

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2018***

***WILSON COUNTY
NORTH CAROLINA***



FINANCE DEPARTMENT
TIFFANY REESE
FINANCE DIRECTOR

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

		<u>Page</u>
Introductory Section:		
	Letter of Transmittal	i-iv
	GFOA Certificate of Achievement for Excellence in Financial Reporting	v
	Organizational Chart	vi
	List of Principal Officials	vii
Financial Section:		
	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-13
<u>Exhibit</u>		
Basic Financial Statements:		
Government-Wide Financial Statements:		
A	Statement of Net Position	14-15
B	Statement of Activities	16-17
Fund Financial Statements:		
C	Balance Sheet - Governmental Funds	18-19
D	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
E	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
F	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	22-23
G	Statement of Net Position - Proprietary Funds	24-25

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Basic Financial Statements (Continued):	
H	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	26
I	Statement of Cash Flows - Proprietary Funds	27
J	Statement of Fiduciary Net Position - Fiduciary Funds	28
	Notes to the Financial Statements	29-79
<u>Schedule</u>		
	Required Supplemental Financial Data:	
A-1	Schedule of Changes in Total OPEB Liability and Related Ratios	80
A-2	Local Government Employees' Retirement System - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Five Fiscal Years	81
A-3	Local Government Employees' Retirement System - Contributions Required Supplementary Information - Last Five Fiscal Years	82
A-4	Register of Deeds' Supplemental Pension Fund - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Five Fiscal Years	83
A-5	Register of Deeds' Supplemental Pension Fund - Contributions Required Supplementary Information - Last Five Fiscal Years	84
A-6	Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability	85
A-7	Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll	86

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Supplementary Information:	
	Major Funds:	
B-1	General Fund - Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	87
B-2	General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88-98
B-3	Legally Budgeted Tax Revaluation and Economic Development Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	99
B-4	Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	100
B-5	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	102-103
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104-105
C-3	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
C-4	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Governmental Funds: (Continued)	
C-5	Transportation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
C-6	Economic Development Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
C-7	Public Buildings Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
C-8	School Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111
C-9	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
	Major Enterprise Funds:	
D-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	113
D-2	Solid Waste Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	114
D-3	Southeast Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	115
D-4	Southwest Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	116

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
D-5	Southwest Water District Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	117
D-6	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118
Internal Service Fund:		
E-1	Hospital - Self Insurance - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119
Agency Funds:		
F-1	Statement of Changes in Assets and Liabilities	120-121
Other Schedules:		
G-1	General Fund - Schedule of Ad Valorem Taxes Receivable	122
G-2	Analysis of Current Tax Levy - County-Wide Levy	123
G-3	Analysis of Current Tax Levy - Fire Districts	124
G-4	Secondary Market Disclosure - County-Wide Levy	125
G-5	Ten Largest Taxpayers	126
Table		
Statistical Section:		
1	Net Position by Component, Last Ten Fiscal Years	127
2	Changes in Net Position, Last Ten Fiscal Years	128-129
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	130
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	131

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

<u>Table</u>		<u>Page</u>
	Statistical Section (continued):	
5	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	132
6	Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years	133
7	Principal Property Tax Payers, Current Year and Nine Years Ago	134
8	Property Tax Levies and Collections, Last Ten Fiscal Years	135
9	General Government Tax Revenues by Source Last Ten Fiscal Years	136
10	Ratios of Outstanding Debt by Type Last Ten Fiscal Years	137
11	Ratio of General Bonded Debt Outstanding and Legal Debt Margin, Last Ten Fiscal Years	138
12	Demographic and Economic Statistics Last Ten Fiscal Years	139
13	Principal Employers, Current Year and Nine Years Ago	140
14	Full-Time County Government Employees by Function/Program by Function, Last Ten Fiscal Years	141
15	Operating Indicators by Function/Program Last Ten Fiscal Years	142
16	Capital Assets Statistics by Function/Program Last Ten Fiscal Years	143

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Compliance Section:	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	144-145
Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; Required By Uniform Guidance; And The State Single Audit Implementation Act	146-148
Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; Required By Uniform Guidance; And The State Single Audit Implementation Act	149-151
Schedule of Findings, Responses, and Questioned Costs	152-155
Corrective Action Plan	156-157
Schedule of Prior Audit Year Findings	158
Schedule of Expenditures of Federal and State Awards	159-162

This page left blank intentionally.

INTRODUCTORY SECTION

This page left blank intentionally.



Wilson
County

North Carolina

Wilson County Government

Finance Department

Letter of Transmittal

November 30, 2018

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, 2018.

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, 2018, 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, 2018, 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 2018 tax distribution reported Wilson County's population at 81,758. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,406 according to the 2018 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 \$144,671,567 in farm sales in 2017. 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 7% still higher when compared to 4.2% for the State. The average weekly wage for 2018 for Wilson County was \$906, the eighth highest average weekly wage in the State.

In 2018, Wilson County saw the location of Wind River Tobacco Company and Neopac US, Inc. Fresenius Kabi, Linamar, and Ardagh will be expanding their facilities in the coming months. A total investment from new and existing companies in the local economy was \$259,900,000, resulting in the creation of 573 new jobs and retention of 280 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 \$1,294,900,000 in 2017-2018. There were 4 new restaurants buildings, 12 new restaurants. Retail vacancies saw a decrease 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, 2017. This was the 6th 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, 2017

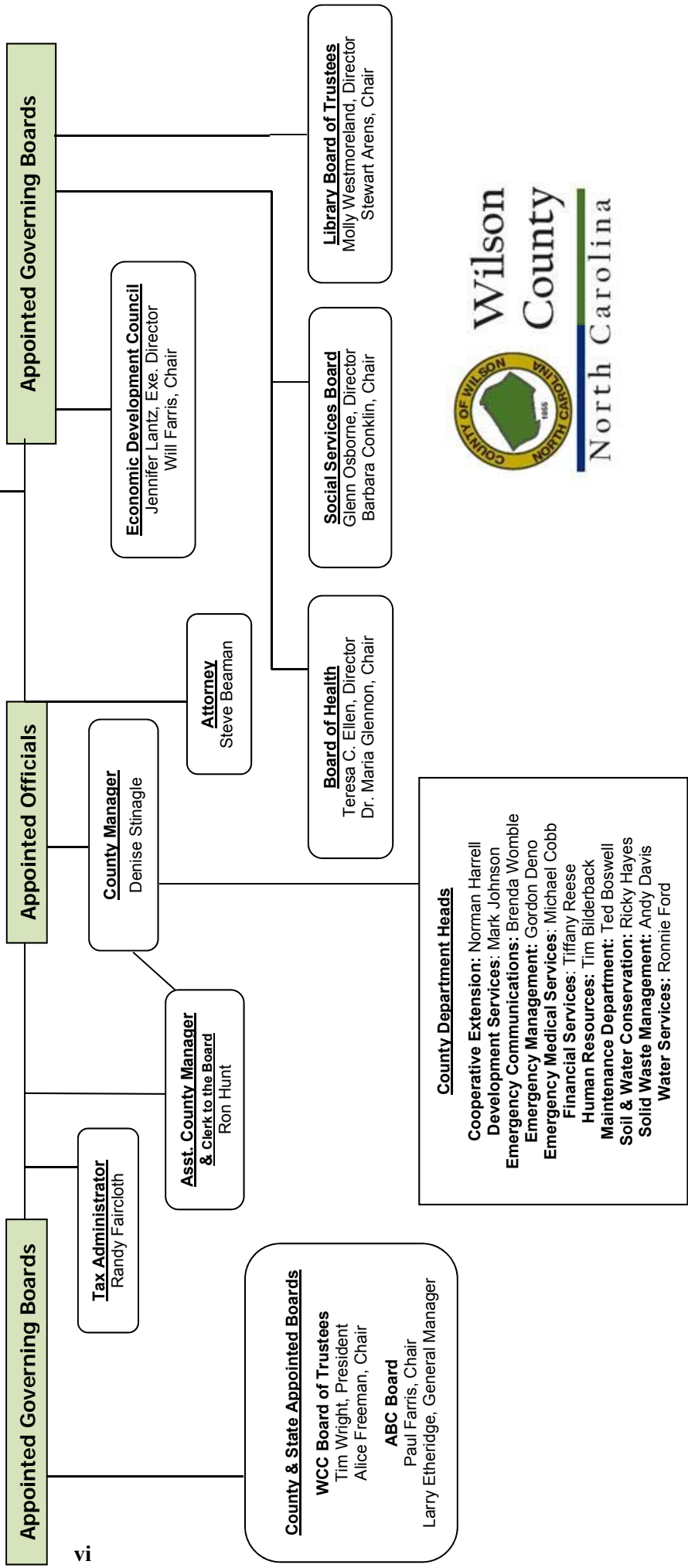
Christopher P. Morrill

Executive Director/CEO

Elected Officials



Board of Elections
Rena Morris, Director
Robert Brown, Chair



Wilson County
List of Principal Officials
June 30, 2018

Elected Officials

Commissioner	District 3	JoAnne Daniels
Commissioner	District 5	Rob Boyette, Chair
Commissioner	District 1	Leslie T. Atkinson, Vice Chair
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	Ronald Ford
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

This page left blank intentionally.

FINANCIAL SECTION

This page left blank intentionally.

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, 2018, 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, 2018, 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 VI to the financial statements, for fiscal year ended June 30, 2018 the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. 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 Changes in the Total OPEB Liability and Related Ratios, 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, 2018 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, 2018

This page left blank intentionally.

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, 2018. 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

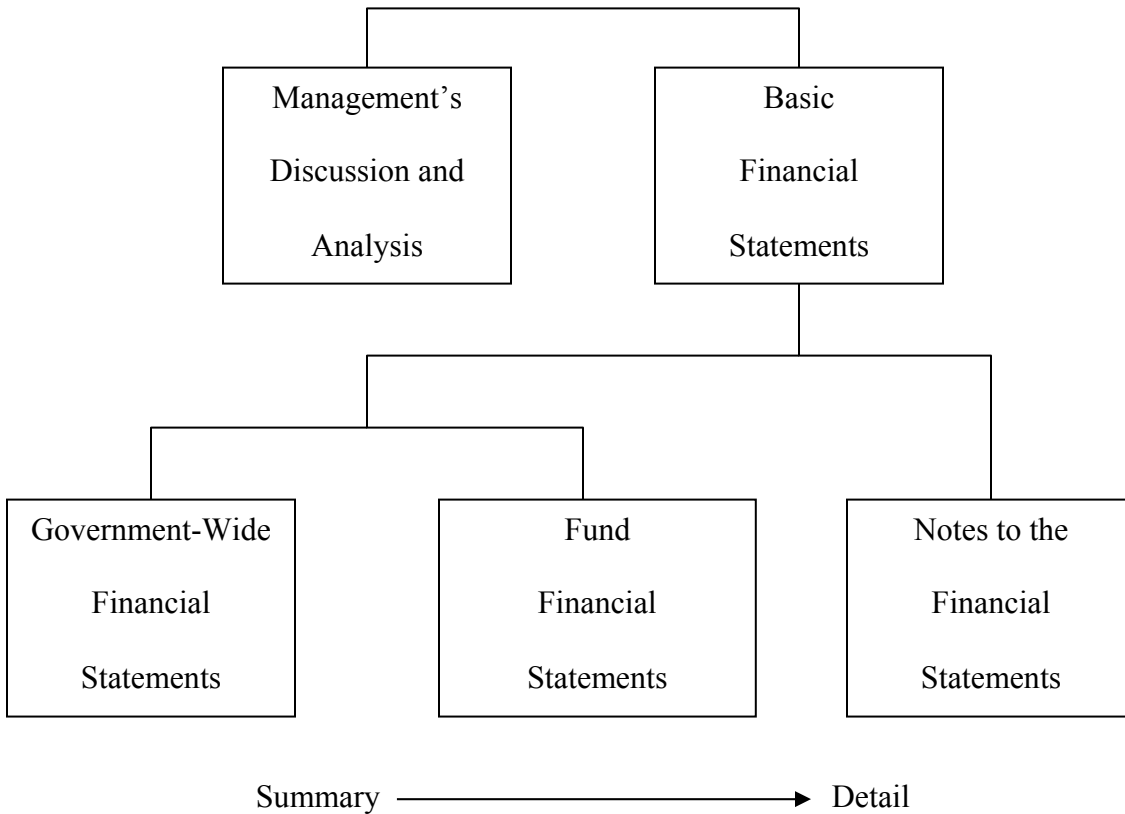
- The assets and deferred outflows of resources of Wilson County activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$28,486,223.
- The government's total net position decreased by \$1,965,277, primarily due to decreased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$48,650,417, after a net decrease in fund balance of \$3,618,993. Approximately 31.1 percent of this total amount, or \$15,126,885, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,440,815, or 27.37 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 80 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 \$28,486,223 as of June 30, 2018.

Management's Discussion and Analysis
Wilson County

Wilson County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$ 59,458,010	\$ 59,404,203	\$ 21,514,595	\$ 20,191,838	\$ 80,972,605	\$ 79,596,041
Restricted assets	1,013,199	5,263,205	235,604	213,675	1,248,803	5,476,880
Capital assets	25,705,425	25,972,561	25,787,447	26,191,569	51,492,872	52,164,130
Other assets	<u>1,047,026</u>	<u>1,047,026</u>	<u>-</u>	<u>-</u>	<u>1,047,026</u>	<u>1,047,026</u>
Total assets	<u>87,223,660</u>	<u>91,686,995</u>	<u>47,537,646</u>	<u>46,597,082</u>	<u>134,761,306</u>	<u>138,284,077</u>
Deferred Outflows of Resources						
	<u>8,258,770</u>	<u>9,713,650</u>	<u>198,485</u>	<u>260,926</u>	<u>8,457,255</u>	<u>9,974,576</u>
Liabilities:						
Long-term liabilities outstanding	89,023,948	57,868,298	14,802,695	13,749,788	103,826,643	71,618,086
Other liabilities	<u>3,928,466</u>	<u>4,449,863</u>	<u>480,531</u>	<u>558,228</u>	<u>4,408,997</u>	<u>5,008,091</u>
Total liabilities	<u>92,952,414</u>	<u>62,318,161</u>	<u>15,283,226</u>	<u>14,308,016</u>	<u>108,235,640</u>	<u>76,626,177</u>
Deferred Inflows of Resources						
	<u>6,280,390</u>	<u>2,144,982</u>	<u>216,308</u>	<u>15,649</u>	<u>6,496,698</u>	<u>2,160,631</u>
Net Position:						
Net investment in capital assets	22,953,394	22,976,976	17,004,841	17,132,261	39,958,235	40,109,237
Restricted	14,526,179	14,924,736	-	-	14,526,179	14,924,736
Unrestricted	<u>(41,229,947)</u>	<u>(964,210)</u>	<u>15,231,756</u>	<u>15,402,082</u>	<u>(25,998,191)</u>	<u>14,437,872</u>
Total net position	<u>\$ (3,750,374)</u>	<u>\$ 36,937,502</u>	<u>\$ 32,236,597</u>	<u>\$ 32,534,343</u>	<u>\$ 28,486,223</u>	<u>\$ 69,471,845</u>

The County's net position decreased by \$1,965,277 for the fiscal year ended June 30, 2018. One of the largest portions, \$39,958,235, 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, \$14,526,179 (51%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$25,998,191 is unrestricted.

Management's Discussion and Analysis
Wilson County

Wilson County's Changes in Net Position
Figure 3

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Programs revenues:						
Charges for services	\$ 11,719,768	\$ 12,210,539	\$ 5,589,626	\$ 4,948,673	\$ 17,309,394	\$ 17,159,212
Grants and contributions:						
Operating	17,378,250	21,197,091	191,492	613,682	17,569,742	21,810,773
Capital	112,957	442,544	-	-	112,957	442,544
General revenues:						
Property taxes	51,906,142	50,586,358	-	-	51,906,142	50,586,358
Local option sales tax	14,281,582	14,119,119	-	-	14,281,582	14,119,119
Other taxes and licenses	738,795	753,925	-	-	738,795	753,925
Investment earnings	552,198	207,783	178,233	68,490	730,431	276,273
Grants and other contributions not restricted to specific programs	262,500	262,500	-	-	262,500	262,500
Miscellaneous	<u>57,243</u>	<u>142,429</u>	<u>66,747</u>	<u>22,223</u>	<u>123,990</u>	<u>164,652</u>
Total revenues	<u>97,009,435</u>	<u>99,922,288</u>	<u>6,026,098</u>	<u>5,653,068</u>	<u>103,035,533</u>	<u>105,575,356</u>
Expenses:						
General government	6,867,104	7,686,736	-	-	6,867,104	7,686,736
Public safety	24,135,018	23,523,954	-	-	24,135,018	23,523,954
Transportation	671,867	872,603	-	-	671,867	872,603
Environmental protection	238,805	276,226	-	-	238,805	276,226
Economic and physical development	2,915,826	3,130,028	-	-	2,915,826	3,130,028
Human services	33,942,786	37,060,454	-	-	33,942,786	37,060,454
Cultural and recreational	2,184,071	2,078,670	-	-	2,184,071	2,078,670
Education	28,750,580	24,883,817	-	-	28,750,580	24,883,817
Interest and other charges	407,239	588,088	-	-	407,239	588,088
Landfill	-	-	2,767,017	2,846,113	2,767,017	2,846,113
Water	-	-	2,120,497	2,284,997	2,120,497	2,284,997
Total expenses	<u>100,113,296</u>	<u>100,100,576</u>	<u>4,887,514</u>	<u>5,131,110</u>	<u>105,000,810</u>	<u>105,231,686</u>
Change in net position	<u>(3,103,861)</u>	<u>(178,288)</u>	<u>1,138,584</u>	<u>521,958</u>	<u>(1,965,277)</u>	<u>343,670</u>
Net position, beginning, previously reported	36,937,502	38,809,298	32,534,343	32,012,385	69,471,845	70,821,683
Restatement	<u>(37,584,015)</u>	<u>(1,693,508)</u>	<u>(1,436,330)</u>	<u>-</u>	<u>(39,020,345)</u>	<u>(1,693,508)</u>
Net position, beginning, restated	<u>(646,513)</u>	<u>37,115,790</u>	<u>31,098,013</u>	<u>32,012,385</u>	<u>30,451,500</u>	<u>69,128,175</u>
Net position, ending	<u>\$ (3,750,374)</u>	<u>\$ 36,937,502</u>	<u>\$ 32,236,597</u>	<u>\$ 32,534,343</u>	<u>\$ 28,486,223</u>	<u>\$ 69,471,845</u>

Management's Discussion and Analysis Wilson County

Governmental Activities. Governmental activities decreased the County's net position by \$3,103,861, thereby accounting for the shrinkage in the net position of Wilson County. Key elements of the decrease are as follows:

- Decrease in the net position is due to implementation of GASB 75 for the County's Health Care Plan.

Business-Type Activities. Business-type activities increased Wilson County's net position by \$1,138,584. Key elements of this increase are as follows:

- Decrease in expenditures from FY2017 to FY2018 for Southeast and Southwest Water Districts.
- Increase in charges for services for Solid Waste for tipping fees, and tax revenue.

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 \$36,553,630, while total fund balance for the General Fund is \$44,580,587. 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 39.33% of General Fund expenditures and transfers out, while total fund balance represents 47.97% of that same amount.

As of the end of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$48,650,417, a decrease of \$3,618,993. This decrease is due primarily to the decrease of fund balance in the School Capital Projects Fund. The County began a project in this fund during FY 2018 and the project is 96% complete.

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 \$991,858. The budgetary increase was primarily attributable to increases during the year to restricted intergovernmental revenues and solicitation of grants. Overall, in FY2018 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 \$13,160,154 and those for the water funds equaled \$1,921,967. The total growth in net position for the Solid Waste Fund was \$842,116, and the total increase in net position for the water funds was \$244,278. 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, 2018 amounted to \$51,492,872 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Construction in progress	1,175,551	210,934	662,606	425,981	1,838,157	636,915
Buildings and improvements	33,023,817	32,644,672	2,882,070	2,882,070	35,905,887	35,526,742
Equipment and plant distribution	10,453,308	10,193,272	28,981,273	28,815,951	39,434,581	39,009,223
Vehicles	5,592,169	5,549,335	1,051,279	1,016,914	6,643,448	6,566,249
Total	53,644,548	51,997,916	36,785,942	36,349,630	90,430,490	88,347,546
Less: Accumulated depreciation	27,939,123	26,025,355	10,998,495	10,158,061	38,937,618	36,183,416
Net assets	<u>\$ 25,705,425</u>	<u>\$ 25,972,561</u>	<u>\$ 25,787,447</u>	<u>\$ 26,191,569</u>	<u>\$ 51,492,872</u>	<u>\$ 52,164,130</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, 2018, Wilson County had total bonded debt outstanding of \$7,865,000, 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	
	2018	2017	2018	2017	2018	2017
All bonds	\$ -	\$ 400,000	\$ 7,865,000	\$ 8,075,000	\$ 7,865,000	\$ 8,475,000

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 \$519,856,369. 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 3.56%, a decrease from fiscal year 2017 ratio of 2.48%.

Wilson County maintain a "AA" rating from Standard & Poor's and Fitch Ratings and a "Aa" rating from Moody's Investors Service for general obligation debt.

The County's general obligation debt per capita at June 30, 2018 was \$4.90, while the County's \$29,987,583 gross debt per capita is \$366.78.

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 2018, the tax collection rate was 98.34%.
- The County is seeing some positive incremental growth in the tax valuation since revaluation in 2017.
- Sales tax continue to remain strong due to the Sales Tax Redistribution.
- The employment rate of 7% at June 30, 2018 for Wilson County continues to be higher than the North Carolina average of 4.2%, however, lower from 7.3% at June 30, 2017.

Budget Highlights for Fiscal Year 2018-2019

Governmental Activities. The 2018 General Fund's adopted budget decreased \$8,542,726, 8% from the amended budget for the fiscal year ended June 30, 2018. The County tax rate continues to remain flat in with no tax rate increase in FY 2019–2019 budgeted revenues. The decrease in the budget from 2018 was decreases to budgetary expenditures for human services, economic development and debt service. The primary decrease was related to human services due to Medicaid Transportation and Child Care expenditures moving in the state NCFAST systems. Hence, provider payments will be made directly from the State Agency. 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, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Assets:				
Cash and cash equivalents	\$ 47,302,003	\$ 20,841,371	\$ 68,143,374	\$ 1,483,072
Receivables (net)	3,092,193	449,220	3,541,413	4,113
Due from other governments	6,938,649	74,369	7,013,018	-
Due from component unit	131,250	-	131,250	-
Internal balances	(149,635)	149,635	-	-
Inventories	-	-	-	1,118,633
Prepaid items	-	-	-	14,265
Restricted cash and cash equivalents	1,013,199	235,604	1,248,803	-
Notes receivable	1,076,923	-	1,076,923	-
Net investment in Joint Venture	988,480	-	988,480	-
Capital lease receivable	1,047,026	-	1,047,026	-
Net pension asset	78,147	-	78,147	-
Capital assets:				
Land, improvements, and construction in progress	4,575,254	3,871,320	8,446,574	873,369
Other capital assets, net of depreciation	21,130,171	21,916,127	43,046,298	1,959,946
Total capital assets	25,705,425	25,787,447	51,492,872	2,833,315
Total assets	87,223,660	47,537,646	134,761,306	5,453,398
Deferred Outflows of Resources:				
OPEB deferrals	1,736,902	66,184	1,803,086	103,172
Pension deferrals	6,089,408	132,301	6,221,709	123,707
Charge on refunding of debt	432,460	-	432,460	-
Total deferred outflows of resources	8,258,770	198,485	8,457,255	226,879
Liabilities:				
Accounts payable and accrued expenses	3,288,214	219,757	3,507,971	815,901
Accrued interest payable	98,149	25,170	123,319	-
Due to other governments	542,103	-	542,103	43,750
Due to primary government	-	-	-	131,250
Liabilities to be paid from restricted cash:				
Customer deposits	-	235,604	235,604	-
Due within one year	5,159,931	375,332	5,535,263	-
Net pension liability - LGERS	7,729,508	194,181	7,923,689	138,259
Total pension liability - LEOSSA	2,762,776	-	2,762,776	-
Total OPEB liability	54,970,668	1,911,432	56,882,100	1,369,641
Due in more than one year	18,401,065	12,321,750	30,722,815	48,060
Total liabilities	92,952,414	15,283,226	108,235,640	2,546,861

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Deferred Inflows of Resources:				
OPEB deferrals	5,327,232	203,586	5,530,818	-
Pension deferrals	403,564	12,722	416,286	3,914
Prepaid taxes	549,594	-	549,594	-
Total deferred inflows of resources	<u>6,280,390</u>	<u>216,308</u>	<u>6,496,698</u>	<u>3,914</u>
Net Position:				
Net investment in capital assets	22,953,394	17,004,841	39,958,235	2,620,871
Restricted for:				
Stabilization by state statute	9,233,695	-	9,233,695	-
Public safety	283,182	-	283,182	-
Register of Deeds	215,974	-	215,974	-
Register of Deeds' pension plan	106,035	-	106,035	-
Health and human services	2,844,524	-	2,844,524	-
Working capital	-	-	-	253,321
Economic development projects	84	-	84	-
Education	1,842,685	-	1,842,685	-
Unrestricted (deficit)	<u>(41,229,947)</u>	<u>15,231,756</u>	<u>(25,998,191)</u>	<u>255,310</u>
Total net position	<u>\$ (3,750,374)</u>	<u>\$ 32,236,597</u>	<u>\$ 28,486,223</u>	<u>\$ 3,129,502</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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,867,104	\$ 1,136,734	\$ -	\$ -
Public safety	24,135,018	4,263,272	323,066	5,713
Transportation	671,867	134,564	321,876	107,244
Environmental protection	238,805	-	-	-
Economic and physical development	2,915,826	-	175,685	-
Human services	33,942,786	6,185,198	16,387,035	-
Cultural and recreation	2,184,071	-	170,588	-
Education	28,750,580	-	-	-
Interest on long-term debt	407,239	-	-	-
Total governmental activities	<u>100,113,296</u>	<u>11,719,768</u>	<u>17,378,250</u>	<u>112,957</u>
Business-Type Activities:				
Landfill	2,767,017	3,391,093	30,500	-
Water	2,120,497	2,198,533	160,992	-
Total business-type activities	<u>4,887,514</u>	<u>5,589,626</u>	<u>191,492</u>	<u>-</u>
Total primary government	<u>\$ 105,000,810</u>	<u>\$ 17,309,394</u>	<u>\$ 17,569,742</u>	<u>\$ 112,957</u>
Component Unit:				
ABC Board	<u>\$ 6,343,175</u>	<u>\$ 6,586,340</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, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position			Component Unit Wilson County ABC Board
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
Primary Government:				
Governmental Activities:				
General government	\$ (5,730,370)	\$ -	\$ (5,730,370)	
Public safety	(19,542,967)	-	(19,542,967)	
Transportation	(108,183)	-	(108,183)	
Environmental protection	(238,805)	-	(238,805)	
Economic and physical development	(2,740,141)	-	(2,740,141)	
Human services	(11,370,553)	-	(11,370,553)	
Cultural and recreation	(2,013,483)	-	(2,013,483)	
Education	(28,750,580)	-	(28,750,580)	
Interest on long-term debt	(407,239)	-	(407,239)	
Total governmental activities	<u>(70,902,321)</u>	<u>-</u>	<u>(70,902,321)</u>	
Business-Type Activities:				
Landfill	-	654,576	654,576	
Water	-	239,028	239,028	
Total business-type activities	<u>-</u>	<u>893,604</u>	<u>893,604</u>	
Total primary government	<u>(70,902,321)</u>	<u>893,604</u>	<u>(70,008,717)</u>	
Component Unit:				
ABC Board				<u>\$ 243,165</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purpose	51,906,142	-	51,906,142	-
Local option sales tax	14,281,582	-	14,281,582	-
Other taxes and licenses	738,795	-	738,795	-
Grants and contributions not restricted to specific programs	262,500	-	262,500	-
Investment earnings, unrestricted	552,198	178,233	730,431	3,394
Miscellaneous	57,243	66,747	123,990	4,886
Total general revenues	<u>67,798,460</u>	<u>244,980</u>	<u>68,043,440</u>	<u>8,280</u>
Change in net position	<u>(3,103,861)</u>	<u>1,138,584</u>	<u>(1,965,277)</u>	<u>251,445</u>
Net Position:				
Beginning of year - July 1	36,937,502	32,534,343	69,471,845	3,815,111
Restatement	<u>(37,584,015)</u>	<u>(1,436,330)</u>	<u>(39,020,345)</u>	<u>(937,054)</u>
Beginning of year, restated - July 1	<u>(646,513)</u>	<u>31,098,013</u>	<u>30,451,500</u>	<u>2,878,057</u>
End of year - June 30	<u>\$ (3,750,374)</u>	<u>\$ 32,236,597</u>	<u>\$ 28,486,223</u>	<u>\$ 3,129,502</u>

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

WILSON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Major Fund</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assets:			
Cash and cash equivalents	\$ 39,030,587	\$ 2,967,468	\$ 41,998,055
Restricted cash	306,458	706,741	1,013,199
Taxes receivable, net	1,516,998	48,157	1,565,155
Accounts and other receivables, net	1,068,401	18,472	1,086,873
Due from other governments	6,827,306	111,343	6,938,649
Due from component unit	131,250	-	131,250
Notes receivable	<u>-</u>	<u>1,076,923</u>	<u>1,076,923</u>
 Total assets	 <u>\$ 48,881,000</u>	 <u>\$ 4,929,104</u>	 <u>\$ 53,810,104</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,044,569	\$ 331,278	\$ 2,375,847
Due to other governments	62,264	479,839	542,103
Miscellaneous liabilities	<u>126,988</u>	<u>-</u>	<u>126,988</u>
Total liabilities	<u>2,233,821</u>	<u>811,117</u>	<u>3,044,938</u>
 Deferred Inflows of Resources	 <u>2,066,592</u>	 <u>48,157</u>	 <u>2,114,749</u>
 Fund Balances:			
Restricted:			
Stabilization by state statute	8,026,957	1,206,738	9,233,695
Register of Deeds	215,974	-	215,974
Public safety	-	989,923	989,923
Human services	1,962,021	882,503	2,844,524
Economic development projects	-	84	84
Education	1,621,036	221,649	1,842,685
Committed:			
Tax revaluation	306,458	-	306,458
Assigned:			
Subsequent year's expenditures	6,995,801	-	6,995,801
Human services	11,525	-	11,525
Transportation	-	132,855	132,855
Future capital	-	656,078	656,078
Unassigned	<u>25,440,815</u>	<u>(20,000)</u>	<u>25,420,815</u>
Total fund balances	<u>44,580,587</u>	<u>4,069,830</u>	<u>48,650,417</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 48,881,000</u>	 <u>\$ 4,929,104</u>	 <u>\$ 53,810,104</u>

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

WILSON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<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	\$ 48,650,417
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,705,425
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.	1,047,026
Net investment in joint venture	988,480
Net pension asset	78,147
Deferred outflows of resources related to pensions are not reported in the funds.	6,089,408
Deferred outflows of resources related to OPEB are not reported in the funds.	1,736,902
Charges related to refunding bond issue	432,460
Other long-term assets are not available to pay for current-period expenditures.	440,165
Consolidation of Internal Service Fund	4,368,934
Deferred inflows of resources related to pensions are not reported in the funds.	(403,564)
Deferred inflows of resources related to OPEB are not reported in the funds.	(5,327,232)
Deferred inflows of resources for taxes receivable	1,565,155
Total OPEB liability	(54,970,668)
Net pension liability	(7,729,508)
Total pension liability	(2,762,776)
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>(23,659,145)</u>
Net position of governmental activities	<u><u>\$ (3,750,374)</u></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, 2018

	<u>Major Funds</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 50,289,244	\$ 1,707,286	\$ 51,996,530
Local option sales taxes	13,826,631	454,951	14,281,582
Other taxes and licenses	738,795	-	738,795
Unrestricted intergovernmental	271,760	-	271,760
Restricted intergovernmental	16,866,501	943,367	17,809,868
Permits and fees	1,406,680	-	1,406,680
Sales and service	9,945,440	134,564	10,080,004
Investment earnings	545,889	6,309	552,198
Miscellaneous	21,638	-	21,638
Total revenues	<u>93,912,578</u>	<u>3,246,477</u>	<u>97,159,055</u>
Expenditures:			
Current:			
General government	7,876,838	-	7,876,838
Public safety	19,924,077	2,571,906	22,495,983
Transportation	47,857	621,490	669,347
Environmental protection	227,463	-	227,463
Economic and physical development	2,833,292	-	2,833,292
Human services	32,411,609	-	32,411,609
Cultural and recreation	1,986,068	-	1,986,068
Intergovernmental:			
Education	24,104,963	4,645,617	28,750,580
Capital projects	-	1,175,551	1,175,551
Debt service:			
Principal	2,881,638	-	2,881,638
Interest and other charges	418,538	-	418,538
Total expenditures	<u>92,712,343</u>	<u>9,014,564</u>	<u>101,726,907</u>
Revenues over (under) expenditures	<u>1,200,235</u>	<u>(5,768,087)</u>	<u>(4,567,852)</u>
Other Financing Sources (Uses):			
Transfers (to) other funds	(220,000)	-	(220,000)
Transfers from other funds	-	220,000	220,000
Capital lease issued	42,838	-	42,838
Debt issuance	-	874,536	874,536
Sale of capital assets	31,485	-	31,485
Total other financing sources (uses)	<u>(145,677)</u>	<u>1,094,536</u>	<u>948,859</u>
Net change in fund balances	1,054,558	(4,673,551)	(3,618,993)
Fund Balances:			
Beginning of year, July 1	<u>43,526,029</u>	<u>8,743,381</u>	<u>52,269,410</u>
End of year, June 30	<u>\$ 44,580,587</u>	<u>\$ 4,069,830</u>	<u>\$ 48,650,417</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, 2018

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)	\$ (3,618,993)
<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	113,616
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.	1,918,448
Gain (loss) from the change in net investment in joint venture related to the Rocky Mount/Wilson Airport during the year, not recognized on the modified accrual basis.	2,213
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,185,584)
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.	(917,374)
Pension expense - LEOSSA	(42,458)
Pension expense - LGERS	(310,310)
Pension expense - ROD	(10,851)
OPEB plan expense	(2,196,283)
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.	377,041
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.)	2,881,638
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.	11,299
Consolidation of Internal Service Fund	1,397,535
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	(204,004)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(14,768)
Changes in deferred outflow related to bond issuance	<u>(43,270)</u>
Total changes in net position of governmental activities	<u>\$ (3,103,861)</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, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Over/Under
Revenues:				
Ad valorem taxes	\$ 48,650,532	\$ 48,650,532	\$ 50,289,244	\$ 1,638,712
Local option sales tax	12,301,995	12,301,995	13,826,631	1,524,636
Other taxes and licenses	633,950	633,950	738,795	104,845
Unrestricted intergovernmental	252,700	252,700	271,760	19,060
Restricted intergovernmental	19,863,456	20,833,298	16,690,816	(4,142,482)
Permits and fees	1,299,020	1,299,020	1,406,680	107,660
Sales and services	11,249,077	11,254,777	9,945,440	(1,309,337)
Investment earnings	125,000	125,000	542,881	417,881
Miscellaneous	21,200	37,516	21,638	(15,878)
Total revenues	<u>94,396,930</u>	<u>95,388,788</u>	<u>93,733,885</u>	<u>(1,654,903)</u>
Expenditures:				
Current:				
General government	8,641,375	8,663,875	7,876,838	787,037
Public safety	21,053,569	21,152,479	19,924,077	1,228,402
Transportation	47,857	47,857	47,857	-
Environmental protection	284,129	271,129	227,463	43,666
Economic and physical development	1,379,282	1,380,849	1,274,067	106,782
Human services	38,901,022	41,190,968	32,411,609	8,779,359
Cultural and recreation	2,144,596	2,176,901	1,986,068	190,833
Intergovernmental:				
Education	24,097,794	24,104,963	24,104,963	-
Debt service:				
Principal retirement	2,874,897	2,881,642	2,881,638	4
Interest and other charges	761,084	761,084	418,538	342,546
Total expenditures	<u>100,185,605</u>	<u>102,631,747</u>	<u>91,153,118</u>	<u>11,478,629</u>
Revenues over (under) expenditures	<u>(5,788,675)</u>	<u>(7,242,959)</u>	<u>2,580,767</u>	<u>9,823,726</u>
Other Financing Sources (Uses):				
Transfers to other funds	(1,593,250)	(1,781,250)	(1,781,250)	-
Capital lease issued	-	-	42,838	42,838
Sale of capital assets	35,000	35,000	31,485	(3,515)
Fund balance appropriated	<u>7,346,925</u>	<u>8,989,209</u>	<u>-</u>	<u>(8,989,209)</u>
Total other financing sources (uses)	<u>5,788,675</u>	<u>7,242,959</u>	<u>(1,706,927)</u>	<u>(8,949,886)</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, 2018

	<u>General Fund</u>			<u>Variance with Final Over/Under</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Net change in fund balance	\$ -	\$ -	873,840	\$ 873,840
Fund Balance:				
Beginning of year, July 1			<u>43,328,496</u>	
End of year, June 30			44,202,336	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Restricted grants			175,685	
Investment earnings			3,008	
Transfer in from General Fund			1,561,250	
Expenditures - Economic Development			(1,559,225)	
Fund balance, beginning			<u>197,533</u>	
Fund balance, ending (Exhibit D)			<u>\$ 44,580,587</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, 2018

	Major Enterprise Funds			Governmental Activities	
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total	Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 18,730,540	\$ 1,449,253	\$ 661,578	\$ 20,841,371	\$ 5,303,948
Restricted cash and cash equivalents	-	108,562	127,042	235,604	-
Receivables, net	118,955	113,234	217,031	449,220	-
Due from other governments	65,134	9,235	-	74,369	-
Total current assets	<u>18,914,629</u>	<u>1,680,284</u>	<u>1,005,651</u>	<u>21,600,564</u>	<u>5,303,948</u>
Capital assets:					
Land and construction in progress	3,089,486	48,389	733,445	3,871,320	-
Other capital assets, net of depreciation	3,763,828	7,329,409	10,822,890	21,916,127	-
Capital assets, net	<u>6,853,314</u>	<u>7,377,798</u>	<u>11,556,335</u>	<u>25,787,447</u>	<u>-</u>
Total assets	<u>25,767,943</u>	<u>9,058,082</u>	<u>12,561,986</u>	<u>47,388,011</u>	<u>5,303,948</u>
Deferred Outflows of Resources:					
OPEB deferrals	53,492	6,346	6,346	66,184	-
Pension deferrals	94,885	18,708	18,708	132,301	-
Total deferred outflows of resources	<u>148,377</u>	<u>25,054</u>	<u>25,054</u>	<u>198,485</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	144,991	52,716	22,050	219,757	785,379
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	40,627	9,580	9,580	59,787	-
Current portion of debt	33,843	79,862	148,929	262,634	-
Accrued interest	-	9,080	16,090	25,170	-
Total current liabilities	<u>219,461</u>	<u>175,313</u>	<u>225,485</u>	<u>620,259</u>	<u>785,379</u>
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	108,562	127,042	235,604	-
Net pension liability	143,499	25,341	25,341	194,181	-
Accrued landfill closure and post-closure care costs	3,819,005	-	-	3,819,005	-
Compensated absences	1,841	-	-	1,841	-
Total OPEB liability	1,547,686	181,873	181,873	1,911,432	-
Notes payable	-	240,756	288,361	529,117	-
Limited obligation bond	-	2,813,449	5,158,338	7,971,787	-
Total non-current liabilities	<u>5,512,031</u>	<u>3,369,981</u>	<u>5,780,955</u>	<u>14,662,967</u>	<u>-</u>
Total liabilities	<u>5,731,492</u>	<u>3,545,294</u>	<u>6,006,440</u>	<u>15,283,226</u>	<u>785,379</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, 2018

	Major Enterprise Funds			Governmental Activities	
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Internal Service Fund	
			Total		
Deferred Inflows of Resources:					
OPEB deferrals	166,066	18,760	18,760	203,586	-
Pension deferrals	5,294	3,714	3,714	12,722	-
Total deferred inflows of resources	<u>171,360</u>	<u>22,474</u>	<u>22,474</u>	<u>216,308</u>	-
Net Position:					
Net investment in capital assets	6,853,314	4,219,656	5,931,871	17,004,841	-
Unrestricted	<u>13,160,154</u>	<u>1,295,712</u>	<u>626,255</u>	<u>15,082,121</u>	<u>4,518,569</u>
Total net position	<u>\$ 20,013,468</u>	<u>\$ 5,515,368</u>	<u>\$ 6,558,126</u>	32,086,962	<u>\$ 4,518,569</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>149,635</u>	
Total net position - business-type activities				<u>\$ 32,236,597</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, 2018

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Operating Revenues:					
Charges for services	\$ 3,391,093	\$ 943,487	\$ 1,255,046	\$ 5,589,626	\$ 7,075,396
Operating Expenses:					
Salaries and employee benefits	1,230,019	159,457	159,511	1,548,987	-
Operating expense	1,186,217	215,584	193,238	1,595,039	5,625,671
Landfill closure	73,707	-	-	73,707	-
Depreciation/amortization	277,074	268,683	343,273	889,030	-
Water purchase	-	236,140	232,767	468,907	-
Total operating expenses	<u>2,767,017</u>	<u>879,864</u>	<u>928,789</u>	<u>4,575,670</u>	<u>5,625,671</u>
Operating income (loss)	<u>624,076</u>	<u>63,623</u>	<u>326,257</u>	<u>1,013,956</u>	<u>1,449,725</u>
Non-Operating Revenues (Expenses):					
Interest/investment revenue	178,233	-	-	178,233	-
Restricted intergovernmental revenue	30,500	34,747	126,245	191,492	-
Interest expense	-	(112,181)	(199,663)	(311,844)	-
Miscellaneous revenue	9,307	4,250	1,000	14,557	-
Total non-operating revenues (expenses)	<u>218,040</u>	<u>(73,184)</u>	<u>(72,418)</u>	<u>72,438</u>	<u>-</u>
Change in net position	<u>842,116</u>	<u>(9,561)</u>	<u>253,839</u>	<u>1,086,394</u>	<u>1,449,725</u>
Beginning of year - July 1	20,342,972	5,657,284	6,436,642	32,436,898	3,068,844
Restatement	<u>(1,171,620)</u>	<u>(132,355)</u>	<u>(132,355)</u>	<u>(1,436,330)</u>	<u>-</u>
Beginning of year, restated - July 1	<u>19,171,352</u>	<u>5,524,929</u>	<u>6,304,287</u>	<u>31,000,568</u>	<u>3,068,844</u>
End of year - June 30	<u>\$ 20,013,468</u>	<u>\$ 5,515,368</u>	<u>\$ 6,558,126</u>	<u>\$ 32,086,962</u>	<u>\$ 4,518,569</u>
Change in net position, per above				\$ 1,086,394	
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>52,190</u>	
Total change in net position - business-type activities				<u>\$ 1,138,584</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, 2018

	Business-Type Activities				Governmental Activities Internal Service Fund
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District	Total	
Cash Flows from Operating Activities:					
Cash received from customers	\$ 3,282,283	\$ 997,157	\$ 1,525,057	\$ 5,804,497	\$ 7,077,006
Cash paid for goods and services	(1,201,074)	(425,879)	(535,216)	(2,162,169)	(5,694,905)
Cash paid to employees for services	(1,156,183)	(155,039)	(155,093)	(1,466,315)	-
Other operating revenues	-	4,250	1,000	5,250	-
Net cash provided (used) by operating activities	<u>925,026</u>	<u>420,489</u>	<u>835,748</u>	<u>2,181,263</u>	<u>1,382,101</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of assets	9,307	-	-	9,307	-
Acquisition and construction of capital assets	(269,903)	-	(228,795)	(498,698)	-
Principal paid on bond maturities and equipment contracts	-	(99,075)	(163,836)	(262,911)	-
Interest paid on bond maturities equipment contracts	-	(111,873)	(201,373)	(313,246)	-
Net cash provided (used) by capital and related financing activities	<u>(260,596)</u>	<u>(210,948)</u>	<u>(594,004)</u>	<u>(1,065,548)</u>	<u>-</u>
Cash Flows from Non-Capital and Related Activities:					
Grants	<u>30,500</u>	<u>34,747</u>	<u>126,245</u>	<u>191,492</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	<u>178,233</u>	<u>-</u>	<u>-</u>	<u>178,233</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	873,163	244,288	367,989	1,485,440	1,382,101
Cash and Cash Equivalents:					
Beginning of year - July 1	<u>17,857,377</u>	<u>1,313,527</u>	<u>420,631</u>	<u>19,591,535</u>	<u>3,921,847</u>
End of year - June 30	<u>\$ 18,730,540</u>	<u>\$ 1,557,815</u>	<u>\$ 788,620</u>	<u>\$ 21,076,975</u>	<u>\$ 5,303,948</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 624,076	\$ 63,623	\$ 326,257	\$ 1,013,956	\$ 1,449,725
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization	277,074	268,683	343,273	889,030	-
Other revenues	-	4,250	1,000	5,250	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	(108,810)	43,920	257,832	192,942	1,610
(Increase) decrease in deferred outflows of resources for pensions	104,793	11,916	11,916	128,625	-
Increase (decrease) in deferred inflows of resources for pensions	158,387	(271)	(271)	157,845	-
Increase (decrease) in net pension liability	(92,777)	(10,550)	(10,550)	(113,877)	-
Increase (decrease) in post-closure	73,707	-	-	73,707	-
Increase (decrease) in accounts payable and accrued liabilities	(19,768)	31,413	(101,214)	(89,569)	(69,234)
(Increase) decrease in deferred outflows of resources for OPEB	(53,492)	(6,346)	(6,346)	(66,184)	-
Increase (decrease) in deferred inflows of resources for OPEB	5,294	18,760	18,760	42,814	-
Increase (decrease) in OPEB payable	(43,458)	(4,909)	(4,909)	(53,276)	-
Total adjustments	<u>300,950</u>	<u>356,866</u>	<u>509,491</u>	<u>1,167,307</u>	<u>(67,624)</u>
Net cash provided (used) by operating activities	<u>\$ 925,026</u>	<u>\$ 420,489</u>	<u>\$ 835,748</u>	<u>\$ 2,181,263</u>	<u>\$ 1,382,101</u>

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

WILSON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2018

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 79,666
Accounts receivable	<u>34,617</u>
Total assets	<u>\$ 114,283</u>
Liabilities:	
Miscellaneous liabilities	\$ 56,784
Intergovernmental payable	<u>57,499</u>
Total liabilities	<u>\$ 114,283</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, 2018

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, 2018

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, 2018

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

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

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.

Nonmajor Funds – The County maintains eight 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, School Capital Projects Fund, Capital Reserve Fund, and Public Buildings Fund are reported as capital projects funds.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 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, Public Buildings Fund, Solid Waste Capital Project 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.

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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) government money market fund, 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.

3. Restricted Assets

Governmental funds: \$306,458 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$485,329 in the Public Buildings Fund is classified as restricted for unspent debt proceeds. \$221,412 in the School Capital Projects Fund is classified as restricted for unspent debt proceeds.

Enterprise funds: \$235,604 of customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2017. 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 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of 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, and OPEB and pension related deferrals.

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 OPEB 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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. 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.

10. **Compensated Absences**

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

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

11. **Net Position/Fund Balances**

Net Position

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

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Restricted fund balance at June 30, 2018 is as follows:

Purpose	General Fund	Nonmajor Governmental Funds
Restricted, all other:		
Register of Deeds	\$ 215,974	\$ -
Public safety	-	989,923
Human services	1,962,021	882,503
Economic development projects	-	84
Education	1,621,036	221,649
Total	<u>\$ 3,799,031</u>	<u>\$ 2,094,159</u>

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A due to unspent debt proceeds of \$706,741 and restricted for Register of Deeds’ pension plan of \$106,035, a net difference of \$600,706.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018 is as follows:

<u>Purpose</u>	<u>General Fund</u>
Committed:	
Tax revaluation	<u>\$ 306,458</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 2018-2019 expenditures.

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

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 fund balance at June 30, 2018 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Assigned:		
Subsequent year's expenditures	\$ 6,995,801	\$ -
Human services	11,525	-
Transportation	-	132,855
Future school capital	-	656,078
Total	<u>\$ 7,007,326</u>	<u>\$ 788,933</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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-County 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.

12. **Defined Benefit Cost-Sharing 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

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, 2018, the County's deposits had a carrying amount of \$24,703,724 and a bank balance of \$25,161,361. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method.

At June 30, 2018, Wilson County had \$4,710 cash on hand.

At June 30, 2018, the carrying amount of deposits for the Wilson County ABC Board was \$1,477,372, and the bank balance was \$1,414,878. Of the bank balance, \$469,833 was covered by federal depository insurance, and \$945,045 in interest-bearing deposits was insured under the Pooling Method.

At June 30, 2018, Wilson County ABC Board had \$5,700 cash on hand.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

2. Investments

As of June 30, 2018, 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	\$ 22,340,600	N/A	N/A	N/A
Term Portfolio*	Fair Value-Level 1	22,422,809	\$ 22,422,809	N/A	N/A
Total		<u>\$ 44,763,409</u>	<u>\$ 22,422,809</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).

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, 2018. 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, 2018, the ABC Board had no investments.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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>
2015	\$ 1,542,002	\$ 366,227	\$ 1,908,229
2016	1,557,767	229,772	1,787,539
2017	1,547,642	88,991	1,636,633
2018	1,553,605	-	1,553,605
Total	<u>\$ 6,201,016</u>	<u>\$ 684,990</u>	<u>\$ 6,886,006</u>

4. Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,622,969	\$ 2,805,673	\$ 6,827,306	\$ 11,255,948
Other governmental	18,472	67,405	111,343	197,220
Total receivables	1,641,441	2,873,078	6,938,649	11,453,168
Allowance for doubtful accounts	(554,568)	(867,758)	-	(1,422,326)
Total governmental activities	<u>\$ 1,086,873</u>	<u>\$ 2,005,320</u>	<u>\$ 6,938,649</u>	<u>\$ 10,030,842</u>
Business-Type Activities:				
Landfill	\$ 147,892	\$ -	\$ 65,134	\$ 213,026
Water and Sewer	510,595	-	9,235	519,830
Total receivables	658,487	-	74,369	732,856
Allowance for doubtful accounts	(209,267)	-	-	(209,267)
Total business-type activities	<u>\$ 449,220</u>	<u>\$ -</u>	<u>\$ 74,369</u>	<u>\$ 523,589</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

	Governmental Activities	Business-Type Activities
Local option sales tax	\$ 2,524,928	\$ -
White goods disposal tax	-	7,871
Scrap tire tax	-	29,075
North Carolina administrative reimbursement and other	4,302,378	37,423
CDBG	20,000	-
Transportation	18,432	-
Public buildings	34,152	-
Emergency telephone	38,759	-
Total	\$ 6,938,649	\$ 74,369

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, 2018 were as follows:

Year Ending	
June 30	Amount
2019	\$ 261,756
2020	261,756
2021	261,756
2022	261,758
2023	-
Total	\$ 1,047,026

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Scheduled future maturities of the note receivable are as follows:

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

5. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 3,399,703	\$ -	\$ -	\$ 3,399,703
Construction in progress	<u>210,934</u>	<u>1,175,551</u>	<u>210,934</u>	<u>1,175,551</u>
Total non-depreciable assets	<u>3,610,637</u>	<u>1,175,551</u>	<u>210,934</u>	<u>4,575,254</u>
Depreciable Capital Assets:				
Buildings	25,219,062	51,645	-	25,270,707
Other improvements	7,425,610	327,500	-	7,753,110
Furniture and equipment	10,193,272	350,075	90,039	10,453,308
Vehicles	<u>5,549,335</u>	<u>224,611</u>	<u>181,777</u>	<u>5,592,169</u>
Total depreciable assets	<u>48,387,279</u>	<u>953,831</u>	<u>271,816</u>	<u>49,069,294</u>
Less Accumulated Depreciation:				
Buildings	12,120,236	475,052	-	12,595,288
Other improvements	2,929,860	248,592	-	3,178,452
Furniture and equipment	6,575,368	952,437	90,039	7,437,766
Vehicles	<u>4,399,891</u>	<u>509,503</u>	<u>181,777</u>	<u>4,727,617</u>
Total accumulated depreciation	<u>26,025,355</u>	<u>\$ 2,185,584</u>	<u>\$ 271,816</u>	<u>27,939,123</u>
Total depreciable capital assets, net	<u>22,361,924</u>			<u>21,130,171</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 25,972,561</u>			<u>\$ 25,705,425</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

General government	\$	449,530
Public safety		1,019,853
Economic and physical development		31,104
Human services		529,334
Cultural and recreation		149,735
Environmental protection		3,508
Transportation		<u>2,520</u>
Total	\$	<u><u>2,185,584</u></u>

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>
Business-Type Activities:				
Solid Waste:				
Non-Depreciable Capital Assets:				
Land	\$ 3,081,656	\$ -	\$ -	\$ 3,081,656
Construction in progress	<u>-</u>	<u>7,830</u>	<u>-</u>	<u>7,830</u>
Total non-depreciable assets	<u>3,081,656</u>	<u>7,830</u>	<u>-</u>	<u>3,089,486</u>
Depreciable Capital Assets:				
Buildings	1,735,292	-	-	1,735,292
Infrastructure	1,146,778	-	-	1,146,778
Furniture and equipment	2,715,587	227,708	62,386	2,880,909
Vehicles	935,326	34,365	-	969,691
Total depreciable assets	<u>6,532,983</u>	<u>262,073</u>	<u>62,386</u>	<u>6,732,670</u>
Less Accumulated Depreciation:				
Buildings	156,617	40,231	-	196,848
Infrastructure	174,327	25,218	-	199,545
Furniture and equipment	1,842,902	154,053	62,386	1,934,569
Vehicles	580,308	57,572	-	637,880
Total accumulated depreciation	<u>2,754,154</u>	<u>\$ 277,074</u>	<u>\$ 62,386</u>	<u>2,968,842</u>
Total depreciable capital assets, net	<u>3,778,829</u>			<u>3,763,828</u>
Solid Waste Capital Assets, Net	<u>6,860,485</u>			<u>6,853,314</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>
Business-Type Activities (continued):				
Southeast Water District:				
Non-Depreciable Capital Assets:				
Land	48,389	\$ -	\$ -	48,389
Depreciable Capital Assets:				
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
Less Accumulated Depreciation:				
Plant and distribution system	3,268,420	271,435	-	3,539,855
Office and maintenance equipment	11,357	750	-	12,107
Vehicles	39,435	1,359	-	40,794
Total accumulated depreciation	3,319,212	\$ 273,544	\$ -	3,592,756
Total depreciable capital assets, net	7,602,953			7,329,409
Southeast Water District				
Capital Assets, Net	7,651,342			7,377,798
Southwest Water District:				
Non-Depreciable Capital Assets:				
Land	78,669	\$ -	\$ -	78,669
Construction in progress	425,981	228,795	-	654,776
Total non-depreciable assets	504,650	228,795	-	733,445
Depreciable Capital Assets:				
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	15,259,787	-	-	15,259,787
Less Accumulated Depreciation:				
Plant and distribution system	4,035,694	350,093	-	4,385,787
Office and maintenance equipment	9,566	750	-	10,316
Vehicles	39,435	1,359	-	40,794
Total accumulated depreciation	4,084,695	\$ 352,202	\$ -	4,436,897
Total depreciable capital assets, net	11,175,092			10,822,890
Southwest Water District				
Capital Assets, Net	11,679,742			11,556,335
Business-Type Activities				
Capital Assets, Net	\$ 26,191,569			\$ 25,787,447

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Construction Commitments

The government has active construction projects as of June 30, 2018. 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, 2018, Improvements to the Courthouse, Sheriff Viper Radio Upgrade Project, DSS Facilities Improvement Project, and Solid Waste District Convenience Centers Improvements Project, 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	\$ 654,776	\$ -
2017 School Improvement	5,699,169	221,412
Courthouse Improvements	49,144	75,856
Sheriff Viper Radio Upgrades	389,210	643,243
DSS Facilities Improvements	737,196	882,504
Solid Waste Districts Convenience Centers Improvement	7,830	360,170
Total	<u>\$ 7,537,325</u>	<u>\$ 2,183,185</u>

Discretely Presented Component Unit

Capital asset activity for the ABC Board for the year ended June 30, 2018 was as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Wilson County ABC Board:				
Non-Depreciable Capital Assets:				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
Construction in progress	-	299,028	-	299,028
Total assets not depreciated	<u>574,341</u>	<u>299,028</u>	<u>-</u>	<u>873,369</u>
Depreciable Capital Assets:				
Buildings	2,422,013	-	-	2,422,013
Furniture and equipment	478,452	47,071	45,986	479,537
Vehicles	55,721	4,016	-	59,737
Leasehold improvements	49,225	-	7,022	42,203
Total depreciable assets	<u>3,005,411</u>	<u>51,087</u>	<u>53,008</u>	<u>3,003,490</u>
Less Accumulated Depreciation:				
Buildings	521,879	49,746	-	571,625
Furniture and equipment	405,816	28,519	45,881	388,454
Vehicles	46,469	4,628	-	51,097
Leasehold improvements	32,483	6,052	6,167	32,368
Total accumulated depreciation	<u>1,006,647</u>	<u>\$ 88,945</u>	<u>\$ 52,048</u>	<u>1,043,544</u>
Total depreciable capital assets, net	<u>1,998,764</u>			<u>1,959,946</u>
ABC Board Capital Assets, Net	<u>\$ 2,573,105</u>			<u>\$ 2,833,315</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Due to Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,861,108	\$ 95,828	\$ 98,149	\$ 62,264	\$ 3,117,349
Other governmental	<u>331,278</u>	<u>-</u>	<u>-</u>	<u>479,839</u>	<u>811,117</u>
Total governmental activities	<u>\$ 3,192,386</u>	<u>\$ 95,828</u>	<u>\$ 98,149</u>	<u>\$ 542,103</u>	<u>\$ 3,928,466</u>
Business-Type Activities:					
Solid waste	\$ 102,757	\$ 42,234	\$ -	\$ -	\$ 144,991
Water Distribution Funds:					
Southeast district	52,716	-	9,080	-	61,796
Southwest district	<u>22,050</u>	<u>-</u>	<u>16,090</u>	<u>-</u>	<u>38,140</u>
Total business-type activities	<u>\$ 177,523</u>	<u>\$ 42,234</u>	<u>\$ 25,170</u>	<u>\$ -</u>	<u>\$ 244,927</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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 was 8.25% of compensation for law enforcement officers and 7.50% 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 \$2,346,286 for the year ended June 30, 2018.

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, 2018**

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

At June 30, 2018, the County reported a liability of \$7,923,689 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.51866%, which was a decrease of 0.00089% from its proportion measure as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$2,668,418. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 456,478	\$ 224,295
Changes of assumptions	1,131,612	-
Net difference between projected and actual earnings on pension plan investments	1,923,882	-
Changes in proportion and differences between County contributions and proportionate share of contributions	17,042	150,042
County contributions subsequent to the measurement date	<u>2,346,286</u>	<u>-</u>
Total	<u>\$ 5,875,300</u>	<u>\$ 374,337</u>

\$2,346,286 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, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2019	\$ 391,812
2020	2,254,119
2021	1,125,053
2022	(616,307)
2023	-
Thereafter	-
Total	<u>\$ 3,154,677</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 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, 2016 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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, 2018

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 7.20%. 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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	<u>\$ 23,787,091</u>	<u>\$ 7,923,689</u>	<u>\$ (5,317,245)</u>

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, 2018

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	11
Active members	<u>80</u>
Total	<u><u>91</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 normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

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

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

Death After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 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 \$176,851 as benefits came due.

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

At June 30, 2018, the County reported a total pension liability of \$2,762,776. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$233,149.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 75,398	\$ -
Changes of assumptions	140,296	41,697
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>102,575</u>	<u>-</u>
Total	<u>\$ 318,269</u>	<u>\$ 41,697</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

The County paid \$102,575 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
<u>June 30</u>	
2019	\$ 34,013
2020	34,013
2021	34,013
2022	34,013
2023	37,945
Thereafter	-
Total	\$ 173,997

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 3.16%, 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 (2.16%) or 1-percentage-point higher (4.16%) than the current rate:

	Decrease (2.16%)	Discount Rate (3.16%)	Increase (4.16%)
Total pension liability	\$ 3,008,761	\$ 2,762,776	\$ 2,539,492

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

	2018
Beginning balance	\$ 2,481,531
Service cost	105,919
Interest on the total pension liability	92,374
Differences between expected and actual experience in the measurement of the total pension liability	90,817
Changes of assumptions or other inputs	168,986
Benefit payments	(176,851)
Ending balance of the total pension liability	\$ 2,762,776

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.86 percent at December 31, 2016 to 3.16 percent at December 31, 2017.

Changes in Benefit Terms. Reported compensation adjust to reflect the assumed rate of pay as of the valuation date.

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, 2016 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 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 \$185,787 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

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 \$3,807 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$78,147 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.45783%, which was a decrease of 0.01866% from its proportion measured as of June 30, 2016.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

For the year ended June 30, 2018, the County recognized pension expense of \$14,657. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,341	\$ 252
Changes of assumptions	13,186	-
Net difference between projected and actual earnings on pension plan investments	6,643	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,163	-
County contributions subsequent to the measurement date	3,807	-
Total	\$ 28,140	\$ 252

\$3,807 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, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2019	\$ 13,792
2020	7,835
2021	760
2022	1,694
2023	-
Thereafter	-
Total	\$ 24,081

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	3.75 percent, net of pension plan investment expense, including inflation

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 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, 2017 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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.

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 61,422	\$ 78,147	\$ 92,212

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.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	ROD	LEOSSA	Total
Proportionate share of net pension liability (asset)	\$ 7,923,689	\$ (78,147)	\$ -	\$ 7,845,542
Proportion of the net pension liability (asset)	0.51866%	0.45783%	n/a	-
Total pension liability	-	-	2,762,776	2,762,776
Pension expense	2,668,418	14,657	233,149	2,916,224

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:				
Pensions - difference between expected and actual experience	\$ 456,478	\$ 1,341	\$ 75,398	\$ 533,217
Pensions - difference between projected and actual investment earnings	1,923,882	6,643	-	1,930,525
Changes of assumptions	1,131,612	13,186	140,296	1,285,094
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	17,042	3,163	-	20,205
County contributions (LGERS, ROD)/ benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,346,286</u>	<u>3,807</u>	<u>102,575</u>	<u>2,452,668</u>
Total	<u>\$ 5,875,300</u>	<u>\$ 28,140</u>	<u>\$ 318,269</u>	<u>\$ 6,221,709</u>
Deferred Inflows of Resources:				
Pensions - difference between expected and actual experience	\$ 224,295	\$ 252	\$ -	\$ 224,547
Changes of assumptions	-	-	41,697	41,697
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	<u>150,042</u>	<u>-</u>	<u>-</u>	<u>150,042</u>
Total	<u>\$ 374,337</u>	<u>\$ 252</u>	<u>\$ 41,697</u>	<u>\$ 416,286</u>

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, 2018

Total OPEB Liability

The County's total OPEB liability of \$56,882,100 was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00 percent
Real wage growth	0.50 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 to 7.75 percent
Firefighters	3.50 to 7.75 percent
Law enforcement officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior measurement date	3.01 percent
Measurement date	3.56 percent
Healthcare Cost Trends	
Pre-Medicare	7.75 percent for 2016 decreasing to an ultimate rate of 5.00% by 2022
Medicare	5.75 percent for 2016 decreasing to an ultimate rate of 5.00% by 2019

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 60,269,724
Changes for the year:	
Service cost	2,269,163
Interest	1,785,134
Differences between expected and actual experience	878,786
Changes of assumptions or other inputs	(6,380,406)
Benefit payments	(1,940,301)
Net changes	<u>(3,387,624)</u>
Balance at June 30, 2018	<u>\$ 56,882,100</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	<u>\$ 69,244,359</u>	<u>\$ 56,882,100</u>	<u>\$ 47,406,949</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 46,236,272</u>	<u>\$ 56,882,100</u>	<u>\$ 71,123,208</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$3,321,724. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 761,770	\$ -
Changes of assumptions	-	5,530,818
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,041,316</u>	<u>-</u>
Total	<u>\$ 1,803,086</u>	<u>\$ 5,530,818</u>

\$1,041,316 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending</u>	
<u>June 30</u>	<u>Total</u>
2019	\$ (732,573)
2020	(732,573)
2021	(732,573)
2022	(732,573)
2023	(732,573)
Thereafter	<u>(1,106,183)</u>
Total	<u>\$ (4,769,048)</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 are \$3,852,848.

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, 2018, those funds are held in investments with a cost and market value of \$5,070,894. 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, 2018

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:

	Deferred Inflows
Prepaid taxes not yet earned	\$ 549,594
Taxes receivable, net (General Fund)	1,516,998
Taxes receivable, net (Special Revenue)	48,157
Differences between expected and actual experience LGERS, OPEB, and ROD	224,547
Changes of assumptions LEOSSA and OPEB	5,572,515
Changes in proportion and differences between County contributions and proportionate share of contributions LGERS	150,042
Total	\$ 8,061,853

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

	Deferred Outflows
Charge on refunding of debt	\$ 432,460
Differences between expected and actual experience LGERS, LEOSSA, OPEB, and ROD	1,294,987
Changes of assumptions LGERS, LEOSSA, and ROD	1,285,094
Net difference between projected and actual earnings on pension plan investments LGERS and ROD	1,930,525
Changes in proportion and differences between County contributions and proportionate share of contributions LGERS and ROD	20,205
Benefit payments for the OPEB plan paid subsequent to the measurement date	1,041,316
Contributions to pension plan in current fiscal year (LGERS and ROD)	2,350,093
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	102,575
Total	\$ 8,457,255

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$4,893,921 in claims was incurred for benefits during the year ended June 30, 2018. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Unpaid claims, beginning of year	\$ 852,180	\$ 1,162,192
Incurred claims (including IBNRs)	4,893,921	5,640,851
Claim payments	<u>(4,960,722)</u>	<u>(5,950,863)</u>
Unpaid claims, end of year	<u>\$ 785,379</u>	<u>\$ 852,180</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, 2018, 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, 2018

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	\$ 1,225,807	\$ 481,864	\$ 743,943
Buildings	1,526,750	252,761	1,273,989
Total	<u>\$ 2,752,557</u>	<u>\$ 734,625</u>	<u>\$ 2,017,932</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2019	\$ 331,150
2020	264,824
2021	88,647
2022	43,400
2023	-
2024 - 2026	-
Total minimum lease payments	728,021
Less: amount representing interest	<u>(12,936)</u>
Present value of the minimum lease payments	<u>\$ 715,085</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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 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 \$ 7,865,000

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

Year Ending	Business-Type Activities	
	Principal	Interest
June 30		
2019	\$ 215,000	\$ 292,513
2020	230,000	283,913
2021	235,000	274,513
2022	245,000	265,313
2023	255,000	255,512
2024-2028	1,415,000	1,117,762
2029-2033	1,675,000	857,213
2034-2038	1,970,000	510,669
2039-2043	<u>1,625,000</u>	<u>141,925</u>
Total	<u>\$ 7,865,000</u>	<u>\$ 3,999,333</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

The County's financing debt at June 30, 2018 is comprised of the following notes payable:

	<u>Balance</u> <u>June 30, 2018</u>
Notes Payable:	
\$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%	105,046
\$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%	11,775,000
\$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%	2,094,050
\$576,923 NC Eastern Region Revolving Loan Fund - annual principal and interest payments beginning May 2015 through April 16, 2019; without interest	115,385
\$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	378,076
\$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	5,147,799
\$874,536 General Government - Sheriff Viper Radio - March 14, 2018; due in annual fixed principal payments of \$291,513, plus interest at 1.95% through March 2021	<u>874,536</u>
Total	<u>\$ 20,489,892</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30, 2018</u>
Notes Payable Water Department:	
Serviced by the Southwest Water District; 2009 DENR Drinking Water Revolving loan; \$576,724 due in annual installments of \$28,837; beginning 2009; plus interest at 2.10% through May 1, 2029	\$ 317,197
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>264,831</u>
Total	<u>\$ 582,028</u>

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2018, 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>
2019	\$ 2,644,650	\$ 360,403	\$ 52,911	\$ 11,717	\$ 2,697,561	\$ 372,120
2020	2,505,382	299,386	52,911	10,606	2,558,293	309,992
2021	2,486,550	245,753	52,911	9,495	2,539,461	255,248
2022	2,176,258	192,530	52,911	8,384	2,229,169	200,914
2023	1,594,705	165,962	149,212	14,351	1,743,917	180,313
2024-2028	7,503,527	351,864	192,333	12,617	7,695,860	364,481
2029-2033	1,578,820	-	28,839	606	1,607,659	606
Total	<u>\$ 20,489,892</u>	<u>\$ 1,615,898</u>	<u>\$ 582,028</u>	<u>\$ 67,776</u>	<u>\$ 21,071,920</u>	<u>\$ 1,683,674</u>

At June 30, 2018, the County had a legal debt margin of \$519,856,369.

Debt Related to Capital Activities – Of the total governmental activities debt listed, only \$2,752,031 relates to assets the County holds title.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018:

	Balance July 1, 2017, As Restated	Additions	Retirements	Balance June 30, 2018	Current Portion of Balance
Governmental Activities:					
General					
obligation debt	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Capitalized leases	1,049,288	42,838	377,041	715,085	321,665
Notes payable	22,096,994	874,536	2,481,638	20,489,892	2,644,650
Compensated absences	2,341,251	2,144,492	2,129,724	2,356,019	2,193,616
Net pension liability (LGRS)	10,718,534	-	2,989,026	7,729,508	-
Total pension liability (LEOSSA)	2,481,531	281,245	-	2,762,776	-
Total OPEB liability	56,368,618	-	1,397,950	54,970,668	-
Total governmental activities	<u>\$ 95,456,216</u>	<u>\$ 3,343,111</u>	<u>\$ 9,775,379</u>	<u>\$ 89,023,948</u>	<u>\$ 5,159,931</u>
	Balance July 1, 2017, As Restated	Additions	Retirements	Balance June 30, 2018	Current Portion of Balance
Business-Type Activities:					
Southeast Water District:					
Limited obligation bond	\$ 2,850,000	\$ -	\$ 75,000	\$ 2,775,000	\$ 75,000
Notes payable	288,906	-	24,075	264,831	24,075
Bond premium	123,173	-	4,862	118,311	4,862
Compensated absences	13,762	8,760	12,942	9,580	9,580
Net pension liability (LGRS)	35,891	-	10,550	25,341	-
Total OPEB liability	186,782	-	4,909	181,873	-
Total Southeast Water District	<u>3,498,514</u>	<u>8,760</u>	<u>132,338</u>	<u>3,374,936</u>	<u>113,517</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017,</u> <u>As Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Business-Type Activities:					
Southwest Water District:					
Limited obligation bond	\$ 5,225,000	\$ -	\$ 135,000	\$ 5,090,000	\$ 140,000
Notes payable	346,033	-	28,836	317,197	28,836
Bond premium	226,196	-	8,929	217,267	8,929
Compensated absences	13,762	8,760	12,942	9,580	9,580
Net pension					
liability (LGERS)	35,891	-	10,550	25,341	-
Total OPEB liability	<u>186,782</u>	<u>-</u>	<u>4,909</u>	<u>181,873</u>	<u>-</u>
Total Southwest Water District	<u>6,033,664</u>	<u>8,760</u>	<u>201,166</u>	<u>5,841,258</u>	<u>187,345</u>
	<u>Balance</u> <u>July 1, 2017,</u> <u>As Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Solid Waste:					
Accrued landfill closure					
and post-closure care costs	\$ 3,779,141	\$ 113,374	\$ 39,667	\$ 3,852,848	\$ 33,843
Compensated absences	47,379	34,532	39,443	42,468	40,627
Net pension					
liability (LGERS)	236,276	-	92,777	143,499	-
Total OPEB liability	<u>1,591,144</u>	<u>-</u>	<u>43,458</u>	<u>1,547,686</u>	<u>-</u>
Total solid waste	<u>5,653,940</u>	<u>147,906</u>	<u>215,345</u>	<u>5,586,501</u>	<u>74,470</u>
Total business-type activities	<u>\$ 15,186,118</u>	<u>\$ 165,426</u>	<u>\$ 548,849</u>	<u>\$ 14,802,695</u>	<u>\$ 375,332</u>
	<u>Balance</u> <u>July 1, 2017,</u> <u>As Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Discretely Presented Component Unit:					
Long-Term Liabilities:					
Compensated absences	\$ 48,465	\$ -	\$ 405	\$ 48,060	\$ -
Net pension liability (LGERS)	183,794	-	45,535	138,259	-
Total OPEB liability	<u>357,731</u>	<u>1,011,910</u>	<u>-</u>	<u>1,369,641</u>	<u>-</u>
Total long-term liabilities	<u>\$ 589,990</u>	<u>\$ 1,011,910</u>	<u>\$ 45,940</u>	<u>\$ 1,555,960</u>	<u>\$ -</u>

Compensated absences, pension obligation, and other post-employment liability, typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

8. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018 consist of the following:

From the General Fund to the Capital Reserve
Fund for moving funds for the construction
on the animal shelter and EMS southern
submission \$ 220,000

9. Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 25,705,425</u>	<u>\$ 25,787,447</u>
Long-term debt gross	21,204,977	8,782,606
Less: Long-term debt related to assets not owned by the County	(17,300,875)	-
Less: Other debt not issued for capital	<u>(1,152,071)</u>	-
Capital debt, net	<u>2,752,031</u>	<u>8,782,606</u>
Net investment in capital assets	<u>\$ 22,953,394</u>	<u>\$ 17,004,841</u>

Deferred charge on refunding of \$432,460 and \$706,741 of unspent debt proceeds are related to debt for assets not owned by the County and is excluded from the above calculation.

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	\$ 44,580,587
Less:	
Stabilization by state statute	<u>8,026,957</u>
Total available fund balance	<u>\$ 36,553,630</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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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, 2018. 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, 2018. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$988,480 has been reported in the governmental activities in the County's basic financial statements at June 30, 2018. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 250 Airport Drive, Elm County, North Carolina 27822.

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 \$2,263,251 and \$385,169 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. 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, 2018. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018, 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, 2018. 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 \$40,639 to the Council during the fiscal year ended June 30, 2018.

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. 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, 2018

VI. **Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental and business-type activities decreased by \$37,584,015 and \$1,436,330, respectively.

VII. **Stewardship, Compliance, and Accountability**

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2018, the expenditures made in the Fire District Fund exceeded the authorized appropriations made by the governing board by \$53,519. The over-expenditures occurred because of increased expenditures occurring toward year end. Management and the Board will more closely review the budget reports to ensure compliance in future years.

This page left blank intentionally.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

Schedule of Changes in the Total OPEB Liability and Related Ratios

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

Schedule of Local Governmental Employees' Retirement System Employer Contributions Last Five 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 Five 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

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Total OPEB Liability	
	2018
Beginning balance	\$ 60,269,724
Service cost	2,269,163
Interest on TOL and cash flows	1,785,134
Differences between expected and actual experience	878,786
Changes of assumptions or other inputs	(6,380,406)
Benefit payments	(1,940,301)
Ending balance of the total OPEB liability	<u>\$ 56,882,100</u>
Covered payroll	\$ 27,051,216
Total OPEB liability as a percentage of covered payroll	210.28%

Notes to Schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

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 FIVE FISCAL YEARS*

	Local Governmental Employees' Retirement System				
	2018	2017	2016	2015	2014
Wilson County's proportion of the net pension liability (asset) (%)	0.51866%	0.51955%	0.50807%	0.51274%	0.50750%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ 7,923,689	\$ 11,026,592	\$ 2,280,188	\$ (3,023,866)	\$ 6,117,324
Wilson County's covered-employee payroll	\$ 30,890,267	\$ 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	25.65%	36.96%	7.94%	(10.48%)	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	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 FIVE FISCAL YEARS**

Local Governmental Employees' Retirement System					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,346,286	\$ 2,287,136	\$ 2,046,962	\$ 2,057,877	\$ 2,046,767
Contributions in relation to the contractually required contribution	<u>2,346,286</u>	<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>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 30,732,875	\$ 30,890,267	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961
Contributions as a percentage of covered-employee payroll	7.63%	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 FIVE FISCAL YEARS*

	Register of Deeds' Supplemental Pension Fund				
	2018	2017	2016	2015	2014
Wilson County's proportion of the net pension liability (asset) (%)	0.45783%	0.47649%	0.47707%	0.49006%	0.47400%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (78,147)	\$ (89,085)	\$ (110,556)	\$ (110,078)	\$ (111,078)
Wilson County's covered-employee payroll	\$ 80,834	\$ 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	(96.68%)	(1 10.21%)	(1 36.87%)	(46.58%)	(39.30%)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	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.

**This will be the same percentage for all participant employers in the ROD 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 FIVE FISCAL YEARS

Register of Deeds' Supplemental Pension Fund					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,807	\$ 3,978	\$ 3,892	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>3,807</u>	<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>	<u>\$ -</u>
Wilson County's covered-employee payroll	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202
Contributions as a percentage of covered-employee payroll	4.71%	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
LAST TWO FISCAL YEARS***

Law Enforcement Officers' Special Separation Allowance		
	2018	2017
Beginning balance	\$ 2,481,531	\$ 2,481,531
Service cost	105,919	118,624
Interest on the total pension liability	92,374	86,600
Differences between expected and actual experience in the measurement of the total pension liability	90,817	-
Changes of assumptions or other inputs	168,986	(61,889)
Benefit payments	(176,851)	(175,142)
Ending balance of the total pension liability	<u>\$ 2,762,776</u>	<u>\$ 2,449,724</u>

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

This schedule is intended to show information for ten years.

Additional years' information will be displayed as it becomes available.

WILSON COUNTY, NORTH CAROLINA**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST TWO FISCAL YEARS***

Law Enforcement Officers' Special Separation Allowance		
	2018	2017
Total pension liability	\$ 2,762,776	\$ 2,481,531
Covered payroll	3,811,844	4,028,341
Total pension liability as a percentage of covered payroll	72.48%	61.60%

Notes to the Schedule:

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

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

This page left blank intentionally.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

This page left blank intentionally.

Major Funds

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Economic Development Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:					
Ad valorem taxes	\$ 50,289,244	\$ -	\$ -	\$ -	\$ 50,289,244
Local option sales tax	13,826,631	-	-	-	13,826,631
Other taxes and licenses	738,795	-	-	-	738,795
Unrestricted intergovernmental	271,760	-	-	-	271,760
Restricted intergovernmental	16,690,816	-	175,685	-	16,866,501
Permits and fees	1,406,680	-	-	-	1,406,680
Sales and services	9,945,440	-	-	-	9,945,440
Investment earnings	542,881	3,008	-	-	545,889
Miscellaneous	21,638	-	-	-	21,638
Total revenues	<u>93,733,885</u>	<u>3,008</u>	<u>175,685</u>	<u>-</u>	<u>93,912,578</u>
Expenditures:					
Current:					
General government	7,876,838	-	1,559,225	-	9,436,063
Public safety	19,924,077	-	-	-	19,924,077
Transportation	47,857	-	-	-	47,857
Environmental protection	227,463	-	-	-	227,463
Economic and physical development	1,274,067	-	-	-	1,274,067
Human services	32,411,609	-	-	-	32,411,609
Cultural and recreation	1,986,068	-	-	-	1,986,068
Intergovernmental:					
Education	24,104,963	-	-	-	24,104,963
Debt service:					
Principal retirement	2,881,638	-	-	-	2,881,638
Interest and other charges	418,538	-	-	-	418,538
Total expenditures	<u>91,153,118</u>	<u>-</u>	<u>1,559,225</u>	<u>-</u>	<u>92,712,343</u>
Revenues over (under) expenditures	<u>2,580,767</u>	<u>3,008</u>	<u>(1,383,540)</u>	<u>-</u>	<u>1,200,235</u>
Other Financing Sources (Uses):					
Transfers to other funds	(1,781,250)	-	-	1,561,250	(220,000)
Transfers from other funds	-	135,000	1,426,250	(1,561,250)	-
Sale of capital assets	31,485	-	-	-	31,485
Total other financing sources (uses)	<u>(1,706,927)</u>	<u>135,000</u>	<u>1,426,250</u>	<u>-</u>	<u>(145,677)</u>
Net change in fund balances	873,840	138,008	42,710	-	1,054,558
Fund Balances:					
Beginning of year, July 1	<u>43,328,496</u>	<u>168,450</u>	<u>29,083</u>	<u>-</u>	<u>43,526,029</u>
End of year, June 30	<u>\$ 44,202,336</u>	<u>\$ 306,458</u>	<u>\$ 71,793</u>	<u>\$ -</u>	<u>\$ 44,580,587</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 48,326,532	\$ 49,991,722	\$ 1,665,190
Interest	324,000	297,522	(26,478)
Total	<u>48,650,532</u>	<u>50,289,244</u>	<u>1,638,712</u>
Local Option Sales Taxes	<u>12,301,995</u>	<u>13,826,631</u>	<u>1,524,636</u>
Other Taxes and Licenses:			
Franchise tax	70,000	68,997	(1,003)
Rental vehicle sales tax	55,000	63,203	8,203
Privilege and civil licenses	-	32	32
Beer and wine tax	121,200	121,506	306
Excise tax	<u>387,750</u>	<u>485,057</u>	<u>97,307</u>
Total	<u>633,950</u>	<u>738,795</u>	<u>104,845</u>
Unrestricted Intergovernmental:			
Housing Authority	8,950	9,260	310
Wilson County ABC Board:			
Profit distribution	<u>243,750</u>	<u>262,500</u>	<u>18,750</u>
Total	<u>252,700</u>	<u>271,760</u>	<u>19,060</u>
Restricted Intergovernmental:			
General Fund	1,091,553	1,181,194	89,641
Library	181,987	170,588	(11,399)
Health services	1,810,896	1,807,758	(3,138)
Social services	17,653,512	13,433,326	(4,220,186)
Court facility fees	<u>95,350</u>	<u>97,950</u>	<u>2,600</u>
Total	<u>20,833,298</u>	<u>16,690,816</u>	<u>(4,142,482)</u>
Permits and Fees:			
Building permits and inspection fees	160,000	168,269	8,269
Register of Deeds	319,620	341,134	21,514
Public safety	464,000	505,058	41,058
Health services	<u>355,400</u>	<u>392,219</u>	<u>36,819</u>
Total	<u>1,299,020</u>	<u>1,406,680</u>	<u>107,660</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues (continued):			
Sales and Services:			
Jail fees and Sheriff fees	1,073,080	1,073,560	480
Rents, concessions, and fees	6,781,697	4,852,938	(1,928,759)
Ambulance service fees	2,300,000	2,684,654	384,654
Communication center	1,100,000	1,334,288	234,288
Total	<u>11,254,777</u>	<u>9,945,440</u>	<u>(1,309,337)</u>
Investment Earnings	<u>125,000</u>	<u>542,881</u>	<u>417,881</u>
Miscellaneous:			
Other	37,516	21,638	(15,878)
Total	<u>37,516</u>	<u>21,638</u>	<u>(15,878)</u>
Total revenues	<u>95,388,788</u>	<u>93,733,885</u>	<u>(1,654,903)</u>
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	61,369	60,661	708
Other operating expenditures	45,360	38,336	7,024
Total	<u>106,729</u>	<u>98,997</u>	<u>7,732</u>
Administration:			
Salaries and employee benefits	367,955	367,885	70
Other operating expenditures	12,517	11,457	1,060
Total	<u>380,472</u>	<u>379,342</u>	<u>1,130</u>
Human Resources:			
Salaries and employee benefits	214,610	213,206	1,404
Other operating expenditures	70,700	44,155	26,545
Total	<u>285,310</u>	<u>257,361</u>	<u>27,949</u>
Board of Elections:			
Salaries and employee benefits	316,621	200,947	115,674
Other operating expenditures	190,394	141,902	48,492
Capital outlay	122,250	75,547	46,703
Total	<u>629,265</u>	<u>418,396</u>	<u>210,869</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Finance:			
Salaries and employee benefits	544,650	502,136	42,514
Other operating expenditures	38,075	30,278	7,797
Total	<u>582,725</u>	<u>532,414</u>	<u>50,311</u>
Office of Tax Supervisor:			
Salaries and employee benefits	988,105	943,748	44,357
Other operating expenditures	326,562	284,837	41,725
Data processing charges	155,448	123,159	32,289
Capital outlay	7,825	17,961	(10,136)
Total	<u>1,477,940</u>	<u>1,369,705</u>	<u>108,235</u>
Technology Services:			
Salaries and employee benefits	562,802	536,471	26,331
Other operating expenditures	69,650	52,983	16,667
Data processing charges	307,346	265,125	42,221
Capital outlay	120,664	115,403	5,261
Total	<u>1,060,462</u>	<u>969,982</u>	<u>90,480</u>
Register of Deeds:			
Salaries and employee benefits	353,170	346,798	6,372
Other operating expenditures	68,465	57,340	11,125
Total	<u>421,635</u>	<u>404,138</u>	<u>17,497</u>
Public Buildings:			
Other operating expenditures	806,669	735,500	71,169
Capital outlay	221,097	210,260	10,837
Total	<u>1,027,766</u>	<u>945,760</u>	<u>82,006</u>
Maintenance Administration			
Salaries and employee benefits	660,002	646,087	13,915
Other operating expenditures	89,082	80,352	8,730
Total	<u>749,084</u>	<u>726,439</u>	<u>22,645</u>
Court Facilities:			
Other operating expenditures	133,533	106,859	26,674
Capital outlay	55,554	55,554	-
Total	<u>189,087</u>	<u>162,413</u>	<u>26,674</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Central Service:			
Other operating expenditures	1,595,038	1,461,500	133,538
Total	<u>1,595,038</u>	<u>1,461,500</u>	<u>133,538</u>
Other:			
Upper Coastal Plain COG	38,000	38,000	-
Other area projects	120,362	112,391	7,971
Total	<u>158,362</u>	<u>150,391</u>	<u>7,971</u>
Total general government	<u>8,663,875</u>	<u>7,876,838</u>	<u>787,037</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	6,109,241	5,739,604	369,637
Other operating expenditures	1,077,465	1,054,557	22,908
Capital outlay	276,145	276,142	3
Total	<u>7,462,851</u>	<u>7,070,303</u>	<u>392,548</u>
Jail:			
Salaries and employee benefits	2,579,171	2,589,685	(10,514)
Other operating expenditures	1,419,774	1,418,374	1,400
Capital outlay	30,030	30,030	-
Total	<u>4,028,975</u>	<u>4,038,089</u>	<u>(9,114)</u>
Animal Control:			
Salaries and employee benefits	525,761	517,046	8,715
Other operating expenditures	96,377	91,739	4,638
Total	<u>622,138</u>	<u>608,785</u>	<u>13,353</u>
Emergency Communications:			
Salaries and employee benefits	2,572,796	2,206,774	366,022
Other operating expenditures	335,261	293,530	41,731
Capital outlay	38,342	4,871	33,471
Total	<u>2,946,399</u>	<u>2,505,175</u>	<u>441,224</u>
Emergency Management:			
Salaries and employee benefits	171,932	168,145	3,787
Other operating expenditures	108,059	81,674	26,385
Capital outlay	56,000	55,024	976
Total	<u>335,991</u>	<u>304,843</u>	<u>31,148</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Emergency Medical Services:			
Salaries and employee benefits	4,689,099	4,422,612	266,487
Other operating expenditures	812,850	745,148	67,702
Capital outlay	254,176	229,122	25,054
Total	<u>5,756,125</u>	<u>5,396,882</u>	<u>359,243</u>
 Total public safety	 <u>21,152,479</u>	 <u>19,924,077</u>	 <u>1,228,402</u>
Transportation:			
Rocky Mount/Wilson Airport	<u>47,857</u>	<u>47,857</u>	<u>-</u>
Environmental Protection:			
Forestry Program:			
Other operating expenditures	<u>90,301</u>	<u>80,721</u>	<u>9,580</u>
Soil Conservation:			
Salaries and employee benefits	161,328	132,900	28,428
Other operating expenditures	<u>19,500</u>	<u>13,842</u>	<u>5,658</u>
Total	<u>180,828</u>	<u>146,742</u>	<u>34,086</u>
 Total environmental protection	 <u>271,129</u>	 <u>227,463</u>	 <u>43,666</u>
Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	436,779	391,387	45,392
Other operating expenditures	<u>57,467</u>	<u>47,339</u>	<u>10,128</u>
Total	<u>494,246</u>	<u>438,726</u>	<u>55,520</u>
Planning and Zoning:			
Salaries and employee benefits	517,380	481,025	36,355
Other operating expenditures	<u>55,178</u>	<u>40,271</u>	<u>14,907</u>
Total	<u>572,558</u>	<u>521,296</u>	<u>51,262</u>
Other:			
Other projects	<u>314,045</u>	<u>314,045</u>	<u>-</u>
Total	<u>314,045</u>	<u>314,045</u>	<u>-</u>
 Total economic and physical development	 <u>1,380,849</u>	 <u>1,274,067</u>	 <u>106,782</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Diversified Opportunities	29,250	29,250	-
Senior Center:			
Salaries and employee benefits	100,781	100,526	255
Other operating expenditures	39,514	27,502	12,012
Total	<u>140,295</u>	<u>128,028</u>	<u>12,267</u>
Home and Community Care Block Grant:			
Operating expenses	406,965	410,562	(3,597)
Total	<u>406,965</u>	<u>410,562</u>	<u>(3,597)</u>
Health:			
Administration:			
Salaries and employee benefits	25,218	78,682	(53,464)
Other operating expenditures	813,701	740,768	72,933
Capital outlay	50,255	62,008	(11,753)
Total	<u>889,174</u>	<u>881,458</u>	<u>7,716</u>
Health Promotion:			
Salaries and employee benefits	31,438	17,021	14,417
Other operating expenditures	27,248	19,473	7,775
Total	<u>58,686</u>	<u>36,494</u>	<u>22,192</u>
Tuberculosis Control:			
Salaries and employee benefits	62,203	61,478	725
Other operating expenditures	26,671	21,261	5,410
Total	<u>88,874</u>	<u>82,739</u>	<u>6,135</u>
Home Health:			
Salaries and employee benefits	3,013,926	2,151,524	862,402
Other operating expenditures	1,974,600	1,452,523	522,077
Capital outlay	20,000	15,220	4,780
Total	<u>5,008,526</u>	<u>3,619,267</u>	<u>1,389,259</u>
Family Planning:			
Salaries and employee benefits	640,163	634,039	6,124
Other operating expenditures	198,856	134,821	64,035
Capital outlay	1,000	-	1,000
Total	<u>840,019</u>	<u>768,860</u>	<u>71,159</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Maternal Health:			
Salaries and employee benefits	605,083	599,026	6,057
Other operating expenditures	<u>106,375</u>	<u>90,059</u>	<u>16,316</u>
Total	<u>711,458</u>	<u>689,085</u>	<u>22,373</u>
Environmental Health:			
Salaries and employee benefits	564,629	532,315	32,314
Other operating expenditures	<u>83,350</u>	<u>66,976</u>	<u>16,374</u>
Total	<u>647,979</u>	<u>599,291</u>	<u>48,688</u>
Immunization:			
Salaries and employee benefits	107,571	88,099	19,472
Other operating expenditures	<u>102,500</u>	<u>89,378</u>	<u>13,122</u>
Total	<u>210,071</u>	<u>177,477</u>	<u>32,594</u>
Communicable Diseases:			
Salaries and employee benefits	320,746	316,279	4,467
Other operating expenditures	<u>20,496</u>	<u>18,639</u>	<u>1,857</u>
Total	<u>341,242</u>	<u>334,918</u>	<u>6,324</u>
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	27,423	15,473	11,950
Other operating expenditures	<u>30,018</u>	<u>27,171</u>	<u>2,847</u>
Total	<u>57,441</u>	<u>42,644</u>	<u>14,797</u>
Child Health:			
Salaries and employee benefits	444,088	434,541	9,547
Other operating expenditures	<u>23,360</u>	<u>10,085</u>	<u>13,275</u>
Total	<u>467,448</u>	<u>444,626</u>	<u>22,822</u>
Child Service Coordinator:			
Salaries and employee benefits	209,892	208,161	1,731
Other operating expenditures	<u>5,435</u>	<u>3,607</u>	<u>1,828</u>
Total	<u>215,327</u>	<u>211,768</u>	<u>3,559</u>
WIC Clinic Administration:			
Salaries and employee benefits	49,721	48,477	1,244
Other operating expenditures	<u>7,405</u>	<u>4,311</u>	<u>3,094</u>
Total	<u>57,126</u>	<u>52,788</u>	<u>4,338</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
WIC Nutrition Education:			
Salaries and employee benefits	124,259	119,832	4,427
Other operating expenditures	2,180	2,077	103
Total	<u>126,439</u>	<u>121,909</u>	<u>4,530</u>
AIDS Control:			
Salaries and employee benefits	11,621	11,116	505
Other operating expenditures	879	219	660
Total	<u>12,500</u>	<u>11,335</u>	<u>1,165</u>
Bioterrorism:			
Salaries and employee benefits	22,432	22,140	292
Other operating expenditures	7,219	6,163	1,056
Capital outlay	5,000	2,445	2,555
Total	<u>34,651</u>	<u>30,748</u>	<u>3,903</u>
WIC Client Services:			
Salaries and employee benefits	507,277	477,635	29,642
Other operating expenditures	4,800	3,815	985
Total	<u>512,077</u>	<u>481,450</u>	<u>30,627</u>
School Based Health Center:			
Salaries and employee benefits	134,069	46,133	87,936
Other operating expenditures	146,576	94,990	51,586
Capital outlay	145,000	51,645	93,355
Total	<u>425,645</u>	<u>192,768</u>	<u>232,877</u>
Mental Health:			
Other operating expenditures	331,317	331,317	-
Total	<u>331,317</u>	<u>331,317</u>	<u>-</u>
Maternal Child Care:			
Salaries and employee benefits	275,106	212,944	62,162
Other operating expenditures	17,400	9,653	7,747
Total	<u>292,506</u>	<u>222,597</u>	<u>69,909</u>
WIC Breastfeeding:			
Salaries and employee benefits	60,656	47,209	13,447
Other operating expenditures	2,950	2,418	532
Total	<u>63,606</u>	<u>49,627</u>	<u>13,979</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Adult Health:			
Salaries and employee benefits	394,454	374,950	19,504
Other operating expenditures	40,425	27,953	12,472
Total	<u>434,879</u>	<u>402,903</u>	<u>31,976</u>
Total health	<u>11,826,991</u>	<u>9,786,069</u>	<u>2,040,922</u>
Social Services:			
Administration:			
Salaries and employee benefits	14,451,122	13,405,844	1,045,278
Other operating expenditures	2,823,065	2,492,765	330,300
Capital outlay	38,239	36,816	1,423
Total	<u>17,312,426</u>	<u>15,935,425</u>	<u>1,377,001</u>
4D Child Support:			
Salaries and employee benefits	945,660	825,563	120,097
Other operating expenditures	523,621	57,764	465,857
Total	<u>1,469,281</u>	<u>883,327</u>	<u>585,954</u>
Income Maintenance Programs:			
AFDC Fostercare	467,082	176,686	290,396
Special assistance - adults	993,048	887,424	105,624
Medicaid - County participation	948,000	190,498	757,502
Total	<u>2,408,130</u>	<u>1,254,608</u>	<u>1,153,522</u>
Other Services:			
Other operating expenditures	<u>6,847,335</u>	<u>3,483,926</u>	<u>3,363,409</u>
Emergency Solutions Programs:			
Other operating expenditures	<u>48,080</u>	<u>47,297</u>	<u>783</u>
Eat More Move More:			
Salaries and employee benefits	105,728	52,599	53,129
Other operating expenditures	154,719	119,619	35,100
Total	<u>260,447</u>	<u>172,218</u>	<u>88,229</u>
Community Response Program:			
Salaries and employee benefits	64,162	64,027	135
Other operating expenditures	37,788	19,207	18,581
Total	<u>101,950</u>	<u>83,234</u>	<u>18,716</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Every Teen Counts:			
Other operating expenditures	38,202	6,107	32,095
Total	<u>38,202</u>	<u>6,107</u>	<u>32,095</u>
Partner for Healthy Baby:			
Salaries and employee benefits	58,320	58,177	143
Other operating expenditures	16,680	15,594	1,086
Total	<u>75,000</u>	<u>73,771</u>	<u>1,229</u>
Strengthening Families Grant:			
Other operating expenditures	46,334	43,569	2,765
Total	<u>46,334</u>	<u>43,569</u>	<u>2,765</u>
RAPP Grant:			
Other operating expenditures	10,000	1,896	8,104
Total	<u>10,000</u>	<u>1,896</u>	<u>8,104</u>
Opioid Use Grant:			
Other operating expenditures	50,000	12,385	37,615
Total	<u>50,000</u>	<u>12,385</u>	<u>37,615</u>
FNS Employment & Training Grant:			
Salaries and employee benefits	39,729	-	39,729
Other operating expenditures	24,189	4,089	20,100
Total	<u>63,918</u>	<u>4,089</u>	<u>59,829</u>
Total social services	<u>28,731,103</u>	<u>22,001,852</u>	<u>6,729,251</u>
Veterans Affairs:			
Salaries and employee benefits	54,968	54,495	473
Other operating expenditures	1,396	1,353	43
Total	<u>56,364</u>	<u>55,848</u>	<u>516</u>
Total human services	<u>41,190,968</u>	<u>32,411,609</u>	<u>8,779,359</u>
Cultural and Recreation:			
Recreation:			
Other operating expenditures	187,070	167,070	20,000

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Libraries:			
Salaries and employee benefits	1,422,032	1,303,326	118,706
Other operating expenditures	539,233	487,109	52,124
Capital outlay	28,566	28,563	3
Total	<u>1,989,831</u>	<u>1,818,998</u>	<u>170,833</u>
Total cultural and recreation	<u>2,176,901</u>	<u>1,986,068</u>	<u>190,833</u>
Education:			
Public schools - current	20,456,543	20,456,543	-
Public schools - capital outlay	1,000,000	1,000,000	-
Community colleges - current	2,263,251	2,263,251	-
Community colleges - capital outlay	385,169	385,169	-
Total education	<u>24,104,963</u>	<u>24,104,963</u>	<u>-</u>
Debt Service:			
Principal retirement	2,881,642	2,881,638	4
Interest and other charges	761,084	418,538	342,546
Total debt service	<u>3,642,726</u>	<u>3,300,176</u>	<u>342,550</u>
Total expenditures	<u>102,631,747</u>	<u>91,153,118</u>	<u>11,478,629</u>
Revenues over (under) expenditures	<u>(7,242,959)</u>	<u>2,580,767</u>	<u>9,823,726</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
Revaluation Fund	(135,000)	(135,000)	-
Economic Development Grant Fund	(1,426,250)	(1,426,250)	-
Capital Reserve Fund	(220,000)	(220,000)	-
Sale of capital assets	35,000	31,485	(3,515)
Fund balance appropriated	8,989,209	-	(8,989,209)
Total other financing sources (uses)	<u>7,242,959</u>	<u>(1,706,927)</u>	<u>(8,949,886)</u>
Net change in fund balance	<u>\$ -</u>	<u>873,840</u>	<u>\$ 873,840</u>
Fund Balance:			
Beginning of year, July 1		<u>43,328,496</u>	
End of year, June 30		<u>\$ 44,202,336</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, 2018**

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
Revenues:			
Restricted intergovernmental	\$ -	\$ 175,685	\$ 175,685
Investment earnings	<u>3,008</u>	<u>-</u>	<u>3,008</u>
Total revenues	<u>3,008</u>	<u>175,685</u>	<u>178,693</u>
Expenditures:			
Current:			
Economic development:			
Economic incentives	<u>-</u>	<u>1,559,225</u>	<u>1,559,225</u>
Revenues over (under) expenditures	3,008	(1,383,540)	(1,380,532)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>135,000</u>	<u>1,426,250</u>	<u>1,561,250</u>
Net change in fund balances	138,008	42,710	180,718
Fund Balances:			
Beginning of year, July 1	<u>168,450</u>	<u>29,083</u>	<u>197,533</u>
End of year, June 30	<u>\$ 306,458</u>	<u>\$ 71,793</u>	<u>\$ 378,251</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 3,008	\$ 3,008
Expenditures:			
Current:			
General government:			
Tax listing	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Revenues over (under) expenditures	(135,000)	3,008	138,008
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>135,000</u>	<u>135,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	138,008	<u>\$ 138,008</u>
Fund Balance:			
Beginning of year, July 1		<u>168,450</u>	
End of year, June 30		<u>\$ 306,458</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 990,279	\$ 175,685	\$ 814,594
Miscellaneous revenues	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Total revenues	<u>1,008,279</u>	<u>175,685</u>	<u>832,594</u>
Expenditures:			
Current:			
General government:			
Economic incentives	<u>2,434,529</u>	<u>1,559,225</u>	<u>875,304</u>
Revenues over (under) expenditures	(1,426,250)	(1,383,540)	(42,710)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>1,426,250</u>	<u>1,426,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>42,710</u>	<u>\$ 42,710</u>
Fund Balance:			
Beginning of year, July 1		<u>29,083</u>	
End of year, June 30		<u>\$ 71,793</u>	

This page left blank intentionally.

Nonmajor Governmental Funds

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Fire Districts Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Total Nonmajor Special Revenue Funds
Assets:					
Cash and cash equivalents	\$ 480,437	\$ 503,996	\$ 160,536	\$ 84	\$ 1,145,053
Restricted cash	-	-	-	-	-
Taxes receivable, net	48,157	-	-	-	48,157
Accounts receivable, net	-	-	18,472	-	18,472
Due from other governments	-	38,759	18,432	-	57,191
Notes receivable	-	-	-	1,076,923	1,076,923
Total assets	<u>\$ 528,594</u>	<u>\$ 542,755</u>	<u>\$ 197,440</u>	<u>\$ 1,077,007</u>	<u>\$ 2,345,796</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 27,681	\$ -	\$ 27,681
Due to other governments	479,839	-	-	-	479,839
Total liabilities	<u>479,839</u>	<u>-</u>	<u>27,681</u>	<u>-</u>	<u>507,520</u>
Deferred Inflows of Resources:					
Taxes receivable	<u>48,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,157</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	38,759	36,904	1,076,923	1,152,586
Human services	-	-	-	-	-
Economic development projects	-	-	-	84	84
School capital	-	-	-	-	-
Public safety	598	503,996	-	-	504,594
Assigned:					
Transportation	-	-	132,855	-	132,855
Future capital	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>598</u>	<u>542,755</u>	<u>169,759</u>	<u>1,077,007</u>	<u>1,790,119</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 528,594</u>	<u>\$ 542,755</u>	<u>\$ 197,440</u>	<u>\$ 1,077,007</u>	<u>\$ 2,345,796</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Community Grant Fund</u>	<u>Public Buildings Fund</u>	<u>School Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:						
Cash and cash equivalents	\$ 5,318	\$ 1,079,727	\$ 127,370	\$ 610,000	\$ 1,822,415	\$ 2,967,468
Restricted cash	-	485,329	221,412	-	706,741	706,741
Taxes receivable, net	-	-	-	-	-	48,157
Accounts receivable, net	-	-	-	-	-	18,472
Due from other governments	20,000	34,152	-	-	54,152	111,343
Notes receivable	-	-	-	-	-	1,076,923
Total assets	<u>\$ 25,318</u>	<u>\$ 1,599,208</u>	<u>\$ 348,782</u>	<u>\$ 610,000</u>	<u>\$ 2,583,308</u>	<u>\$ 4,929,104</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 25,318	\$ 151,146	\$ 127,133	\$ -	\$ 303,597	\$ 331,278
Due to other governments	-	-	-	-	-	479,839
Total liabilities	<u>25,318</u>	<u>151,146</u>	<u>127,133</u>	<u>-</u>	<u>303,597</u>	<u>811,117</u>
Deferred Inflows of Resources:						
Taxes receivable	-	-	-	-	-	48,157
Fund Balances:						
Restricted:						
Stabilization by state statute	20,000	34,152	-	-	54,152	1,206,738
Human services	-	882,503	-	-	882,503	882,503
Economic development projects	-	-	-	-	-	84
School capital	-	-	221,649	-	221,649	221,649
Public safety	-	485,329	-	-	485,329	989,923
Assigned:						
Transportation	-	-	-	-	-	132,855
Future capital	-	46,078	-	610,000	656,078	656,078
Unassigned	(20,000)	-	-	-	(20,000)	(20,000)
Total fund balances	<u>-</u>	<u>1,448,062</u>	<u>221,649</u>	<u>610,000</u>	<u>2,279,711</u>	<u>4,069,830</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,318</u>	<u>\$ 1,599,208</u>	<u>\$ 348,782</u>	<u>\$ 610,000</u>	<u>\$ 2,583,308</u>	<u>\$ 4,929,104</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Fire District Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Ad valorem taxes	\$ 1,707,286	\$ -	\$ -	\$ -	\$ 1,707,286
Local option sales tax	454,951	-	-	-	454,951
Restricted intergovernmental	-	465,103	429,120	-	894,223
Sales and services	-	-	134,564	-	134,564
Investment earnings	-	5,717	-	-	5,717
Total revenues	<u>2,162,237</u>	<u>470,820</u>	<u>563,684</u>	<u>-</u>	<u>3,196,741</u>
Expenditures:					
Public safety	2,161,999	409,907	-	-	2,571,906
Transportation	-	-	621,490	-	621,490
Education	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	<u>2,161,999</u>	<u>409,907</u>	<u>621,490</u>	<u>-</u>	<u>3,193,396</u>
Revenues over (under) expenditures	<u>238</u>	<u>60,913</u>	<u>(57,806)</u>	<u>-</u>	<u>3,345</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds	-	-	-	-	-
Debt issuance	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	238	60,913	(57,806)	-	3,345
Fund Balances:					
Beginning of year, July 1	<u>360</u>	<u>481,842</u>	<u>227,565</u>	<u>1,077,007</u>	<u>1,786,774</u>
End of year, June 30	<u>\$ 598</u>	<u>\$ 542,755</u>	<u>\$ 169,759</u>	<u>\$ 1,077,007</u>	<u>\$ 1,790,119</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Community Grants Fund</u>	<u>Public Buildings Fund</u>	<u>School Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,707,286
Local option sales tax	-	-	-	-	-	454,951
Restricted intergovernmental	-	49,144	-	-	49,144	943,367
Sales and services	-	-	-	-	-	134,564
Investment earnings	-	384	208	-	592	6,309
Total revenues	<u>-</u>	<u>49,528</u>	<u>208</u>	<u>-</u>	<u>49,736</u>	<u>3,246,477</u>
Expenditures:						
Public safety	-	-	-	-	-	2,571,906
Transportation	-	-	-	-	-	621,490
Education	-	-	4,645,617	-	4,645,617	4,645,617
Capital projects	-	1,175,551	-	-	1,175,551	1,175,551
Total expenditures	<u>-</u>	<u>1,175,551</u>	<u>4,645,617</u>	<u>-</u>	<u>5,821,168</u>	<u>9,014,564</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,126,023)</u>	<u>(4,645,409)</u>	<u>-</u>	<u>(5,771,432)</u>	<u>(5,768,087)</u>
Other Financing Sources (Uses):						
Transfers from (to) other funds	-	-	-	220,000	220,000	220,000
Debt proceeds	-	874,536	-	-	874,536	874,536
Total other financing sources (uses)	<u>-</u>	<u>874,536</u>	<u>-</u>	<u>220,000</u>	<u>1,094,536</u>	<u>1,094,536</u>
Net change in fund balances	-	(251,487)	(4,645,409)	220,000	(4,676,896)	(4,673,551)
Fund Balances:						
Beginning of year, July 1	<u>-</u>	<u>1,699,549</u>	<u>4,867,058</u>	<u>390,000</u>	<u>6,956,607</u>	<u>8,743,381</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 1,448,062</u>	<u>\$ 221,649</u>	<u>\$ 610,000</u>	<u>\$ 2,279,711</u>	<u>\$ 4,069,830</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,673,646	\$ 1,677,246	\$ 3,600
Prior year	<u>35,737</u>	<u>30,040</u>	<u>(5,697)</u>
Total ad valorem taxes	1,709,383	1,707,286	(2,097)
Other taxes	<u>399,097</u>	<u>454,951</u>	<u>55,854</u>
Total revenues	2,108,480	2,162,237	53,757
Expenditures:			
Public safety	<u>2,108,480</u>	<u>2,161,999</u>	<u>(53,519)</u>
Net change in fund balance	<u>\$ -</u>	238	<u>\$ 238</u>
Fund Balance:			
Beginning of year, July 1		<u>360</u>	
End of year, June 30		<u>\$ 598</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental			
NC 911 Board	\$ 465,102	\$ 465,103	\$ 1
Investment earnings	<u>750</u>	<u>5,717</u>	<u>4,967</u>
Total revenues	<u>623,765</u>	<u>470,820</u>	<u>(152,945)</u>
Expenditures:			
Implemental functions	93,900	78,692	15,208
Telephone	196,484	166,866	29,618
Software maintenance	127,824	106,938	20,886
Hardware maintenance	377,716	50,034	327,682
Training	<u>10,544</u>	<u>7,377</u>	<u>3,167</u>
Total expenditures	<u>964,381</u>	<u>409,907</u>	<u>554,474</u>
Revenues over (under) expenditures	(340,616)	60,913	401,529
Other Financing Sources (Uses):			
Fund balance appropriated	<u>340,616</u>	<u>-</u>	<u>(340,616)</u>
Net change in fund balance	<u>\$ -</u>	60,913	<u>\$ 60,913</u>
Fund Balance:			
Beginning of year, July 1		<u>481,842</u>	
End of year, June 30		<u>\$ 542,755</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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 212,898	\$ (14,347)
Capital Grant	123,000	107,244	(15,756)
Public Transportation Grant	146,457	108,978	(37,479)
Sales and services	<u>134,550</u>	<u>134,564</u>	<u>14</u>
Total revenues	<u>631,252</u>	<u>563,684</u>	<u>(67,568)</u>
Expenditures:			
Salaries and employee benefits	108,068	103,458	4,610
Operating expenses	426,993	351,982	75,011
Capital outlay	<u>169,350</u>	<u>166,050</u>	<u>3,300</u>
Total expenditures	<u>704,411</u>	<u>621,490</u>	<u>82,921</u>
Revenues over (under) expenditures	(73,159)	(57,806)	15,353
Other Financing Sources (Uses):			
Fund balance appropriated	<u>73,159</u>	<u>-</u>	<u>(73,159)</u>
Net change in fund balance	<u>\$ -</u>	<u>(57,806)</u>	<u>\$ (57,806)</u>
Fund Balance:			
Beginning of year, July 1		<u>227,565</u>	
End of year, June 30		<u>\$ 169,759</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Fund Balance:			
Beginning of year, July 1		\$ 1,077,007	
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, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 125,000	\$ 49,144	\$ (75,856)
Investment earnings	-	384	384
Total revenues	<u>125,000</u>	<u>49,528</u>	<u>(75,472)</u>
Expenditures:			
Capital outlay improvement - DSS	1,619,700	737,197	882,503
Capital outlay improvement - Courthouse	125,000	49,144	75,856
Capital outlay improvement - Viper Grant	<u>874,540</u>	<u>389,210</u>	<u>485,330</u>
Total expenditures	<u>2,619,240</u>	<u>1,175,551</u>	<u>1,443,689</u>
Revenues over (under) expenditures	<u>(2,494,240)</u>	<u>(1,126,023)</u>	<u>1,368,217</u>
Other Financing Sources (Uses):			
Fund balance appropriated	1,619,700	-	(1,619,700)
Issuance of debt	<u>874,540</u>	<u>874,536</u>	<u>(4)</u>
Total other financing sources (uses)	<u>2,494,240</u>	<u>874,536</u>	<u>(1,619,704)</u>
Net change in fund balance	<u>\$ -</u>	<u>(251,487)</u>	<u>\$ (251,487)</u>
Fund Balance:			
Beginning of year, July 1		<u>1,699,549</u>	
End of year, June 30		<u>\$ 1,448,062</u>	

WILSON COUNTY, NORTH CAROLINA

SCHOOL CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 208	\$ 208
Expenditures:			
Capital outlay	<u>4,867,029</u>	<u>4,645,617</u>	<u>221,412</u>
Revenues over (under) expenditures	<u>(4,867,029)</u>	<u>(4,645,409)</u>	<u>221,620</u>
Other Financing Sources (Uses):			
Fund balance appropriated	4,867,027	-	(4,867,027)
Proceeds of Installment Debt	1	-	(1)
QZAB Bond Proceeds	<u>1</u>	<u>-</u>	<u>(1)</u>
Total other financing sources (uses)	<u>4,867,029</u>	<u>-</u>	<u>(4,867,029)</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,645,409)</u>	<u>\$ (4,645,409)</u>
Fund Balance:			
Beginning of year, July 1		<u>4,867,058</u>	
End of year, June 30		<u>\$ 221,649</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers out	\$ (220,000)	\$ -	\$ 220,000
Transfers in	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>220,000</u>	<u>220,000</u>
 Net change in fund balance	 <u>\$ -</u>	 220,000	 <u>\$ 220,000</u>
 Fund Balance:			
Beginning of year, July 1		<u>390,000</u>	
 End of year, June 30		 <u>\$ 610,000</u>	

Major Enterprise Funds

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 2,838,284	\$ 3,391,093	\$ 552,809
Non-operating revenues:			
Restricted intergovernmental revenues	32,500	30,500	(2,000)
Investment earnings	26,000	178,233	152,233
Other	-	9,307	9,307
Total non-operating revenues	<u>58,500</u>	<u>218,040</u>	<u>159,540</u>
Total revenues	<u>2,896,784</u>	<u>3,609,133</u>	<u>712,349</u>
Expenditures:			
Salaries and benefits	1,401,235	995,560	405,675
Operating expenses	1,711,891	1,256,831	455,060
Capital outlay	266,479	272,996	(6,517)
Total expenditures	<u>3,379,605</u>	<u>2,525,387</u>	<u>854,218</u>
Revenues over (under) expenditures	<u>(482,821)</u>	<u>1,083,746</u>	<u>(141,869)</u>
Other Financing Sources (Uses):			
Transfers in (out)	(368,000)	(368,000)	-
Fund balance appropriated	850,821	-	(850,821)
Total other financing sources (uses)	<u>482,821</u>	<u>(368,000)</u>	<u>(850,821)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>715,746</u>	<u>\$ 715,746</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlays		269,903	
Transfer to Solid Waste Capital Project Fund		368,000	
Depreciation		(277,074)	
Change in deferred outflows of resources - pension		(104,793)	
Change in deferred inflows of resources - pension		(158,387)	
Change in net pension liability		92,777	
Change in accrued landfill closure and costs		(73,707)	
Change in OPEB liability		(43,458)	
Change in deferred outflows of resources - OPEB		53,492	
Change in deferred inflows of resources - OPEB		(5,294)	
Change in accrued compensated absences		4,911	
Total reconciling items		<u>126,370</u>	
Change in net position		<u>\$ 842,116</u>	

WILSON COUNTY, NORTH CAROLINA

SOLID WASTE CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<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>	
Expenditures:					
Construction	\$ 206,000	\$ -	\$ -	\$ -	\$ 206,000
Convenience centers improvements	<u>162,000</u>	-	-	-	<u>162,000</u>
Total expenditures	<u>368,000</u>	-	-	-	<u>368,000</u>
Revenues over (under) expenditures	(368,000)	-	-	-	(368,000)
Other Financing Sources (Uses):					
Transfers in (out)	<u>368,000</u>	-	<u>368,000</u>	<u>368,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,000</u>	<u>\$ 368,000</u>	<u>\$ 368,000</u>

WILSON COUNTY, NORTH CAROLINA

**SOUTHEAST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 940,000	\$ 943,487	\$ 3,487
Non-operating revenues:			
Restricted intergovernmental	33,305	34,747	1,442
Other	4,250	4,250	-
Total non-operating revenues	<u>37,555</u>	<u>38,997</u>	<u>1,442</u>
Total revenues	<u>977,555</u>	<u>982,484</u>	<u>4,929</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	166,311	145,221	21,090
Operating expenses	447,470	215,584	231,886
Water purchases	250,000	236,140	13,860
Capital outlay	60,900	-	60,900
Total operating expenditures	<u>924,681</u>	<u>596,945</u>	<u>327,736</u>
Debt service:			
Interest	111,874	111,873	1
Principal	99,075	99,075	-
Total debt service	<u>210,949</u>	<u>210,948</u>	<u>1</u>
Total expenditures	<u>1,135,630</u>	<u>807,893</u>	<u>327,737</u>
Revenues over (under) expenditures	<u>(158,075)</u>	<u>174,591</u>	<u>332,666</u>
Other Financing Sources (Uses):			
Fund balance appropriated	<u>158,075</u>	<u>-</u>	<u>(158,075)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>174,591</u>	<u>\$ 174,591</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Principal paid on long-term debt		99,075	
Depreciation and amortization		(268,683)	
Change in deferred outflows of resources - pension		(11,916)	
Change in deferred inflows of resources - pension		271	
Change in net pension liability		10,550	
Change in accrued interest		(308)	
Change in OPEB liability		(4,909)	
Change in deferred outflows of resources - OPEB		6,346	
Change in deferred inflows of resources - OPEB		(18,760)	
Change in accrued compensated absences		4,182	
Total reconciling items		<u>(184,152)</u>	
Change in net position		<u>\$ (9,561)</u>	

WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 1,073,000	\$ 1,255,046	\$ 182,046
Non-operating revenues:			
Other - insurance reimbursement	1,000	1,000	-
Total revenues	<u>1,074,000</u>	<u>1,256,046</u>	<u>182,046</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	166,309	145,275	21,034
Operating expenses	511,822	193,238	318,584
Water purchases	255,000	232,767	22,233
Capital outlay	48,100	-	48,100
Total operating expenditures	<u>981,231</u>	<u>571,280</u>	<u>409,951</u>
Debt service:			
Interest	201,374	201,373	1
Principal	163,837	163,836	1
Total debt service	<u>365,211</u>	<u>365,209</u>	<u>2</u>
Total expenditures	<u>1,346,442</u>	<u>936,489</u>	<u>409,953</u>
Revenues over (under) expenditures	(272,442)	319,557	591,999
Other Financing Sources (Uses):			
Fund balance appropriated	<u>272,442</u>	-	<u>(272,442)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>319,557</u>	<u>\$ 319,557</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Revenues from capital project		126,245	
Principal paid on long-term debt		163,836	
Depreciation and amortization		(343,273)	
Change in deferred outflows of resources - pension		(11,916)	
Change in deferred inflows of resources - pension		271	
Change in net pension liability		10,550	
Change in accrued interest		1,710	
Change in OPEB liability		(4,909)	
Change in deferred outflows of resources - OPEB		6,346	
Change in deferred inflows of resources - OPEB		(18,760)	
Change in accrued compensated absences		4,182	
Total reconciling items		<u>(65,718)</u>	
Change in net position		<u>\$ 253,839</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, 2018

	Project Authorization	Actual			Variance Over/Under
	Prior Years	Current Year	Total to Date		
Revenues:					
Restricted Intergovernmental:					
Restricted intergovernmental	\$ 679,120	\$ 528,531	\$ 126,245	\$ 654,776	\$ (24,344)
Expenditures:					
Administration costs	60,000	59,702	300	60,002	(2)
Engineering	104,200	85,114	25,086	110,200	(6,000)
Construction	514,920	383,715	100,859	484,574	30,346
Total expenditures	679,120	528,531	126,245	654,776	24,344
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

WILSON COUNTY, NORTH CAROLINA

**WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Non-operating revenues:			
District revenue	\$ 509,913	\$ 509,913	\$ -
Expenditures:			
Debt service:			
Principal retirement	210,000	210,000	-
Interest	299,913	299,913	-
Total expenditures	<u>509,913</u>	<u>509,913</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Internal Service Fund

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

**HOSPITAL - SELF INSURANCE
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Insurance premiums	\$ 7,164,361	\$ 7,075,396	\$ (88,965)
Expenditures:			
Operating expenditures:			
Insurance claims and expenses	<u>7,164,361</u>	<u>5,625,671</u>	<u>1,538,690</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,449,725</u>	<u>\$ 1,449,725</u>

This page left blank intentionally.

Agency Funds

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 746,039	\$ 746,039	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 746,039	\$ 746,039	\$ -
Deed of Trust Fee Fund:				
Assets:				
Cash and cash equivalents	\$ 2,111	\$ 40,581	\$ 42,692	\$ -
Liabilities:				
Intergovernmental payable	\$ 2,111	\$ 40,581	\$ 42,692	\$ -
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 16,168	\$ 130,188	\$ 133,894	\$ 12,462
Liabilities:				
Miscellaneous liabilities	\$ 16,168	\$ 130,188	\$ 133,894	\$ 12,462
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 34,672	\$ 411,345	\$ 404,938	\$ 41,079
Liabilities:				
Miscellaneous liabilities	\$ 34,672	\$ 411,345	\$ 404,938	\$ 41,079
Sheriff Account Fund:				
Assets:				
Cash and cash equivalents	\$ 1,068	\$ 209,721	\$ 207,546	\$ 3,243
Liabilities:				
Miscellaneous liabilities	\$ 1,068	\$ 209,721	\$ 207,546	\$ 3,243
Tax Collections Held for Municipalities:				
Assets:				
Cash and cash equivalents	\$ 23,124	\$ 1,913,248	\$ 1,913,490	\$ 22,882
Accounts receivable	37,174	69,233	71,790	34,617
Total assets	<u>\$ 60,298</u>	<u>\$ 1,982,481</u>	<u>\$ 1,985,280</u>	<u>\$ 57,499</u>
Liabilities:				
Intergovernmental payable	<u>\$ 60,298</u>	<u>\$ 1,982,481</u>	<u>\$ 1,985,280</u>	<u>\$ 57,499</u>

WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 77,143	\$ 3,451,122	\$ 3,448,599	\$ 79,666
Accounts receivable	<u>37,174</u>	<u>69,233</u>	<u>71,790</u>	<u>34,617</u>
Total assets	<u>\$ 114,317</u>	<u>\$ 3,520,355</u>	<u>\$ 3,520,389</u>	<u>\$ 114,283</u>
Liabilities:				
Miscellaneous liabilities	\$ 51,908	\$ 751,254	\$ 746,378	\$ 56,784
Intergovernmental payable	<u>62,409</u>	<u>2,769,101</u>	<u>2,774,011</u>	<u>57,499</u>
Total liabilities	<u>\$ 114,317</u>	<u>\$ 3,520,355</u>	<u>\$ 3,520,389</u>	<u>\$ 114,283</u>

ADDITIONAL FINANCIAL DATA

This section includes additional information on property taxes.

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

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2018

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2017-2018	\$ -	\$ 50,275,103	\$ 49,440,184	\$ 834,919
2016-2017	730,898	-	409,884	321,014
2015-2016	347,116	-	98,755	248,361
2014-2015	208,281	-	36,323	171,958
2013-2014	187,803	-	16,885	170,918
2012-2013	176,775	-	8,884	167,891
2011-2012	173,344	-	5,148	168,196
2010-2011	101,486	-	3,667	97,819
2009-2010	94,573	-	3,633	90,940
2008-2009	96,537	-	3,045	93,492
2007-2008	89,318	-	89,318	-
Total	<u>\$ 2,206,131</u>	<u>\$ 50,275,103</u>	<u>\$ 50,115,726</u>	2,365,508
Less: Allowance for uncollectible accounts:				
General Fund				<u>(848,510)</u>
Ad valorem taxes receivable, net:				
General Fund				<u>\$ 1,516,998</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				<u>\$ 50,289,244</u>
Reconciling items:				
Interest collected				(297,522)
Taxes written off				89,318
Miscellaneous				<u>34,686</u>
Total reconciling items				<u>(173,518)</u>
Total collections and credits				<u>\$ 50,115,726</u>

WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2018

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 6,693,689,369	\$ 0.73	\$ 48,891,154	\$ 43,783,791	\$ 5,107,363
Discoveries	194,756,601	0.73	1,497,432	1,497,432	-
Abatements:					
At current year's rate	(8,700,536)	0.73	(64,110)	(64,110)	-
At prior year's rate	(6,696,039)	0.73	(49,373)	(49,373)	-
Total abatements	(15,396,575)		(113,483)	(113,483)	-
Total property valuation	<u>\$ 6,873,049,395</u>				
Net Levy			50,275,103	45,167,740	5,107,363
Uncollected taxes at June 30, 2018			(834,919)	(834,919)	-
Current Year's Taxes Collected			<u>\$ 49,440,184</u>	<u>\$ 44,332,821</u>	<u>\$ 5,107,363</u>
Current Levy Collection Percentage			<u>98.34%</u>	<u>98.15%</u>	<u>100.00%</u>

WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Levy</u>	<u>Uncollected Balance June 30, 2018</u>
Bakertown	\$ 49,888	\$ 2,380
Beulah	71,504	2,244
Contentnea	183,890	2,874
Cross Roads	115,944	6,120
East Nash	267,606	19,229
Green Hornet	17,157	195
Lee Woodard	208,922	4,706
Moyton	114,168	4,467
Polly Watson	7,851	1,009
Rock Ridge	193,849	5,295
Sanoca	96,309	6,380
Silver Lake	115,932	4,883
Sims	112,975	1,709
Toisnot	109,201	1,080
Tri County	41,792	4,399
West Edgecombe	<u>2,720</u>	<u>435</u>
Total original levy	1,709,708	67,405
Less: Allowance for uncollectible accounts:		
Fire districts		<u>(19,248)</u>
Ad valorem taxes receivable, net:		
Fire districts		<u>\$ 48,157</u>
Less uncollected taxes at June 30, 2018	<u>(67,405)</u>	
Current Year's Taxes Collected	<u>\$ 1,642,303</u>	
Current Levy Collection Percentage		<u>96.06%</u>

WILSON COUNTY, NORTH CAROLINA

SECONDARY MARKET DISCLOSURE COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2018

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio	<u>100.00%</u>
Real property ¹	\$ 4,676,616,928
Personal property	1,386,467,210
Public service companies ²	110,326,490
Motor vehicles	<u>699,638,767</u>
Assessed valuation at current year rates	<u>\$ 6,873,049,395</u>
Tax rate per \$100	<u>\$ 0.73</u>
Levy (includes discoveries, releases, and abatements)	\$ 50,173,261
Penalties	<u>101,842</u>
Net levy (includes discoveries, releases, and abatements) - all rates	<u>\$ 50,275,103</u>

¹ Percentage of appraised value has been established by statute

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

Note 1: The next revaluation of real property will become effective with the 2016-2017 levy and will be reflected in the collections for the fiscal year ending June 30, 2018.

County-wide	\$ 50,275,103
Special fire districts	1,709,708
Solid waste district	<u>1,153,144</u>
Total	<u>\$ 53,137,955</u>

WILSON COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2018

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 464,674,639	39.50%
BB&T Centralized Solutions Inc.	Financial	158,841,011	13.50%
Merck	Pharmaceutical	127,553,633	10.84%
Sandoz	Pharmaceutical	81,542,168	6.93%
Perdue Pharmaceuticals	Pharmaceutical	68,595,552	5.83%
Fresenius Kabi USA LLC	Pharmaceutical	67,422,716	5.73%
Alliance One	Processing	66,512,962	5.65%
DLP Wilson Medical Center INC	Medical	52,016,124	4.42%
Linamar Forgings Inc.	Manufacturing	45,202,376	3.84%
Ardagh Glass Inc	Bottling	43,884,607	0.00%
Total		<u>\$ 1,176,245,788</u>	<u>96.27%</u>

This page left blank intentionally.

STATISTICAL SECTION

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

This page left blank intentionally.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 22,963,394
Restricted	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	14,526,179
Unrestricted	(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)	(41,229,947)
Total Governmental Activities Net Position	\$ (2,690,219)	\$ 1,632,868	\$ 8,757,259	\$ 16,586,926	\$ 21,975,339	\$ 28,757,357	\$ 32,101,405	\$ 36,809,298	\$ 36,937,502	\$ (3,750,374)
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 17,004,841
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	15,231,756
Total Business-Type Activities Net Position	\$ 33,004,640	\$ 32,526,744	\$ 32,165,595	\$ 31,972,400	\$ 31,538,477	\$ 31,364,764	\$ 31,726,746	\$ 32,012,385	\$ 32,534,343	\$ 32,236,597
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 39,958,235
Restricted	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	14,526,179
Unrestricted	(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	(25,988,191)
Total Primary Government Net Position	\$ 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	\$ 28,466,223

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 6,867,104
Public safety	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	24,135,018
Transportation	59,660	50,861	49,967	50,724	50,246	47,857	37,357	50,377	872,603	671,867
Environmental protection	294,273	301,191	300,558	284,161	290,665	524,329	479,357	604,412	276,226	238,805
Economic and physical development	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	2,915,826
Human services	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	33,942,786
Cultural and recreational	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	2,184,071
Education	28,193,496	18,848,568	18,596,063	18,847,287	18,795,853	20,610,068	21,736,297	22,712,089	24,883,817	28,750,580
Interest on long-term debt	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	407,239
Total government activities expenses	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	100,113,296
Business-Type Activities:										
Landfill	\$ 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	\$ 2,767,017
Water	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	2,120,497
Total business-type activities expenses	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	4,887,514
Total primary government expenses	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	105,000,810
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	882,443	952,104	775,757	779,845	807,579	502,902	519,520	842,806	587,171	1,136,734
Public safety	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	4,263,272
Transportation	49,892	70,637	51,861	213,920	205,362	226,852	170,271	162,321	205,724	134,564
Environmental protection	-	200	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	23,953	-	-	-	-	-
Human services	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	6,185,198
Cultural and recreational	28,841	32,653	34,332	59,828	57,037	-	-	-	-	-
Operating grants and contributions	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	17,378,250
Capital grants and contributions	1,653,878	1,701,926	3,172,685	1,960,955	1,457,437	2,711,121	2,052,455	1,873,739	442,544	112,957
Total government activities program revenues	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	29,210,975
Business-Type Activities:										
Charges for services:										
Landfill	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	3,391,093
Water	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	2,198,533
Operating grants and contributions	-	-	-	-	-	-	54,400	30,000	613,682	191,492
Capital grants and contributions	321,336	-	-	-	-	-	-	-	-	-
Total business-type program revenues	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	5,781,118
Total primary government program revenues	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	34,992,093
Net (Expense)/Revenue										
Governmental activities	(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)	(70,902,321)
Business-type activities	68,300	(536,014)	(379,087)	(223,402)	(461,275)	(552,412)	242,804	212,980	431,245	893,604
Total primary government net expense	\$ (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)	(70,008,717)

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 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	\$ 51,906,142
Local option sales tax	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	14,281,582
Other taxes and licenses	1,279,712	644,480	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795
Grants and contributions not restricted to specific programs	150,000	225,000	225,000	250,345	243,750	243,750	365,625	121,875	262,500	262,500
Investment earnings, unrestricted	526,767	84,638	73,441	68,897	89,810	47,280	39,376	106,848	207,783	552,198
Miscellaneous, unrestricted	(353,399)	284,644	259,932	156,371	108,558	239,841	128,209	214,860	142,429	57,243
Special item - economic development incentive	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	20,600	-	-	-	-	-	-	-
Total governmental activities	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	67,798,460
Business-Type Activities:										
Grants and contributions not restricted to specific programs	\$ 0	\$ 0	\$ 0	30,207	27,352	345,483	14,758	38,119	68,490	176,233
Investment earnings, unrestricted	331,290	58,118	38,538	-	-	33,216	208,588	34,540	22,223	66,747
Miscellaneous, unrestricted	-	-	(20,600)	-	-	-	-	-	-	-
Transfers	-	58,118	17,938	30,207	27,352	378,699	223,346	72,659	90,713	244,980
Total business-type activities	62,835,634	60,246,935	59,953,252	60,860,422	62,314,312	65,601,004	65,322,331	66,888,326	66,162,827	68,043,440
Total primary government	(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)	(3,103,861)
Change in Net Position	399,590	(477,896)	(361,149)	(193,195)	(433,923)	(173,713)	466,150	285,639	521,958	1,138,584
Governmental activities	(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	(1,965,277)
Business-type activities										
Total primary government										

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 6,729,102	\$ 7,194,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	11,825,988
Committed	-	-	2,729,890	3,262,228	1,025,855	644,054	254,787	110,648	168,450	306,458
Assigned	-	-	5,638,789	7,540,784	11,627,353	9,306,913	9,001,980	10,796,104	7,495,096	7,007,326
Unassigned	-	-	17,897,429	19,012,749	18,117,920	22,840,764	22,879,746	22,514,135	24,422,156	25,440,815
Total general fund	\$ 23,293,067	\$ 26,442,580	\$ 32,288,997	\$ 36,998,944	\$ 40,166,634	\$ 41,753,567	\$ 44,150,285	\$ 45,194,747	\$ 43,526,029	\$ 44,580,587
All Other Governmental Funds										
Reserved	\$ 169,578	\$ 231,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	2,049,401	1,571,911	-	-	-	-	-	-	-	-
Special revenue funds	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	3,300,897
Assigned	-	-	426,262	435,618	340,196	975,023	328,323	468,429	528,829	788,933
Non-spendable	-	-	-	-	-	-	-	500,000	-	-
Unassigned	-	-	75,359	-	-	(6,506)	(6,955)	(20,000)	(20,000)	(20,000)
Total all other governmental funds	\$ 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	\$ 4,069,830

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Ad valorem taxes	\$ 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	\$ 51,986,530
Local option sales tax	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	14,281,582
Other taxes and licenses	1,279,712	1,206,796	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795
Unrestricted intergovernmental revenues	150,000	268,665	225,000	250,345	243,750	254,149	386,087	130,421	271,450	271,760
Restricted intergovernmental revenues	19,997,001	21,575,164	22,886,533	20,475,539	19,489,754	22,191,573	21,480,140	21,613,997	21,371,636	17,809,868
Permits and fees	428,857	421,293	384,117	400,205	447,437	1,293,039	1,247,286	865,616	1,434,931	1,406,680
Sales and services	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	10,080,004
Investment earnings	526,767	84,638	73,441	68,897	62,458	47,280	39,376	106,848	207,783	552,198
Miscellaneous	217,505	294,269	213,499	344,420	427,439	282,065	83,741	178,696	153,630	21,638
Total revenues	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	97,159,055
Expenditures:										
General government	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	7,876,838
Public safety	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	22,485,983
Transportation	56,403	47,857	47,857	47,857	47,857	47,857	47,857	47,857	870,063	669,347
Environmental protection	264,780	278,506	281,693	269,781	279,338	281,859	274,118	265,817	262,994	227,463
Economic and physical development	3,165,096	2,764,400	5,066,317	5,613,412	3,448,155	3,203,158	3,203,158	2,547,218	3,068,412	2,833,292
Human services	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	32,411,609
Cultural and recreational	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	1,986,068
Intergovernmental :										
Education	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	28,750,580
Capital projects	8,108,572	853,109	421,594	991,388	472,641	1,168,920	1,313,220	4,188		1,175,551
Debt service:										
Principal retirement	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	2,881,638
Interest and fees	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	418,538
Bond issuance cost			144,909							
Total expenditures	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	101,726,907
Excess of revenues over (under) expenditures	(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)	(4,567,852)
Other financing sources (uses):										
Debt proceeds	-	-	10,200,000	-	-	-	0	14,495,000	5,920,581	874,536
Refunding bonds issued	-	-	386,487	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	(10,438,084)	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	1,927,903	-	-	-	-	-	-	-
Transfers in to other funds	-	-	(1,907,303)	133,888	240,207	1,527,000	977,293	-	-	-
Transfer out to other funds	-	-	(1,907,303)	(133,888)	(240,207)	(1,527,000)	(977,293)	(170,000)	(1,794,100)	(220,000)
Installment purchase obligations issued	-	-	-	5,235,125	300,000	603,134	170,000	170,000	1,794,100	220,000
Capital lease obligation issued	-	252,034	-	46,475	36,813	58,822	-	955,570	190,587	42,838
Refunding issued	-	-	-	(2,617,562)	-	-	-	-	-	-
Sales of capital assets	53,109	-	-	-	-	-	56,064	46,944	47,954	31,485
Total other financing sources (uses)	53,109	252,034	169,003	2,664,038	336,813	661,956	56,064	1,110,830	6,159,122	948,859
Net change in fund balances	\$ (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	\$ (3,618,993)
Debt service as a percentage of noncapital expenditures	8.23%	8.46%	7.98%	7.28%	7.20%	7.63%	6.64%	6.09%	4.89%	3.31%

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	Total		
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	
2018	4,676,616,928	110,326,490	1,386,467,210	699,638,767	6,873,049,395	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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Wilson County	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.73000	0.73000
Municipality Rates:										
Black Creek	0.5500	0.5500	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000	0.59360	0.59750
Elm City	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.56000	0.51500
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.61000	0.61000
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.45000	0.45000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.58000	0.58000
Sharpsburg	0.5500	0.5500	0.6500	0.6500	0.6500	0.6500	0.5000	0.5000	0.50000	0.50000
Sims	0.4700	0.4700	0.4700	0.5000	0.5000	0.5000	0.5000	0.5000	0.50000	0.50000
Stantonsburg	0.5000	0.5000	0.5000	0.4600	0.4600	0.4600	0.4300	0.4300	0.43000	0.43000
Wilson	0.5750	0.5550	0.5550	0.5150	0.5150	0.5150	0.5150	0.5150	0.51500	0.51500
Wilson-Municipal	0.7550	0.7350	0.7350	0.6850	0.6850	0.6850	0.6850	0.6850	0.68500	0.68500
Fire Districts:										
Bakertown	0.0600	0.0600	0.0600	0.0850	0.0850	0.0850	0.0850	0.0850	0.08500	0.08500
Beulah	0.0800	0.0800	0.0800	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250
Black Creek	0.1050	0.1050	0.1050	0.0500	0.0500	0.0500	0.0500	0.0500	0.04360	0.04750
Contentnea	0.0832	0.0832	0.0625	0.0950	0.0950	0.0950	0.0600	0.0600	0.06000	0.06000
Cross Roads	0.0670	0.0670	0.0650	0.0975	0.0975	0.0975	0.0975	0.0975	0.09750	0.09000
East Nash	0.1025	0.1025	0.1025	0.1350	0.1350	0.1350	0.1350	0.1350	0.13500	0.13500
Green Hornet	0.0700	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250	0.08250
Lee Woodard	0.1120	0.1990	0.1120	0.0825	0.0825	0.0825	0.0825	0.0725	0.07250	0.07250
Moyton	0.1500	0.1070	0.1070	0.1300	0.1300	0.1300	0.1300	0.1300	0.13000	0.13000
Polly Watson	0.0750	0.0750	0.0750	0.1075	0.1075	0.1075	0.1075	0.0875	0.08750	0.08750
Rock Ridge	0.0675	0.0675	0.0675	0.1000	0.1000	0.1000	0.1000	0.1000	0.10000	0.10000
Sanoca	0.1090	0.1090	0.0925	0.1250	0.1250	0.1250	0.1250	0.1250	0.12500	0.12500
Silver Lake	0.0945	0.0945	0.0945	0.1225	0.1225	0.1225	0.1225	0.1225	0.12250	0.12250
Sims	0.0740	0.0740	0.0400	0.0725	0.0725	0.0725	0.0725	0.0725	0.07250	0.07250
Toisnot	0.0150	0.0150	0.0150	0.0475	0.0475	0.0475	0.0475	0.0475	0.04750	0.04750
Tri County	0.1000	0.1000	0.1000	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250	0.11250
West Edgecombe	0.0500	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	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	2018			2009		
		2017 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2008 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone	Tire manufacturing	\$ 464,674,639	1	6.76 %	354,994,694	1	6.55 %
BB&T Centralized Solutions Inc.	Financial	158,841,011	2	2.31	174,212,116	2	3.22
Merck Sharp & Dohme	Pharmaceutical	127,553,633	3	1.86	100,535,294	3	n/a
Sandoz	Pharmaceutical	81,542,168	4	1.19	63,300,514	4	1.17
Perdue Pharmaceuticals	Pharmaceutical	68,595,552	5	1.00	51,294,374	5	0.95
Fresenius Kabi USA LLC	Pharmaceutical	67,422,716	6	0.98	n/a	n/a	n/a
Alliance One	Tobacco	66,512,962	7	0.97	47,065,044	6	0.87
DLP Wilson Medical Center	Medical	52,016,124	8	0.76	37,949,159	8	0.70
Linamar Forgingings	Manufacturing	45,202,376	9	0.66	33,671,678	9	0.62
Ardagh Glass Inc,	Bottling	43,884,607	10	0.64	42,480,574	7	0.78
Total		\$ 1,176,245,788		17.00%	\$ 905,503,447		16.71%

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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	1,617,563	50,927,657	100.95%
2015	50,003,458	49,136,708	98.27%	1,078,610	50,215,318	100.42%
2016	50,587,842	49,750,242	98.34%	769,124	50,519,366	99.86%
2017	48,926,575	48,195,677	98.51%	759,163	48,954,840	100.06%
2018	50,275,103	49,440,184	98.34%	586,224	50,026,408	99.51%

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
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	55,484,519	12,527,937	133,060	50,384	81,349	359,813	583	68,637,645
2016	55,418,202	13,808,947	122,716	103,215	71,851	380,549	-	69,905,480
2017	54,024,543	14,333,203	127,724	55,687	90,091	494,531	13,163	69,138,943
2018	55,133,771	14,510,015	121,512	63,203	68,997	485,057	39	70,382,594

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 ^a	Per Capita ¹
	General Obligation Bonds	Installment Obligations	Capitalized Leases	Installment Obligations	Water Bonds				
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	1.09%	400.51
2018	-	20,489,892	715,085	582,028	8,200,578		29,987,583	0.96%	366.78

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

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

¹ See Table 12 for personal income and population data.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General bonded debt outstanding										
General obligation bonds	\$ 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	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	6,873,049,395
Percentage of estimated actual property value	0.28%	0.25%	0.23%	0.20%	0.15%	0.11%	0.07%	0.04%	0.01%	0.00%
Per capita	224.24	201.60	184.49	158.92	124.05	88.64	59.65	30.09	4.89	0.00
Legal debt limit - eight percent (8%) of assessed valuation	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	549,843,952
Total Net Debt Applicable to Debt Limit	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	29,987,583
Legal debt margin	\$ 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	\$ 519,856,369
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	12.30%	11.03%	10.10%	9.93%	8.66%	7.42%	6.53%	5.69%	6.09%	5.45%

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 Calendar 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
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%
2018	81,758 (7)	3,125,365	38,272	40.00	13,081	80.20%	6.3%

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

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

Employer	2018			2009		
	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 FY2018
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
County Manager	3	4	4	4	4	3	4	3	3	3
Tax administration	16	15	17	17	16	17	17	17	17	17
Board of Elections	3	2	3	3	3	3	3	3	3	3
Register of Deeds	6	5	6	6	6	6	6	6	6	6
Human resources	2	2	2	2	2	3	3	3	3	3
IT Department	5	5	5	5	5	4	5	5	6	6
Finance	7	7	6	6	6	6	6	7	7	7
Public buildings	6	7	6	6	10	14	14	12	13	13
Cultural and recreational										
Library	20	19	19	19	27	27	26	26	22	22
Public safety										
Sheriff	81	76	83	83	92	93	99	89	92	92
Detention center	33	35	43	43	45	45	47	44	50	51
Animal control	8	8	8	8	9	9	9	9	9	9
Emergency communications	31	32	31	31	31	34	38	38	36	36
Emergency management	2	2	2	2	2	2	2	2	2	2
Emergency medical services	45	48	49	49	69	72	69	72	65	65
Transportation										
Transportation	1	1	1	1	1	1	1	2	2	2
Economic and physical development										
Cooperative extension	10	9	9	9	11	11	11	11	3	3
Environmental protection										
Planning	9	9	9	9	9	9	9	6	9	9
Soil and water conservation	4	4	4	4	3	3	3	3	3	3
Human services										
Health	135	129	136	136	136	131	140	110	122	122
Senior Center	1	1	1	1	2	2	2	2	2	2
Social services	204	215	214	214	218	213	237	228	254	256
Veterans affairs	1	1	1	1	1	1	1	1	1	1
Utilities										
Water	4	4	4	4	5	5	5	5	5	5
Solid waste	6	8	10	10	38	38	38	38	13	15
Total	643	648	673	673	751	752	795	742	748	753

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	123	141	98	87	182	175	155	124	222	176
Building inspections conducted	2,134	2,342	2,850	177	2,969	2,758	1,746	2,473	2,821	3,300
Sheriff										
Arrests	3,012	3,194	2,806	2,723	2,274	2,226	2,377	2,201	2,253	2,118
Citations	1,453	1,916	1,088	1,455	958	650	1,483	750	804	920
Fire										
Inspections	54	83	82	76	81	53	181	40	46	39
EMS										
Calls	11,900	12,300	13,014	12,924	13,730	13,719	13,523	14,495	15,907	15,944
Solid Waste										
MSW (tons)	6,855	6,026	6,311	6,447	6,334	6,287	6,282	5,720	6,758	6,893
C&D (tons)	12,419	14,917	14,009	15,154	13,477	11,674	14,231	36,240	18,755	35,984
Recycle (tons)	748	772	1,085	1,112	1,111	1,387	2,215	3,003	3,005	2,706
Tires (tons)	3,155	2,250	1,912	2,285	1,285	1,466	1,466	1,511	1,814	1,765
Oil (gallons)	2,584	2,756	3,095	2,376	2,246	1,627	4,123	5,415	4,507	6,238
Batteries (count)*	262	146	83	84	123	*4,320	n/a	2,956	5,256	3,301
Jail										
Inmates admitted (average)	6,590	5,129	5,200	5,353	6,039	6,695	5,783	5,870	5,534	5,410
Inmates (daily average)	193	191	173	176	198	220	190	189	182	178
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5,357	5,538	5,606	5,757	5,841	5,730	8,466	8,590	8,794	8,698
Family and children's Medicaid (active cases)	7,232	7,625	7,655	8,042	8,220	8,403	**20,010	10,924	11,035	12,875
Food stamps (active cases)	5,832	7,041	8,125	8,255	8,338	8,959	9,090	9,024	8,379	7,602
Children in foster care	76	69	63	60	58	60	73	68	43	42
Children in DSS custody	76	69	63	60	58	60	73	68	43	42
Day care (children served)	1,125	1,075	800	852	703	771	732	731	730	767
Child support (collections)	\$9,313,957	\$9,232,088	\$8,898,924	\$8,946,811	\$8,690,277	\$8,403,110	\$8,458,736	\$8,457,195	\$8,399,644	\$8,531,048
Work First (active cases)	2,881	2,920	2,925	235	249	233	249	275	229	199
Reception services (clients seen)	55,411	57,570	59,917	60,292	58,310	50,612	48,915	60,583	41,059	47,786
Health Department										
TB (clients seen)	1,805	1,508	2,210	2,325	2,589	2,735	2,805	2,896	3,364	3,622
Communicable disease/STD (client visits)	8,527	9,589	2,669	3,425	3,456	3,567	3,787	1,942	1,666	2,080
Pharmacy (prescriptions filled)	5,068	6,911	6,095	5,722	5,923	6,025	6,155	41,988	5,170	5,528
BCCCP (clients visits)	77	76	54	49	76	77	80	76	85	77
HIV/AIDS (tests)	3,893	3,797	4,418	3,725	3,872	3,942	4,102	3,209	2,842	2,946
Immunizations (administered)	7,745	10,257	10,133	10,125	11,280	11,569	12,589	4,827	3,794	4,262
Lab (tests)	33,929	32,672	27,304	28,294	29,854	40,953	41,872	37,950	30,694	27,522
Environmental health (onsite inspections)				472	515	1,268	1,299	1,228	1,544	1,896
Environmental health (restaurant inspections)	270	409	547	902	902	1,720	1,864	1,659	968	1,236
WIC (caseloads)	38,278	34,576		3,255	37,251	2,853	2,963	2,948	2,639	2,600
Cultural and Recreational										
Libraries - circulation of youth services	94,925	115,032	122,218	128,538	118,558	129,149	127,899	111,452	92,537	127,018
Libraries - circulation of adult services	143,936	162,240	154,082	150,340	133,204	170,703	158,998	156,372	153,464	102,977
Education										
ADM	12,642	12,461	12,177	12,043	12,307	13,099	13,469	12,084	12,211	11,526

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

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	89	91	99	98	98	97	99	98	98	95
Canine units	0	0	0	4	4	4	4	4	4	4
EMS										
Stations	1	1	1	1	1	1	2	2	2	2
Ambulances/QRVs	13	13	17	17	17	18	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

This page left blank intentionally.

COMPLIANCE SECTION

This page left blank intentionally.

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 to 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, 2018, 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, 2018. 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, 2018

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; Required by 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 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, 2018.

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 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 have not been 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 2018-001 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 Corrective Action Plan. 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 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, 2018

This page left blank intentionally.

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; Required by 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, 2018. 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 state statutes, regulations, and the terms and conditions of its state awards 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, *Audits of States, Local Governments, and Non-Profit Organizations*, 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, 2018.

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 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 have not been 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 2018-001 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 Corrective Action Plan. 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 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, 2018

This page left blank intentionally.

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018**

1. Summary of Auditor’s Results (continued)

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
Child Care Development Fund Cluster/ Subsidized Childcare Cluster	93.575, 93.596, 93.558
SNAP Cluster	10.561
Low Income Energy Assistance Program	93.568
Child Support Enforcement	93.563
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

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
- DOT Cluster
- School Nurse Funding Initiative
- General Aid to Counties
- NC Commerce Building Reuse Grant
- Subsidized Child Care Cluster
- State Aid to Public Libraries

WILSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2018

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-MAP18

Finding: 2018-001

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: Two applicants had changes in SSI benefits and continued to receive benefits while terminated from benefits under SSI. Each case was not redetermined in a timely manner and the applicants continued to receive benefits under SSI. Both applicants had been terminated from SSI, but were not listed on a termination report; the casefiles did not have documentation of redetermination for the dates of services tested; the applicants continued to receive benefits under SSI. Upon further review, each applicant was eligible to receive Medicaid benefits through eligibility in another program category.

Context: Of the 562,285 Medicaid benefit payments (valued at \$98,149,452), we examined 96 (valued at \$12,612) and we determined that the above condition applied to two payments (2%). We determined that all were eligible. These applicants had been terminated from SSI but the certification period was not terminated; the County did not have evidence in the casefiles for eligibility for dates of services tested, and the applicant continued to receive benefits under SSI. Each applicant was eligible to receive Medicaid benefits through eligibility in another program category upon redetermination at a later date.

Effect: Participant could receive benefits when they are not eligible due to changes in SSI benefits.

Cause: Caseworker did not have proper documentation of the status of SSI benefits in the casefile and/or eligibility determination for the dates of services tested.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit 2017-001.

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 for Medicaid.

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

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

Finding: 2018-001 (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. The County should contact the State if they believe those reports and notifications are not complete or if they believe it is not accurate.

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: 2018-001 – 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 2018-001 in Section 3 – Federal Award Findings and Questioned Costs.



COUNTY OF WILSON
FINANCE DEPARTMENT
PO BOX 1728, WILSON, NC 27894-1728
252-399-2950 Fax 252-399-2943

CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

2. Basic Financial Statement Findings

None reported.

3. Federal Award Findings and Questioned Costs

Finding: 2018-001

Name of Contact Person: Glenn Osbourne, Director

Corrective Action/Management's Response: The SSI termination report still does not accurately capture all the clients that should appear on the report. 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 Children's Medicaid, and the worker has to determine which client that SSI has terminated.

We are still finding clients that did not initially appear on the SSI termination report. In most situations, the case is discovered via telephone call from the client. We will continue advocating for the state to fix the defects with NC FAST and submitting helpdesk tickets. The defects are causing counties to be out of compliance with processing the SSI termination report timely.

Two SSI cases that were tested during the audit remained Medicaid eligible based on income and resources in MAF program, and it was verified that the clients remained eligible; therefore, no cost was associated with these cases.

We will continue using the data-based system that was implemented to capture the client's name as they appear on the SSI termination, SSI alert report, and NCF SSI cases without owner.

- All the current names on the SSI termination and alert report will be uploaded on an Excel spreadsheet that will capture new clients as they appear on the report and hide all duplicated names.
- Designated IMC workers to work the SSI termination, SSI alert report, and the SSI report from NC FAST SSI cases without owner



COUNTY OF WILSON
FINANCE DEPARTMENT
PO BOX 1728, WILSON, NC 27894-1728
252-399-2950 Fax 252-399-2943

CORRECTIVE ACTION PLAN (continued)
FOR THE YEAR ENDED JUNE 30, 2018

3. Federal Award Findings and Questioned Costs (continued)

- Workers from other departments are emailing SSI termination task to the designated IMC worker.

Proposed Completion Date: Immediately and ongoing

4. State Award Findings and Questioned Costs

Finding: 2018-001

Name of Contact Person: Glenn Osbourne, Director

Corrective Action/Management's Response: See more details at Finding 2018-001 in Section III – Federal Award Findings and Questioned Costs.

Proposed Completion Date: Immediately and ongoing

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

2017-001: Modified and repeated in current year as Finding 2018-001.

2017-002: Corrected.

This page left blank intentionally.

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

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
FEDERAL AWARDS:					
<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	185NC406S2514	\$ 1,445,460	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	185NC406S2514	212,127	-	-
Total SNAP Cluster			1,657,587	-	-
Passed-Through the N.C. Department of Health and Human Services:					
<u>Division of Public Health:</u>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:					
Administration	10.557	13A25403GH98/GJ98/13A25404GH98/GJ98 13A25405GH98/GJ98/13A25409GH98/GJ98 13A2570AJQ98/BJQ98/KJQ98	548,138	-	-
Total U.S. Department of Agriculture			2,205,725	-	-
<u>U.S. Department of Homeland Security:</u>					
Passed-through N.C. Department of Public Safety					
Division of Emergency Management:					
Emergency Management Performance Grants	97.042	EMA-2017-EP-00005	54,017	-	-
Homeland Security Grant Program (HSGP)	97.067	EMW-2015-SS-00062-S01	15,516	-	-
Homeland Security Grant Program (HSGP) - Underwater Sonar Unit Project	97.067	EMW-2017-SS-00085-S01	55,024	-	-
Total U.S. Department of Homeland Security			124,557	-	-
<u>U.S. Department of Health and Human Services</u>					
<u>Administration for Community Living</u>					
Passed-Through Upper Coastal Plain Council of Governments:					
<u>Aging Cluster:</u>					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	DAAS-735	57,369	3,374	-
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	DAAS-735	237,297	13,959	-
Nutrition Services Incentive Program	93.053	DAAS-735	37,409	-	-
Total Aging Cluster			332,075	17,333	-
<u>Administration for Children and Families</u>					
Passed-Through Upper Coastal Plain Council of Governments:					
Social Services Block Grant	93.667	G1801NCSOSR	21,360	610	-
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	93.558	1801NCTANF	349,907	-	-
Work First Service	93.558	1801NCTANF	1,784,321	-	-
Division of Public Health:					
Temporary Assistance for Needy Families (TANF)	93.558	13A15151T298	19,584	-	-
Total TANF Cluster			2,153,812	-	-
<u>Subsidized Childcare Cluster (Note 3):</u>					
<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	93.596	G1801NCCCDF	280,850	-	-
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	G1801NCCCDF	741,864	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Mandatory	93.596	G1801NCCCDF	227,619	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	G1801NCCCDF	3,106	-	-
Total Child Care Fund Cluster			1,253,439	-	-
Temporary Assistance for Needy Families	93.558	1801NCTANF	119,974	-	-
State Appropriations			-	36,660	-
TANF-MOE			-	54,177	-
Total Subsidized Child Care Cluster (Note 3)			1,373,413	90,837	-
<u>Foster Care and Adoption Cluster (Note 3)</u>					
Foster Care Title IV-E	93.658	1801NCFOST	540,993	58,608	-
Adoption Assistance	93.659	1801NCADPT	35,529	-	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1801NCFOST	117,397	46,966	-
Total Foster Care and Adoption Cluster (Note 3)			693,919	105,574	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

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
Social Services Block Grant	93.667	G1801NCSOSR	503,950	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1801NCCWSS	21,626	-	-
Low Income Home Energy Assistance Crisis Intervention Payments	93.568	1801NCFOST	370,018	-	-
Low Income Home Energy Assistance - Admin	93.568	1801NCFOST	62,146	-	-
Low Income Home Energy Assistance	93.568	1801NCFOST	391,790	-	-
N.C. Child Support Enforcement Section					
Child Support Enforcement					
Title IV-D Administration	93.563	1804NC4005	1,097,293	-	-
IV-D Offset Fees - ESC	93.563	1804NC4005	159	-	-
IV-D Offset Fees - Federal	93.563	1804NC4005	4,914	-	-
Special Children Adoption Fund Cluster (Note 3)					
Promoting Safe and Stable Families	93.556	G1801NCFPSS	82,979	-	-
Total Special Children Adoption Fund Cluster (Note 3)			82,979	-	-
Administration:					
Chafee Foster Care Independence Program	93.674	1801NCC1LP	11,607	2,901	-
Direct Benefit Payments:					
Chafee Foster Care Independence Program	93.674	1801NCC1LP	7,776	-	-
Total Administration for Children and Families			6,796,762	199,922	-
Centers for Medicare and Medicaid Services					
Passed-Through the N.C. Department of Health and Human Services:					
Medicaid Cluster:					
Division of Medical Assistance:					
Medical Assistance Program					
State County Special Assistance	93.778	XIX-MAP18	53,100	-	-
Division of Social Services:					
Medical Assistance Program					
Adult Care Home Case Management	93.778	XIX-MAP18	33,925	7,460	-
MA Expansion	93.778	XIX-MAP18	297,587	-	-
Medical Assistance Program - Administration	93.778	XIX-MAP18	3,099,234	-	-
Medical Transportation Admin	93.778	XIX-MAP18	163,824	-	-
Total Medicaid Cluster			3,647,670	7,460	-
Children's Health Insurance Program:					
NC Health Choice - Admin	93.767	CHIP18	104,389	28	-
Total Centers for Medicare and Medicaid Services			3,752,059	7,488	-
Centers for Disease Control and Prevention					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Hospital Preparedness Program (HPP) and Public Health Emergency					
Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680EY98	34,651	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272CNF98/1460272DNF98	25,714	-	-
Injury Prevention and Control Research and State and Community					
Based Programs	93.136	1175837BDH98/1175837CDH98	5,000	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization					
Infrastructure and Performance financed in part by Prevention and Public					
Health Funds	93.539	1331627EVP98	24,578	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal					
Organizations	93.898	1320310AD798	8,415	-	-
Preventive Health and Health Services Block Grant funded solely with					
Prevention and Public Health Funds (PPHF)	93.758	12615503PF98/126155030098	39,984	-	-
HIV Cluster (Note 3):					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311462ENB98	42	-	-
Total HIV Cluster (Note 3)			42	-	-
Total Centers for Disease Control and Prevention			138,384	-	-
Health Resources and Service Administration					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	12715318AP98/ 12715745AP98/ 13A15735AP98/ 13A15740AP98	78,465	58,855	-
Office of Population Affairs					
Passed-Through the N.C. Department of Health and Human Services:					
Family Planning Services	93.217	13A1592BFP98/13A1592CFP98	45,335	-	-
Total U.S. Department of Health and Human Services			11,143,080	283,598	-
U.S. Department of Housing and Urban Development					
Community Planning and Development					
Office of Community Development and Planning:					
Office of Economic Opportunity:					
Emergency Solutions Grants Program	14.231	E15DC3700001	47,098	-	-
Passed through NC Department of Environmental Quality - Division of Water					
Infrastructure					
Community Development Block Grants/State's Program and Non- Entitlement					
Grants in Hawaii	14.228	13-I-2637	126,245	-	-
Total U.S. Department of Housing and Urban Development			173,343	-	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

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
<u>U.S. Department of Justice</u>					
<u>Bureau of Justice Assistance</u>					
Direct Program:					
Bulletproof Vest Partnership Program	16.607	K23970143; K24300143	5,713	-	-
<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- Capital 18-CT-001	20.509	36233.26.19.3	94,728	11,841	-
Formula Grants for Rural Areas- Administration 18-CT-001	20.509	36233.26.19.1	102,568	6,410	-
Total U.S. Department of Transportation			197,296	18,251	-
Total Federal Awards			13,849,714	301,849	-
STATE AWARDS:					
<u>N.C. Department of Administration</u>					
Division of Veterans Affairs:					
County Veterans Service Program		XXXXXX	-	2,175	-
<u>N.C. Department of Natural and Cultural Resources</u>					
Division of State Library:					
Library Technology Grant			-	44,343	-
State Aid to Public Libraries		XXXXXX	-	122,808	-
Total N.C. Department of Natural and Cultural Resources			-	167,151	-
<u>N.C. Department of Environmental Quality</u>					
Division of Soil and Water Conservation:					
Water System Asset Inventory Assessment Grant		H-AIA-D-16-0040	-	31,955	-
N.C. Dept. of Agriculture and Consumer Services		Contract #17-070-4011	-	12,500	-
Community Waste Reduction and Recycling Grant		#7206	-	20,000	-
N.C. Agriculture Cost Share - Technical Assistance		G40100296215SWC	-	26,345	-
Total Division of Soil and Water Conservation			-	90,800	-
<u>N.C. Department of Health and Human Services</u>					
Division of Aging and Adult Services:					
Passed-Through Upper Coastal Plain Council of Governments:					
State appropriations:					
Access		DAAS-735	-	8,195	-
In Home Service		DAAS-735	-	177,265	-
Home Delivered Meals		DAAS-735	-	84,898	-
Senior Center Outreach		DAAS-735	-	7,292	-
Respite			-	6,376	-
Total Division of Aging and Adult Services			-	284,026	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ98	-	11,271	-
Public Health Nursing		1161430100	-	1,000	-
General Aid to Counties		116141100098	-	138,713	-
General Communicable Disease Control		117545100098	-	8,294	-
Breast and Cervical Cancer Program		132055990098	-	10,200	-
Child Health		127157450098	-	9,930	-
TB Control		146045510098/146045540098	-	63,051	-
Family Planning - State		13A157350098	-	16,034	-
Maternal Health (HMHC)		13A157400098	-	23,305	-
School Nursing Funding Initiative		133253580098	-	150,000	150,000
Women's Health Service Fund		13A16018FR98	-	11,157	-
Sexually Transmitted Diseases		13114601RQ98	-	422	-
HIV/STD State Drugs		13114536BN98/13114536RQ98	-	12,500	-
TPPI - Adolescent Parenting Program		13325150T2	-	74,512	-
Total Division of Public Health			-	530,389	150,000
Division of Social Services:					
ST Child Welfare/CPS/CS LD		XXXXXX	-	56,451	-
Energy Assist Private Grant		XXXXXX	-	2,023	-
AFDC Incent/Prog Integrity		XXXXXX	-	38	-
Direct Benefit Payments-					
Extended FC/Max Non IV-E		XXXXXX	-	54,447	-
SFHF Maximization		XXXXXX	-	39,276	-
State Foster Home		XXXXXX	-	20,662	-
Total Division of Social Services			-	172,897	-
Total N.C. Department of Health and Human Services			-	987,312	150,000
<u>Agency N.C. Department of Public Safety:</u>					
Division of Juvenile Justice and Delinquency Prevention:					
Juvenile Crime and Delinquency Prevention Council		898-10141/11756/22619/10614/10642/10382	-	238,224	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

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
<u>N.C. Department of Transportation:</u>					
DOT Cluster					
ROAP Elderly and Disabled Transportation Assistance Program		36228.22.7.1	-	79,640	-
ROAP Work First Transitional- Employment		36236.11.6.1	-	23,860	-
ROAP Rural General Public Program		36220.10.7.1	-	109,186	-
Total DOT Cluster			-	212,686	-
<u>N.C. Department of Commerce</u>					
Building Reuse Grant		2017-079-3201-2587	-	175,685	-
<u>N.C. Office of State Budget and Management</u>					
Wilson County Courthouse Project			-	49,144	-
Total State Awards			-	1,923,177	150,000
Total Federal and State Awards			\$ 13,849,714	\$ 2,225,026	\$ 150,000

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 Wilson County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *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.

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

Note 4: Indirect Cost Rates

Wilson County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.