temporary Assistance for Needy Families	93.558	536150	588,522	-	-	-
Foster Care Title IV-E	93.658	536153	57,985	28,974	-	-
State Appropriations		536142	-	154,060	-	-
TANF-MOE		536146; 536142	-	365,397	-	-
Total Subsidized Child Care Cluster (Note 3)			3,652,971	548,431	-	-
<u>Foster Care and Adoption Cluster (Note 3)</u> Foster Care Title IV-E						
Foster Care Title IV-E	93.658	17021NCFOST	535,818	64,840	-	-
Adoption Assistance	93.659	1701NCADPT	47,074	-	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	17021NCFOST	62,131	16,892	-	-
Adoption Assistance - Direct Benefit Payments	93.659	1701NCADPT	360,803	89,985	-	-
Total Foster Care and Adoption Cluster (Note 3)			1,005,826	171,717	-	-
Chafee Foster Care Independence Program						
Chafee Foster Care Independence Program	93.674	420	11,766	2,942	-	-
Social Services Block Grant	93.667	536141	417,153	35,812	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1701NCCWSS	15,869	-	-	-

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures
Low Income Energy Assistance Crisis Intervention Payments	93.568	G16B1NCLIEA/G17B1NC LIEA	352,108	-	-	-
Low Income Home Energy Assistance - Admin	93.568	G16B1NCLIEA/G17B1NC LIEA	58,208	-	-	-
Low Income Home Energy Assistance N.C.Child Support Enforcement Section Child Support Enforcement	93.568	G16B1NCLIEA/G17B1NC LIEA	424,960	-	-	-
Title IV-D Administration	93.563	1704NC4005	1,143,742	-	-	-
IV-D Offset Fees - ESC	93.563	1704NC4005	281	10	-	-
IV-D Offset Fees - Federal	93.563	1704NC4005	3,698	-	-	-
<u>Special Children Adoption Fund Cluster (Note 3)</u>						
Promoting Safe and Stable Families	93.556	G1501NCFPSS/G1601NC FPSS	62,406	-	-	-
Total Special Children Adoption Fund Cluster (Note 3)			62,406	-	-	-
Direct Benefit Payments:						
Chafee Foster Care Independence Program	93.674	1704NC4005	12,009	-	-	-
Total Administration for Children and Families			9,838,718	758,912	-	-
<u>Centers for Medicare and Medicaid Services</u>						
Passed-Through the N.C. Department of Health and Human Services:						
<u>Medicaid Cluster:</u>						
Division of Medical Assistance:						
Medical Assistance Program						
State County Special Assistance	93.778	XIX-MAP17	63,592	-	-	-
Medical Assistance Program - Direct Benefit Payments	93.778	DMA 2017	85,942,054	46,475,603	-	-
Division of Social Services:						
Medical Assistance Program						
Adult Care Home Case Management	93.778	XIX-MAP17	34,384	7,761	-	-
MA Expansion	93.778	XIX-MAP17	163,827	-	-	-
Medical Assistance Program - Administration	93.778	XIX-MAP17	3,099,757	-	-	-
Medical Transportation Admin	93.778	XIX-MAP17	162,839	-	-	-
Medical Transportation Service	93.778	XIX-MAP17	3,678	1,837	-	-
Total Medicaid Cluster			89,470,131	46,485,201	-	-
Children's Health Insurance Program:						
NC Health Choice - Admin	93.767	CHIP17	127,627	99	-	-
NC Health Choice - Direct Benefit Payments	93.767	DMA 2017	1,760,600	17,697	-	-
Total Children's Health Insurance Program			1,888,227	17,796	-	-
Total Centers for Medicare and Medicaid Services			91,358,358	46,502,997	-	-
<u>Centers for Disease Control and Prevention</u>						
Passed-Through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Immunization Cooperative Agreements						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHIEP) Aligned Cooperative Agreements	93.268	1331631DEJ98	10,172	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.074	12642680EX98	30,751	-	-	-
93.116	1460272BNF98	29,578	-	-	-	
Injury Prevention and Control Research and State and Community Based Programs	93.136	1175B837DH98	1,500	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	1331627CVP98	14,406	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752	1320310EJS98	12,261	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	12615503PF98	17,601	-	-	-
<u>HIV Cluster (Note 3):</u>						
Prevention Health Services Sexually Transmitted Diseases Control Grants	93.977	1311462DNB98	650	-	-	-
HIV Prevention Activities Health Department Base	93.940	1311981FHV98	3,000	-	-	-
Total HIV Cluster (Note 3)			3,650	-	-	-
Total Centers for Disease Control and Prevention			119,919	-	-	-
<u>Health Resources and Service Administration</u>						
Passed-Through the N.C. Department of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994	13A15735AP98	119,384	81,273	-	-
<u>Office of Population Affairs</u>						
Passed-Through the N.C. Department of Health and Human Services:						
Office of Population Affairs:						
Family Planning Services	93.217	13A1592BFP98	66,041	-	-	-
Total U.S. Department of Health and Human Services			101,878,786	47,362,223	-	-
<u>U.S. Department of Housing and Urban Development</u>						
<u>Community Planning and Development</u>						
Office of Community Development and Planning:						
Office of Economic Opportunity:						
Emergency Solutions Grants Program	14.231	E15DC3700001	67,687	-	-	-

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures
Passed through NC Department of Environmental Quality - Division of Water Infrastructure						
Community Development Block / States Program and Non- Entitlement Grants in Hawaii Grant-Infrastructure Fund	14.228	13-I-2637	425,981	-	-	-
Total U.S. Department of Housing and Urban Development			493,668	-	-	-
<u>U.S. Department of Justice</u>						
<u>Bureau of Justice Assistance</u>						
Direct Program:						
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0140	3,099	-	-	-
Bulletproof Vest Partnership Program	16.607	K23970143; K24300143	4,500	-	-	-
Total U.S. Department of Justice			7,599	-	-	-
<u>U.S. Department of Transportation</u>						
<u>Federal Transit Administration</u>						
Passed-Through the N.C. Department of Transportation Public Transportation Division:						
Formula Grants for Rural Areas- Admin 16-CT-035	20.509	36233.111.17.1	22,507	1,407	-	-
Formula Grants for Rural Areas- Admin 17-CT-035	20.509	36233.111.18.1	68,094	4,255	-	-
Formula Grants for Rural Areas- Capital 16-CT-035	20.509	36233.111.17.3	86,737	10,842	-	-
Formula Grants for Rural Areas- Capital 17-CT-035	20.509	36233.111.18.3	210,489	26,311	-	-
Formula Grants for Rural Areas- Capital II 17-CT-035	20.509	36233.111.18.4	1,400	175	-	-
Total U.S. Department of Transportation			389,227	42,990	-	-
Total Federal Awards			\$ 107,078,091	\$ 47,430,559	\$ -	\$ -
<b>STATE AWARDS:</b>						
<u>N.C. Department of Administration</u>						
County Veterans Service Program		XXXXX	-	2,130	-	-
Total N.C. Department of Administration			-	2,130	-	-
<u>N.C. Department of Insurance</u>						
Senior Health Insurance Information Program		XXXXX	-	4,308	-	-
<u>N.C. Department of Natural and Cultural Resources</u>						
Division of State Library:						
State Aid to Public Libraries		XXXXX	-	129,720	-	-
Total N.C. Department of Natural and Cultural Resources			-	129,720	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Soil and Water Conservation:						
Water System Asset Inventory		H-AIA-D-16-0040	-	58,045	-	-
N.C. Agriculture Cost Share - Technical Assistance		G4010029621SSWC	-	26,699	-	-
Total Division of Soil and Water Conservation			-	84,744	-	-
<u>N.C. Department of Health and Human Services</u>						
Division of Aging and Adult Services:						
Access		FRC13	-	13,977	-	-
In Home Service		FRC13	-	141,543	-	-
Home Delivered Meals		FRC17	-	68,504	-	-
Senior Center Outreach		FRC00	-	7,252	-	-
Total Division of Aging and Adult Services			-	231,276	-	-
Division of Public Health:						
Other Receipts / State Supported Expenditures						
Food and Lodging Fees		11534752SZ98	-	13,092	-	-
General Aid to Counties		11614110098	-	138,666	-	-
General Communicable Disease Control		117545100098	-	8,294	-	-
Breast and Cervical Cancer Program		132055990098	-	5,844	-	-
Child Health		127157450098	-	2,430	-	-
Tuberculosis		146045510098	-	59,408	-	-
TB Medical Service		146045540098	-	3,643	-	-
HMHC-Family Planning		13A157350098	-	8,618	-	-
Maternal Health (HMHC)		13A157400098	-	15,805	-	-
School Nurse Funding Initiative		133253580098	-	150,000	-	-
Women's Health Service Fund		13A16017FR98	-	13,990	-	-
Sexually Transmitted Diseases		13114601BN98	-	1,166	-	-
HIV/STD State		13114536BN98	-	1,674	-	-
HIV/STD SSBG Aid		13114536RR98	-	10,000	-	-
Total Division of Public Health			-	432,630	-	-
Division of Social Services:						
ST Child Welfare/CPS/CS LD		XXXXX	-	77,061	-	-
Energy Assist Private Grant		XXXXX	-	1,834	-	-
AFDC Incent/Prog Integrity		XXXXX	-	261	-	-
Direct Benefit Payments-						
CWS Adoption Subsidy and Vendor		117	-	229,135	-	-
State/County Special Assistance for Adults (SC/SA) -		XXXXX	-	874,358	-	-
SAA/SAD HB 1030		XXXXX	-	44,540	-	-
SFHF Maximization		274	-	72,753	-	-
State Foster Home		482	-	48,319	-	-
Total Division of Social Services			-	1,348,261	-	-
Total N.C. Department of Health and Human Services			-	2,012,167	-	-
<u>N.C. Department of Public Instructions</u>						

COUNTY OF WILSON, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-Through to Subrecipients	Local Expenditures
Public School Building Capital Fund		XXXXX	-	100,000	-	-
Total N.C. Department of Public Instruction			-	100,000	-	-
<u>Agency N.C. Department of Public Safety:</u>						
Division of Juvenile Justice and Delinquency Prevention:						
Juvenile Crime and Delinquency Prevention Council		46490	-	255,724	-	-
Total Agency N.C. Department of Public Safety			-	255,724	-	-
<u>N.C. 911 North Carolina Department of Information Technology</u>						
NC 911 Grant		G2017-17	-	48,185	-	-
Total N.C. 911 North Carolina Department of Information Technology			-	48,185	-	-
<u>N.C. Department of Transportation:</u>						
DOT Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36228.22.7.1	-	105,243	-	-
ROAP Work First Transitional- Employment		36236.11.6.1	-	6,153	-	-
ROAP Rural General Public Program		36220.10.7.1	-	79,068	-	-
Total DOT Cluster			-	190,464	-	-
<u>N.C. Department of Commerce</u>						
Building Reuse Grant		2017-079-3201-2587	-	286,815	-	-
Total N.C. Department of Commerce			-	286,815	-	-
Total State Awards			-	3,114,257	-	-
Total Federal and State Awards			\$ 107,078,091	\$ 50,544,816	\$ -	\$ -

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

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of the Wilson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Wilson County, it is not intended to and does not present the financial position, changes in net position or cash flows of Wilson County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Wilson County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Cluster of Programs**

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, Special Children Adoption Incentive Fund, HIV, and Foster Care and Adoption