

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2019***

***WILSON COUNTY
NORTH CAROLINA***



FINANCE DEPARTMENT
ANGEL LANDRAU
FINANCE DIRECTOR

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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	29-82
<u>Schedule</u>		
	Required Supplemental Financial Data:	
A-1	Schedule of Changes in Total OPEB Liability and Related Ratios Required Supplementary Information - Last Two Fiscal Years	83
A-2	Local Government Employees' Retirement System - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Six Fiscal Years	84
A-3	Local Government Employees' Retirement System - Contributions Required Supplementary Information - Last Six Fiscal Years	85
A-4	Register of Deeds' Supplemental Pension Fund - Proportionate Share of Net Pension Liability (Asset) Required Supplementary Information - Last Six Fiscal Years	86
A-5	Register of Deeds' Supplemental Pension Fund - Contributions Required Supplementary Information - Last Six Fiscal Years	87
A-6	Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability Required Supplementary Information - Last Three Fiscal Years	88
A-7	Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll Required Supplementary Information - Last Three Fiscal Years	89

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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	90
B-2	General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	91-101
B-3	Legally Budgeted Tax Revaluation and Economic Development Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	102
B-4	Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	103
B-5	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	104
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	105-106
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	107-108
C-3	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
C-4	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
C-5	Transportation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Governmental Funds: (Continued)	
C-6	Economic Development Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
C-7	Public Buildings Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	113
C-8	School Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	114
C-9	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	115
	Major Enterprise Funds:	
D-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	116
D-2	Solid Waste Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	117
D-3	Southeast Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118
D-4	Southwest Water District - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119
D-5	Southwest Water District Capital Project Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	120

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Internal Service Fund:	
E-1	Hospital - Self Insurance - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	121
	Agency Funds:	
F-1	Statement of Changes in Assets and Liabilities	122-123
	Other Schedules:	
G-1	General Fund - Schedule of Ad Valorem Taxes Receivable	124
G-2	Analysis of Current Tax Levy - County-Wide Levy	125
G-3	Analysis of Current Tax Levy - Fire Districts	126
G-4	Secondary Market Disclosure - County-Wide Levy	127
G-5	Ten Largest Taxpayers	128
	Table	
	Statistical Section:	
1	Net Position by Component, Last Ten Fiscal Years	129
2	Changes in Net Position, Last Ten Fiscal Years	130-131
3	Fund Balances, Governmental Funds, Last Ten Fiscal Years	132
4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	133
5	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	134
6	Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years	135
7	Principal Property Tax Payers, Current Year and Nine Years Ago	136

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Table</u>		<u>Page</u>
	Statistical Section (continued):	
8	Property Tax Levies and Collections, Last Ten Fiscal Years	137
9	General Government Tax Revenues by Source Last Ten Fiscal Years	138
10	Ratios of Outstanding Debt by Type Last Ten Fiscal Years	139
11	Ratio of General Bonded Debt Outstanding and Legal Debt Margin, Last Ten Fiscal Years	140
12	Demographic and Economic Statistics Last Ten Fiscal Years	141
13	Principal Employers, Current Year and Nine Years Ago	142
14	Full-Time County Government Employees by Function/Program by Function, Last Ten Fiscal Years	143
15	Operating Indicators by Function/Program Last Ten Fiscal Years	144
16	Capital Assets Statistics by Function/Program Last Ten Fiscal Years	145
	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>	146-147
	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	148-149

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Compliance Section (continued):	
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	150-152
Schedule of Findings, Responses, and Questioned Costs	153-157
Corrective Action Plan	158-159
Schedule of Prior Audit Year Findings	160
Schedule of Expenditures of Federal and State Awards	161-164

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INTRODUCTORY SECTION

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Wilson
County

North Carolina

Wilson County Government

Finance Department

Letter of Transmittal

December 18, 2019

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, 2019.

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 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, 2019, 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, 2019, 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 on 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 2019 tax distribution reported Wilson County's population at 81,674. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,170 according to the 2019 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 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.

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 \$114,276,457 in farm sales in 2018. 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 5.3% still higher when compared to 4.2% for the State. The average weekly wage for 2019 for Wilson County was \$847, 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 \$201,800,000, resulting in the creation of 408 new jobs and retention of 298 jobs.

Branch Banking & Trust Company, the nation's 12th largest financial holding company, continues to grow and currently employs approximately 2,200 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 1,500 employees; Wilson Medical Center with approximately 982 employees, UTC Aerospace Systems with approximately 900 employees, Smithfield Packing Company with approximately 666 employees, and Alliance One International with approximately 620.

Retail sales in Wilson County were \$1,300,000, in 2018-2019. There were 5 new restaurants buildings, 13 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, 2018. This was the 7th 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


Angel Landrau
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, 2018

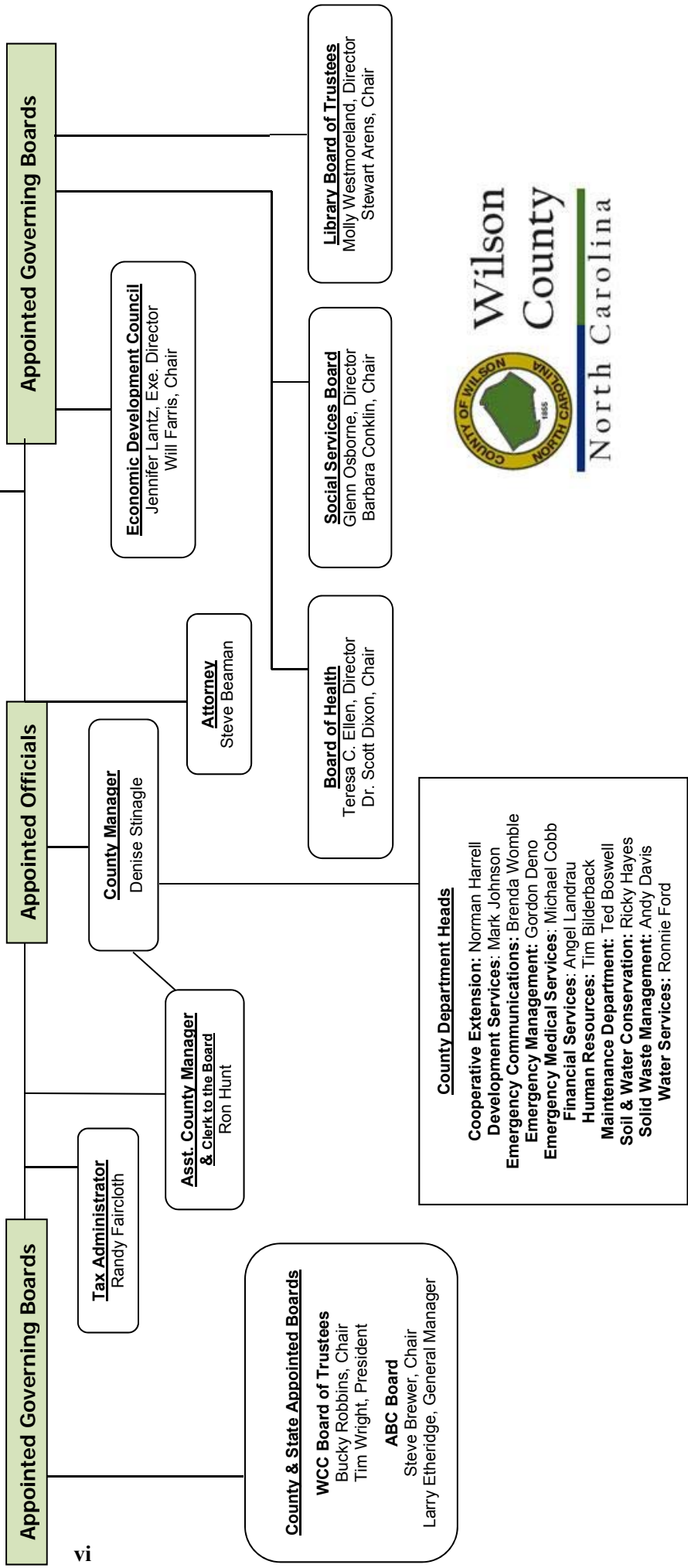
Christopher P. Morill

Executive Director/CEO

Elected Officials



Board of Elections
Rena Morris, Director
Chip Futrell, Chair



Wilson County
List of Principal Officials
June 30, 2019

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	Angel Landrau
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

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FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Wilson County
Wilson, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wilson County, North Carolina, as of and for the year ended June 30, 2019, 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, 2019, 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.

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 December 18, 2019 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
December 18, 2019

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Management's Discussion and Analysis

As management of Wilson County, we offer readers of Wilson County's financial statements this narrative overview and analysis of the financial activities of Wilson County for the fiscal year ended June 30, 2019. 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

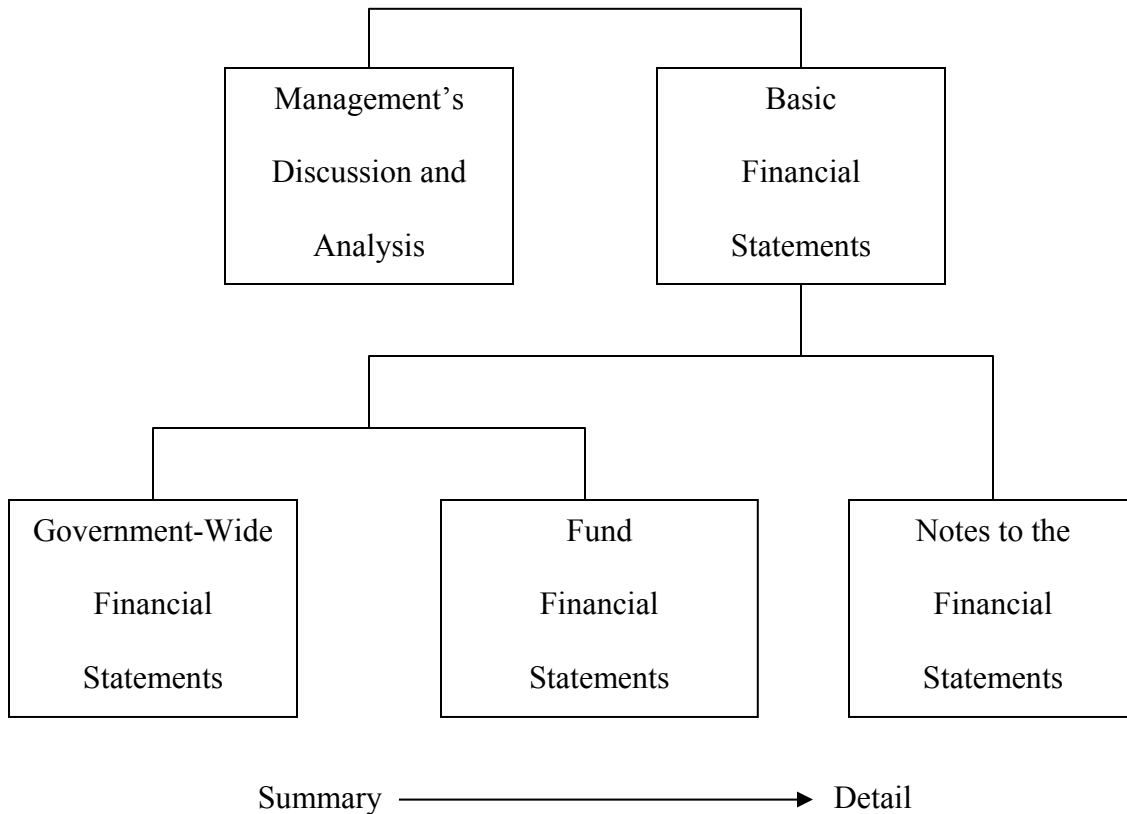
- The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$34,337,720.
- The government's total net position increased by \$5,851,497, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$51,695,743, after a net increase in fund balance of \$3,045,326. Approximately 30.7 percent of this total amount, or \$15,885,802, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,739,385, or 26.79 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 are intended to serve as an introduction to Wilson County's basic financial statements. Wilson County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see 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 and benefit 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. This method also has a current financial resource 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 83 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 \$34,337,720 as of June 30, 2019.

Management's Discussion and Analysis
Wilson County

Wilson County's Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets:						
Current and other assets	\$ 62,597,368	\$ 59,458,010	\$ 22,953,591	\$ 21,514,595	\$ 85,550,959	\$ 80,972,605
Restricted assets	650,494	1,013,199	223,448	235,604	873,942	1,248,803
Capital assets	26,232,896	25,705,425	25,193,665	25,787,447	51,426,561	51,492,872
Other assets	<u>523,514</u>	<u>1,047,026</u>	-	-	<u>523,514</u>	<u>1,047,026</u>
Total assets	<u>90,004,272</u>	<u>87,223,660</u>	<u>48,370,704</u>	<u>47,537,646</u>	<u>138,374,976</u>	<u>134,761,306</u>
Deferred Outflows of Resources	<u>11,161,508</u>	<u>8,258,770</u>	<u>309,870</u>	<u>198,485</u>	<u>11,471,378</u>	<u>8,457,255</u>
Liabilities:						
Long-term liabilities outstanding	83,999,261	89,023,948	14,532,487	14,802,695	98,531,748	103,826,643
Other liabilities	<u>3,711,356</u>	<u>3,928,466</u>	<u>497,376</u>	<u>480,531</u>	<u>4,208,732</u>	<u>4,408,997</u>
Total liabilities	<u>87,710,617</u>	<u>92,952,414</u>	<u>15,029,863</u>	<u>15,283,226</u>	<u>102,740,480</u>	<u>108,235,640</u>
Deferred Inflows of Resources	<u>12,319,347</u>	<u>6,280,390</u>	<u>448,807</u>	<u>216,308</u>	<u>12,768,154</u>	<u>6,496,698</u>
Net Position:						
Net investment in capital assets	24,470,581	22,953,394	16,692,761	17,004,841	41,163,342	39,958,235
Restricted	15,778,189	14,526,179	-	-	15,778,189	14,526,179
Unrestricted	<u>(39,112,954)</u>	<u>(41,229,947)</u>	<u>16,509,143</u>	<u>15,231,756</u>	<u>(22,603,811)</u>	<u>(25,998,191)</u>
Total net position	<u>\$ 1,135,816</u>	<u>\$ (3,750,374)</u>	<u>\$ 33,201,904</u>	<u>\$ 32,236,597</u>	<u>\$ 34,337,720</u>	<u>\$ 28,486,223</u>

The County's net position increased by \$5,851,497 for the fiscal year ended June 30, 2019. One of the largest portions, \$41,163,342, 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, \$15,778,189 (46%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$22,603,811 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Programs revenues:						
Charges for services	\$ 8,937,211	\$ 11,719,768	\$ 5,547,719	\$ 5,589,626	\$ 14,484,930	\$ 17,309,394
Grants and contributions:						
Operating	17,869,415	17,378,250	330,601	191,492	18,200,016	17,569,742
Capital	272,352	112,957	-	-	272,352	112,957
General revenues:						
Property taxes	53,121,424	51,906,142	-	-	53,121,424	51,906,142
Local option sales tax	15,207,695	14,281,582	-	-	15,207,695	14,281,582
Other taxes and licenses	764,557	738,795	-	-	764,557	738,795
Investment earnings	947,970	552,198	356,230	178,233	1,304,200	730,431
Grants and other contributions not restricted to specific programs	262,500	262,500	-	-	262,500	262,500
Miscellaneous	226,408	57,243	24,220	66,747	250,628	123,990
Total revenues	<u>97,609,532</u>	<u>97,009,435</u>	<u>6,258,770</u>	<u>6,026,098</u>	<u>103,868,302</u>	<u>103,035,533</u>
Expenses:						
General government	7,469,350	6,867,104	-	-	7,469,350	6,867,104
Public safety	24,250,799	24,135,018	-	-	24,250,799	24,135,018
Transportation	521,233	671,867	-	-	521,233	671,867
Environmental protection	347,522	238,805	-	-	347,522	238,805
Economic and physical development	2,893,558	2,915,826	-	-	2,893,558	2,915,826
Human services	29,981,736	33,942,786	-	-	29,981,736	33,942,786
Cultural and recreational	2,102,387	2,184,071	-	-	2,102,387	2,184,071
Education	24,807,827	28,750,580	-	-	24,807,827	28,750,580
Interest and other charges	348,930	407,239	-	-	348,930	407,239
Landfill	-	-	2,919,492	2,767,017	2,919,492	2,767,017
Water	-	-	2,373,971	2,120,497	2,373,971	2,120,497
Total expenses	<u>92,723,342</u>	<u>100,113,296</u>	<u>5,293,463</u>	<u>4,887,514</u>	<u>98,016,805</u>	<u>105,000,810</u>
Change in net position	<u>4,886,190</u>	<u>(3,103,861)</u>	<u>965,307</u>	<u>1,138,584</u>	<u>5,851,497</u>	<u>(1,965,277)</u>
Net position, beginning, previously reported	(3,750,374)	36,937,502	32,236,597	32,534,343	28,486,223	69,471,845
Restatement	-	(37,584,015)	-	(1,436,330)	-	(39,020,345)
Net position, beginning, restated	<u>(3,750,374)</u>	<u>(646,513)</u>	<u>32,236,597</u>	<u>31,098,013</u>	<u>28,486,223</u>	<u>30,451,500</u>
Net position, ending	<u>\$ 1,135,816</u>	<u>\$ (3,750,374)</u>	<u>\$ 33,201,904</u>	<u>\$ 32,236,597</u>	<u>\$ 34,337,720</u>	<u>\$ 28,486,223</u>

Management's Discussion and Analysis Wilson County

Governmental Activities. Governmental activities increased the County's net position by \$4,886,190, thereby accounting for a majority of the growth in the net position of Wilson County. Key elements of the increase are as follows:

- Increase in property tax revenue and local options sales tax
- Decrease in expenses for Human Services

Business-Type Activities. Business-type activities increased Wilson County's net position by \$965,307. Key elements of this increase are as follows:

- Increase in operating grant revenue from FY 2018 to FY 2019
- Increase in investment earnings over previous years

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 \$39,980,799, while total fund balance for the General Fund is \$48,391,362. 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 43.29% of General Fund expenditures and transfers out, while total fund balance represents 52.39% of that same amount.

At June 30, 2019, Wilson County's governmental funds reported combined ending fund balances of \$51,695,743, an increase of \$3,045,326. This increase is due primarily to the increase of fund balance in the General Fund. During fiscal year 2019, the County sold its Home Health operations. Gross proceeds received as a result of the sale was \$2,000,000.

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 \$1,402,872. The budgetary increase was primarily attributable to increases during the year for restricted intergovernmental revenues and sales and services. Overall, in FY2019 the County recognized increases over the estimated property tax and local option sales tax revenues than expected.

Management's Discussion and Analysis
Wilson County

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 \$13,892,487 and those for the water funds totaled \$2,454,282. The total growth in net position for the Solid Waste Fund was \$761,579, and the total increase in net position for the water funds was \$190,989. 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, 2019 amounted to \$51,426,561 (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.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Construction in progress	2,656,858	1,175,551	264,068	662,606	2,920,926	1,838,157
Buildings and improvements	33,034,833	33,023,817	2,882,070	2,882,070	35,916,903	35,905,887
Equipment and plant distribution	10,531,844	10,453,308	29,627,429	28,981,273	40,159,273	39,434,581
Vehicles	6,468,743	5,592,169	1,074,252	1,051,279	7,542,995	6,643,448
Total	56,091,981	53,644,548	37,056,533	36,785,942	93,148,514	90,430,490
Less: Accumulated depreciation	29,859,085	27,939,123	11,862,868	10,998,495	41,721,953	38,937,618
Net assets	<u>\$ 26,232,896</u>	<u>\$ 25,705,425</u>	<u>\$ 25,193,665</u>	<u>\$ 25,787,447</u>	<u>\$ 51,426,561</u>	<u>\$ 51,492,872</u>

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

Management's Discussion and Analysis
Wilson County

Long-Term Debt. As of June 30, 2019, Wilson County had total bonded debt outstanding of \$7,650,000, which is backed by the full-faith and credit of the County.

**Wilson County's
Outstanding Bonds
Figure 5**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Limited obligation bonds - direct placement	\$ -	\$ -	\$ 7,650,000	\$ 7,865,000	\$ 7,650,000	\$ 7,865,000

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 margin of \$533,214,240. The 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 3.28%, a decrease from fiscal year 2018 ratio of 3.56%.

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.

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

Economic Factors and Next Year’s Budget and Rates

- Tax collections for Wilson County remain strong. In FY 2019, the tax collection rate was 98.28%.
- The County is seeing some positive incremental growth in the tax valuation since revaluation in 2018.
- Sales tax continue to remain strong due to the Sales Tax Redistribution.
- The employment rate of 5.3% at June 30, 2019 for Wilson County continues to be higher than the North Carolina average of 4.2%, however, lower from 6.3% at June 30, 2018.

Budget Highlights for Fiscal Year 2019-2020

Governmental Activities. The 2019 General Fund’s adopted budget increased \$1,774,390. The County tax rate continues to remain flat in with no tax rate increase in FY 2019-2020 budgeted revenues. The increase in the budget from 2019 was largely due to an increase in budgetary expenditures for the public library. This increase will cover large capital projects in the upcoming year which will allow the library to cater to a wider range of Wilson County citizens. The County continued its commitment to education and employees, and the budget reflects cost-of-living adjustments for employees and increases to educational funding.

Management's Discussion and Analysis
Wilson County

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Assets:				
Cash and cash equivalents	\$ 49,476,022	\$ 22,332,637	\$ 71,808,659	\$ 964,453
Receivables (net)	2,748,406	400,666	3,149,072	12,523
Due from other governments	7,832,260	57,914	7,890,174	-
Due from component unit	131,250	-	131,250	-
Capital lease receivable - current portion	261,756	-	261,756	-
Internal balances	(162,374)	162,374	-	-
Inventories	-	-	-	1,074,194
Prepaid items	-	-	-	13,385
Restricted cash and cash equivalents	650,494	223,448	873,942	-
Notes receivable	1,076,923	-	1,076,923	-
Net investment in joint venture	1,159,449	-	1,159,449	-
Capital lease receivable	523,514	-	523,514	-
Net pension asset	73,676	-	73,676	-
Capital assets:				
Land, improvements, and construction in progress	6,056,561	3,472,782	9,529,343	574,341
Other capital assets, net of depreciation	20,176,335	21,720,883	41,897,218	2,918,937
Total capital assets	26,232,896	25,193,665	51,426,561	3,493,278
Total assets	90,004,272	48,370,704	138,374,976	5,557,833
Deferred Outflows of Resources:				
OPEB deferrals	1,688,067	63,114	1,751,181	35,989
Pension deferrals	9,084,251	246,756	9,331,007	166,204
Charge on refunding of debt	389,190	-	389,190	-
Total deferred outflows of resources	11,161,508	309,870	11,471,378	202,193
Liabilities:				
Accounts payable and accrued expenses	3,117,282	249,621	3,366,903	563,925
Accrued interest payable	86,675	24,307	110,982	-
Due to other governments	507,399	-	507,399	42,079
Due to primary government	-	-	-	131,250
Liabilities to be paid from restricted cash:				
Customer deposits	-	223,448	223,448	-
Due within one year	5,047,712	372,629	5,420,341	-
Net pension liability - LGERS	11,456,890	335,786	11,792,676	192,160
Total pension liability - LEOSSA	2,695,167	-	2,695,167	-
Total OPEB liability	49,217,506	1,692,282	50,909,788	1,331,608
Due in more than one year	15,581,986	12,131,790	27,713,776	51,920
Total liabilities	87,710,617	15,029,863	102,740,480	2,312,942

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Deferred Inflows of Resources:				
OPEB deferrals	11,401,810	434,980	11,836,790	46,972
Pension deferrals	517,548	13,827	531,375	1,124
Prepaid taxes	399,989	-	399,989	-
Total deferred inflows of resources	<u>12,319,347</u>	<u>448,807</u>	<u>12,768,154</u>	<u>48,096</u>
Net Position:				
Net investment in capital assets	24,470,581	16,692,761	41,163,342	3,493,278
Restricted for:				
Stabilization by state statute	9,606,106	-	9,606,106	-
Public safety	573,225	-	573,225	-
Register of Deeds	238,938	-	238,938	-
Register of Deeds' pension plan	93,066	-	93,066	-
Health and human services	3,137,700	-	3,137,700	-
Working capital	-	-	-	276,039
Economic development projects	84	-	84	-
Education	2,129,070	-	2,129,070	-
Unrestricted (deficit)	<u>(39,112,954)</u>	<u>16,509,143</u>	<u>(22,603,811)</u>	<u>(370,329)</u>
Total net position	<u>\$ 1,135,816</u>	<u>\$ 33,201,904</u>	<u>\$ 34,337,720</u>	<u>\$ 3,398,988</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,469,350	\$ 628,716	\$ -	\$ -
Public safety	24,250,799	4,610,258	933,960	162,583
Transportation	521,233	87,237	303,596	109,769
Environmental protection	347,522	-	168,102	-
Economic and physical development	2,893,558	-	200,000	-
Human services	29,981,736	3,611,000	16,120,589	-
Cultural and recreation	2,102,387	-	143,168	-
Education	24,807,827	-	-	-
Interest on long-term debt	348,930	-	-	-
Total governmental activities	<u>92,723,342</u>	<u>8,937,211</u>	<u>17,869,415</u>	<u>272,352</u>
Business-Type Activities:				
Landfill	2,919,492	3,311,360	2,000	-
Water	<u>2,373,971</u>	<u>2,236,359</u>	<u>328,601</u>	-
Total business-type activities	<u>5,293,463</u>	<u>5,547,719</u>	<u>330,601</u>	-
Total primary government	<u>\$ 98,016,805</u>	<u>\$ 14,484,930</u>	<u>\$ 18,200,016</u>	<u>\$ 272,352</u>
Component Unit:				
ABC Board	<u>\$ 6,807,272</u>	<u>\$ 7,177,014</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, 2019

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	\$ (6,840,634)	\$ -	\$ (6,840,634)	
Public safety	(18,543,998)	-	(18,543,998)	
Transportation	(20,631)	-	(20,631)	
Environmental protection	(179,420)	-	(179,420)	
Economic and physical development	(2,693,558)	-	(2,693,558)	
Human services	(10,250,147)	-	(10,250,147)	
Cultural and recreation	(1,959,219)	-	(1,959,219)	
Education	(24,807,827)	-	(24,807,827)	
Interest on long-term debt	(348,930)	-	(348,930)	
Total governmental activities	<u>(65,644,364)</u>	<u>-</u>	<u>(65,644,364)</u>	
Business-Type Activities:				
Landfill	-	393,868	393,868	
Water	-	190,989	190,989	
Total business-type activities	<u>-</u>	<u>584,857</u>	<u>584,857</u>	
Total primary government	<u>(65,644,364)</u>	<u>584,857</u>	<u>(65,059,507)</u>	
Component Unit:				
ABC Board				\$ <u>369,742</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purpose	53,121,424	-	53,121,424	-
Local option sales tax	15,207,695	-	15,207,695	-
Other taxes and licenses	764,557	-	764,557	-
Grants and contributions not restricted to specific programs	262,500	-	262,500	-
Investment earnings, unrestricted	947,970	356,230	1,304,200	6,855
Miscellaneous	<u>226,408</u>	<u>24,220</u>	<u>250,628</u>	<u>23,349</u>
Total general revenues	<u>70,530,554</u>	<u>380,450</u>	<u>70,911,004</u>	<u>30,204</u>
Change in net position	4,886,190	965,307	5,851,497	399,946
Net Position:				
Beginning of year - July 1	<u>(3,750,374)</u>	<u>32,236,597</u>	<u>28,486,223</u>	<u>2,999,042</u>
End of year - June 30	<u>\$ 1,135,816</u>	<u>\$ 33,201,904</u>	<u>\$ 34,337,720</u>	<u>\$ 3,398,988</u>

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

WILSON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets:			
Cash and cash equivalents	\$ 42,729,757	\$ 2,534,736	\$ 45,264,493
Restricted cash	449,815	200,679	650,494
Taxes receivable, net	1,601,541	47,908	1,649,449
Accounts and other receivables, net	526,781	39,154	565,935
Due from other governments	7,752,532	79,728	7,832,260
Due from component unit	131,250	-	131,250
Notes receivable	-	1,076,923	1,076,923
Total assets	<u>\$ 53,191,676</u>	<u>\$ 3,979,128</u>	<u>\$ 57,170,804</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,635,702	\$ 178,953	\$ 2,814,655
Due to other governments	59,775	447,624	507,399
Miscellaneous liabilities	103,307	-	103,307
Total liabilities	<u>2,798,784</u>	<u>626,577</u>	<u>3,425,361</u>
Deferred Inflows of Resources	<u>2,001,530</u>	<u>48,170</u>	<u>2,049,700</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	8,410,563	1,195,543	9,606,106
Register of Deeds	238,938	-	238,938
Public safety	-	573,828	573,828
Human services	3,130,144	7,556	3,137,700
Economic development projects	-	84	84
Education	2,128,815	200,331	2,329,146
Committed:			
Tax revaluation	449,815	-	449,815
Assigned:			
Subsequent year's expenditures	9,282,177	-	9,282,177
Human services	11,525	-	11,525
Transportation	-	81,814	81,814
Future capital	-	1,264,313	1,264,313
Unassigned	<u>24,739,385</u>	<u>(19,088)</u>	<u>24,720,297</u>
Total fund balances	<u>48,391,362</u>	<u>3,304,381</u>	<u>51,695,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,191,676</u>	<u>\$ 3,979,128</u>	<u>\$ 57,170,804</u>

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

WILSON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Total Governmental Funds</u>
<p>Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:</p>	
Total fund balance, governmental funds	\$ 51,695,743
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,232,896
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.	785,270
Net investment in joint venture	1,159,449
Net pension asset	73,676
Deferred outflows of resources related to pensions are not reported in the funds.	9,084,251
Deferred outflows of resources related to OPEB are not reported in the funds.	1,688,067
Charges related to refunding bond issue	389,190
Other long-term assets are not available to pay for current-period expenditures.	380,521
Consolidation of Internal Service Fund	4,002,336
Deferred inflows of resources related to pensions are not reported in the funds.	(517,548)
Deferred inflows of resources related to OPEB are not reported in the funds.	(11,401,810)
Deferred inflows of resources for taxes receivable	1,649,711
Total OPEB liability	(49,217,506)
Net pension liability	(11,456,890)
Total pension liability	(2,695,167)
Some liabilities, including notes payable and capital leases, accrued interest, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,716,373)</u>
Net position of governmental activities	<u><u>\$ 1,135,816</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, 2019

	<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	\$ 51,363,447	\$ 1,733,327	\$ 53,096,774
Local option sales taxes	14,784,937	422,758	15,207,695
Other taxes and licenses	764,557	-	764,557
Unrestricted intergovernmental	266,722	-	266,722
Restricted intergovernmental	16,552,464	1,220,176	17,772,640
Permits and fees	1,463,654	-	1,463,654
Sales and service	7,784,458	87,237	7,871,695
Investment earnings	936,108	11,862	947,970
Miscellaneous	221,525	661	222,186
Total revenues	<u>94,137,872</u>	<u>3,476,021</u>	<u>97,613,893</u>
Expenditures:			
Current:			
General government	8,759,839	-	8,759,839
Public safety	21,003,161	3,319,910	24,323,071
Transportation	92,585	550,054	642,639
Environmental protection	251,027	65,222	316,249
Economic and physical development	2,933,603	-	2,933,603
Human services	29,024,588	874,948	29,899,536
Cultural and recreation	1,915,042	-	1,915,042
Intergovernmental:			
Education	24,786,491	21,336	24,807,827
Debt service:			
Principal	2,644,650	-	2,644,650
Interest and other charges	360,404	-	360,404
Total expenditures	<u>91,771,390</u>	<u>4,831,470</u>	<u>96,602,860</u>
Revenues over (under) expenditures	<u>2,366,482</u>	<u>(1,355,449)</u>	<u>1,011,033</u>
Other Financing Sources (Uses):			
Transfers (to) other funds	(590,000)	-	(590,000)
Transfers from other funds	-	590,000	590,000
Sale of capital assets	2,034,293	-	2,034,293
Total other financing sources (uses)	<u>1,444,293</u>	<u>590,000</u>	<u>2,034,293</u>
Net change in fund balances	3,810,775	(765,449)	3,045,326
Fund Balances:			
Beginning of year, July 1	<u>44,580,587</u>	<u>4,069,830</u>	<u>48,650,417</u>
End of year, June 30	<u>\$ 48,391,362</u>	<u>\$ 3,304,381</u>	<u>\$ 51,695,743</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, 2019

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)	\$ 3,045,326
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:	
Property taxes	84,556
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.	2,493,879
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.	170,969
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,966,408)
Pension expense - LEOSSA	(26,716)
Pension expense - LGERS	(743,700)
Pension expense - ROD	(12,969)
OPEB plan expense	(370,253)
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.	321,665
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.	2,644,650
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 fund statement.	11,474
Consolidation of Internal Service Fund	(366,596)
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	(59,644)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(35,017)
Changes in deferred outflow related to bond issuance	<u>(43,270)</u>
Total changes in net position of governmental activities	<u>\$ 4,886,190</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, 2019

	General Fund			Variance with Final Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 50,262,490	\$ 50,262,490	\$ 51,363,447	\$ 1,100,957
Local option sales tax	12,503,352	12,503,352	14,784,937	2,281,585
Other taxes and licenses	681,200	681,200	764,557	83,357
Unrestricted intergovernmental	271,450	271,450	266,722	(4,728)
Restricted intergovernmental	15,689,159	16,814,113	16,352,464	(461,649)
Permits and fees	1,485,287	1,485,287	1,463,654	(21,633)
Sales and services	7,299,054	7,545,609	7,784,458	238,849
Investment earnings	375,000	375,000	927,751	552,751
Miscellaneous	11,100	42,463	221,525	179,062
Total revenues	<u>88,578,092</u>	<u>89,980,964</u>	<u>93,929,515</u>	<u>3,948,551</u>
Expenditures:				
Current:				
General government	9,486,029	9,512,564	8,759,839	752,725
Public safety	21,922,483	22,239,993	21,003,161	1,236,832
Transportation	47,857	164,601	92,585	72,016
Environmental protection	271,260	271,260	251,027	20,233
Economic and physical development	1,473,904	1,453,904	1,383,003	70,901
Human services	31,764,661	33,992,029	29,024,588	4,967,441
Cultural and recreation	2,177,178	2,188,681	1,915,042	273,639
Intergovernmental:				
Education	24,786,491	24,786,491	24,786,491	-
Debt service:				
Principal retirement	2,644,653	2,644,653	2,644,650	3
Interest and other charges	360,405	360,405	360,404	1
Total expenditures	<u>94,934,921</u>	<u>97,614,581</u>	<u>90,220,790</u>	<u>7,393,791</u>
Revenues over (under) expenditures	<u>(6,356,829)</u>	<u>(7,633,617)</u>	<u>3,708,725</u>	<u>11,342,342</u>
Other Financing Sources (Uses):				
Transfers to other funds	(1,865,725)	(2,235,725)	(2,235,725)	-
Sale of capital assets	1,226,753	1,276,753	2,034,293	757,540
Fund balance appropriated	6,995,801	8,592,589	-	(8,592,589)
Total other financing sources (uses)	<u>6,356,829</u>	<u>7,633,617</u>	<u>(201,432)</u>	<u>(7,835,049)</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, 2019**

	General Fund			Variance with Final Over/Under
	Original Budget	Final Budget	Actual	
Net change in fund balance	\$ -	\$ -	3,507,293	\$ 3,507,293
Fund Balance:				
Beginning of year, July 1			44,202,336	
End of year, June 30			47,709,629	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Restricted grants			200,000	
Investment earnings			8,357	
Transfer in from General Fund			1,645,725	
Expenditures - Economic Development			(1,550,600)	
Fund balance, beginning			378,251	
Fund balance, ending (Exhibit D)			\$ 48,391,362	

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, 2019

	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	\$ 19,623,509	\$ 1,645,247	\$ 1,063,881	\$ 22,332,637	\$ 4,211,529
Restricted cash and cash equivalents	-	115,878	107,570	223,448	-
Receivables, net	126,717	116,378	157,571	400,666	152,501
Due from other governments	57,914	-	-	57,914	-
Total current assets	<u>19,808,140</u>	<u>1,877,503</u>	<u>1,329,022</u>	<u>23,014,665</u>	<u>4,364,030</u>
Capital assets:					
Land and construction in progress	3,345,724	48,389	78,669	3,472,782	-
Other capital assets, net of depreciation	3,536,836	7,057,223	11,126,824	21,720,883	-
Capital assets, net	<u>6,882,560</u>	<u>7,105,612</u>	<u>11,205,493</u>	<u>25,193,665</u>	<u>-</u>
Total assets	<u>26,690,700</u>	<u>8,983,115</u>	<u>12,534,515</u>	<u>48,208,330</u>	<u>4,364,030</u>
Deferred Outflows of Resources:					
OPEB deferrals	50,488	6,313	6,313	63,114	-
Pension deferrals	189,326	28,715	28,715	246,756	-
Total deferred outflows of resources	<u>239,814</u>	<u>35,028</u>	<u>35,028</u>	<u>309,870</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	184,025	42,340	23,256	249,621	199,320
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	26,374	7,855	7,855	42,084	-
Current portion of debt	33,843	84,862	158,929	277,634	-
Accrued interest	-	8,760	15,547	24,307	-
Total current liabilities	<u>244,242</u>	<u>167,892</u>	<u>234,423</u>	<u>646,557</u>	<u>199,320</u>
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	115,878	107,570	223,448	-
Net pension liability	260,342	37,722	37,722	335,786	-
Accrued landfill closure and post-closure care costs	3,896,126	-	-	3,896,126	-
Compensated absences	24,694	3,384	3,384	31,462	-
Total OPEB liability	1,366,800	162,741	162,741	1,692,282	-
Notes payable	-	216,681	259,525	476,206	-
Limited obligation bond	-	2,728,587	4,999,409	7,727,996	-
Total non-current liabilities	<u>5,547,962</u>	<u>3,264,993</u>	<u>5,570,351</u>	<u>14,383,306</u>	<u>-</u>
Total liabilities	<u>5,792,204</u>	<u>3,432,885</u>	<u>5,804,774</u>	<u>15,029,863</u>	<u>199,320</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, 2019

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Deferred Inflows of Resources:					
OPEB deferrals	357,058	38,961	38,961	434,980	-
Pension deferrals	6,205	3,811	3,811	13,827	-
Total deferred inflows of resources	<u>363,263</u>	<u>42,772</u>	<u>42,772</u>	<u>448,807</u>	-
Net Position:					
Net investment in capital assets	6,882,560	4,051,407	5,758,794	16,692,761	-
Unrestricted	<u>13,892,487</u>	<u>1,491,079</u>	<u>963,203</u>	<u>16,346,769</u>	<u>4,164,710</u>
Total net position	<u>\$ 20,775,047</u>	<u>\$ 5,542,486</u>	<u>\$ 6,721,997</u>	33,039,530	<u>\$ 4,164,710</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.

162,374

Total net position - business-type activities

\$ 33,201,904

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, 2019

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Activities Internal Service Fund
Operating Revenues:					
Charges for services	\$ 3,311,360	\$ 945,421	\$ 1,290,938	\$ 5,547,719	\$ 6,811,712
Operating Expenses:					
Salaries and employee benefits	1,302,971	155,009	155,073	1,613,053	-
Operating expense	1,258,244	358,466	256,788	1,873,498	7,165,571
Landfill closure	77,121	-	-	77,121	-
Depreciation/amortization	281,156	267,324	341,913	890,393	-
Water purchase	-	255,850	279,677	535,527	-
Total operating expenses	2,919,492	1,036,649	1,033,451	4,989,592	7,165,571
Operating income (loss)	391,868	(91,228)	257,487	558,127	(353,859)
Non-Operating Revenues (Expenses):					
Interest/investment revenue	356,230	-	-	356,230	-
Restricted intergovernmental revenue	2,000	227,018	101,583	330,601	-
Interest expense	-	(108,672)	(195,199)	(303,871)	-
Miscellaneous revenue	11,481	-	-	11,481	-
Total non-operating revenues (expenses)	369,711	118,346	(93,616)	394,441	-
Change in net position	761,579	27,118	163,871	952,568	(353,859)
Beginning of year - July 1	20,013,468	5,515,368	6,558,126	32,086,962	4,518,569
End of year - June 30	\$ 20,775,047	\$ 5,542,486	\$ 6,721,997	\$ 33,039,530	\$ 4,164,710
Change in net position, per above				\$ 952,568	
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.				12,739	
Total change in net position - business-type activities				\$ 965,307	

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, 2019

	Business-Type Activities			Total	Governmental Activities Internal Service Fund
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		
Cash Flows from Operating Activities:					
Cash received from customers	\$ 3,310,818	\$ 958,828	\$ 1,330,926	\$ 5,600,572	\$ 6,659,211
Cash paid for goods and services	(1,219,210)	(624,692)	(535,259)	(2,379,161)	(7,751,630)
Cash paid to employees for services	(1,257,948)	(149,777)	(149,841)	(1,557,566)	-
Net cash provided (used) by operating activities	833,660	184,359	645,826	1,663,845	(1,092,419)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of assets	11,481	-	-	11,481	-
Acquisition and construction of capital assets	(310,402)	-	-	(310,402)	-
Principal paid on bond maturities and equipment contracts	-	(99,075)	(168,836)	(267,911)	-
Interest paid on bond maturities equipment contracts	-	(108,992)	(195,742)	(304,734)	-
Net cash provided (used) by capital and related financing activities	(298,921)	(208,067)	(364,578)	(871,566)	-
Cash Flows from Non-Capital and Related Activities:					
Grants	2,000	227,018	101,583	330,601	-
Net cash provided (used) by non-capital and related financing activities	2,000	227,018	101,583	330,601	-
Cash Flows from Investing Activities:					
Interest on investments	356,230	-	-	356,230	-
Net increase (decrease) in cash and cash equivalents	892,969	203,310	382,831	1,479,110	(1,092,419)
Cash and Cash Equivalents:					
Beginning of year - July 1	18,730,540	1,557,815	788,620	21,076,975	5,303,948
End of year - June 30	\$ 19,623,509	\$ 1,761,125	\$ 1,171,451	\$ 22,556,085	\$ 4,211,529
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 391,868	\$ (91,228)	\$ 257,487	\$ 558,127	\$ (353,859)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization	281,156	267,324	341,913	890,393	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	(542)	6,091	59,460	65,009	(152,501)
(Increase) decrease in deferred outflows of resources for pensions	(94,441)	(10,007)	(10,007)	(114,455)	-
Increase (decrease) in deferred inflows of resources for pensions	911	97	97	1,105	-
Increase (decrease) in net pension liability	116,843	12,381	12,381	141,605	-
Increase (decrease) in post-closure	77,121	-	-	77,121	-
Increase (decrease) in accounts payable and accrued liabilities	47,634	(1,401)	(16,607)	29,626	(586,059)
(Increase) decrease in deferred outflows of resources for OPEB	3,004	33	33	3,070	-
Increase (decrease) in deferred inflows of resources for OPEB	190,992	20,201	20,201	231,394	-
Increase (decrease) in OPEB payable	(180,886)	(19,132)	(19,132)	(219,150)	-
Total adjustments	441,792	275,587	388,339	1,105,718	(738,560)
Net cash provided (used) by operating activities	\$ 833,660	\$ 184,359	\$ 645,826	\$ 1,663,845	\$ (1,092,419)

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

WILSON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITON
FIDUCIARY FUNDS
JUNE 30, 2019**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 98,640
Accounts receivable	<u>36,299</u>
Total assets	<u>\$ 134,939</u>
Liabilities:	
Miscellaneous liabilities	\$ 59,818
Intergovernmental payable	<u>75,121</u>
Total liabilities	<u>\$ 134,939</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, 2019

I. Summary of Significant Accounting Policies

The accounting policies of Wilson County, North Carolina, (the “County”) and its component units 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, 2019

B. Basis of Presentation, Basis of Accounting

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 or 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. 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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.

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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.

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

As of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates, are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Revaluation Fund, Economic Development Fund, Fire District Fund, Emergency Telephone Service Fund, Economic Development Grant Fund, Public Buildings Fund, School Capital Projects Fund, Capital Reserve Fund, Transportation Fund, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Grant Fund and Solid Waste 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 County Manager, or her designee, may transfer amounts between expenditure line items within a department's budget without limitation and without a report being required. She may also transfer amounts without limitation between departments within the same fund and between funds; however, an official report on such transfers shall be provided to the Board of Commissioners at the monthly meeting. 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, 2019

D. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and landfill post-closure care costs.

E. 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. The NCCMT Government Portfolio, a SEC-registered (2a-7) government money market fund, and 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: \$449,815 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$200,076 in the School Capital Projects Fund and \$603 in the Public Buildings Fund are classified as restricted for unspent debt proceeds.

Enterprise funds: \$223,448 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, 2019

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, 2018. 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 the lower of cost or net realizable value using the first-in, first-out method. 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, 2019

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 three items that meet the criteria for this category – prepaid taxes, and OPEB and other pension related deferrals.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

9. Long-Term Obligations

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State Statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred inflows arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed to law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Restricted fund balance at June 30, 2019 is as follows:

Purpose	General Fund	Nonmajor Governmental Funds
Restricted, all other:		
Register of Deeds	\$ 238,938	\$ -
Public safety	-	573,828
Human services	3,130,144	7,556
Economic development projects	-	84
Education	2,128,815	200,331
Total	<u>\$ 5,497,897</u>	<u>\$ 781,799</u>

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A due to unspent debt proceeds of \$200,679 and restricted for Register of Deeds' pension plan of \$93,066, a net difference of \$107,613.

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 in the General Fund that can only be used for tax revaluation.

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 is not already classified in restricted or committed, that has been budgeted by the Board of Commissioners for 2019-2020 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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Assigned fund balance at June 30, 2019 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Assigned:		
Subsequent year's expenditures	\$ 9,282,177	\$ -
Human services	11,525	-
Transportation	-	81,814
Future school capital	-	1,264,313
Total	<u>\$ 9,293,702</u>	<u>\$ 1,346,127</u>

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.

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	\$ 48,391,362
Less:	
Stabilization by state statute	<u>8,410,563</u>
Total available fund balance	<u>\$ 39,980,799</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 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 under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, the County's deposits had a carrying amount of \$15,615,807 and a bank balance of \$15,704,847. 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, 2019, Wilson County had \$4,710 cash on hand.

At June 30, 2019, the carrying amount of deposits for the ABC Board was \$958,453, and the bank balance was \$866,352. Of the bank balance, \$372,114 was covered by federal depository insurance, and \$494,238 was collateralized by institutions using the Pooling Method.

At June 30, 2019, the ABC Board had \$6,000 cash on hand.

2. Investments

As of June 30, 2019, 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	Fair Value-Level 1	\$ 34,211,451	\$ 34,211,451	N/A	N/A
Term Portfolio*	Fair Value-Level 1	22,949,273	\$ 22,949,273	N/A	N/A
Total		<u>\$ 57,160,724</u>	<u>\$ 22,949,273</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Level of Fair Value Hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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, 2019, the ABC Board had no investments.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,543,986	\$ 366,699	\$ 1,910,685
2017	1,532,993	226,118	1,759,111
2018	1,538,810	88,483	1,627,293
2019	1,538,259	-	1,538,259
Total	<u>\$ 6,154,048</u>	<u>\$ 681,300</u>	<u>\$ 6,835,348</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

4. Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 1,273,594	\$ 2,884,725	\$ 7,752,532	\$ 11,910,851
Other governmental	39,154	67,099	79,728	185,981
Total receivables	1,312,748	2,951,824	7,832,260	12,096,832
Allowance for doubtful accounts	(594,312)	(921,854)	-	(1,516,166)
Total governmental activities	\$ 718,436	\$ 2,029,970	\$ 7,832,260	\$ 10,580,666
Business-Type Activities:				
Landfill	\$ 159,420	\$ -	\$ 57,914	\$ 217,334
Water and Sewer	459,193	-	-	459,193
Total receivables	618,613	-	57,914	676,527
Allowance for doubtful accounts	(217,947)	-	-	(217,947)
Total business-type activities	\$ 400,666	\$ -	\$ 57,914	\$ 458,580

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

	Governmental Activities	Business-Type Activities
Local option sales tax	\$ 2,766,580	\$ -
White goods disposal tax	-	8,575
Scrap tire tax	-	29,651
North Carolina administrative reimbursement and other	4,043,497	19,688
ABC Board	131,250	-
DMV tax distribution	830,979	-
Public buildings grants	18,003	-
Emergency telephone	41,951	-
Total	\$ 7,832,260	\$ 57,914

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019 were as follows:

Year Ending June 30	Amount
2020	\$ 261,756
2021	261,756
2022	261,758
Total	<u>\$ 785,270</u>

Note Receivable

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

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

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

5. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 3,399,703	\$ -	\$ -	\$ 3,399,703
Construction in progress	1,175,551	1,481,307	-	2,656,858
Total non-depreciable assets	<u>4,575,254</u>	<u>1,481,307</u>	<u>-</u>	<u>6,056,561</u>
Depreciable Capital Assets:				
Buildings	25,270,707	-	-	25,270,707
Other improvements	7,753,110	11,016	-	7,764,126
Furniture and equipment	10,453,308	78,536	-	10,531,844
Vehicles	5,592,169	923,020	46,446	6,468,743
Total depreciable assets	<u>49,069,294</u>	<u>1,012,572</u>	<u>46,446</u>	<u>50,035,420</u>
Less Accumulated Depreciation:				
Buildings	12,595,288	476,946	-	13,072,234
Other improvements	3,178,452	262,556	-	3,441,008
Furniture and equipment	7,437,766	825,377	-	8,263,143
Vehicles	4,727,617	401,529	46,446	5,082,700
Total accumulated depreciation	<u>27,939,123</u>	<u>\$ 1,966,408</u>	<u>\$ 46,446</u>	<u>29,859,085</u>
Total depreciable capital assets, net	<u>21,130,171</u>			<u>20,176,335</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 25,705,425</u>			<u>\$ 26,232,896</u>

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

General government	\$ 356,701
Public safety	899,005
Economic and physical development	35,328
Human services	521,729
Cultural and recreation	147,617
Environmental protection	3,508
Transportation	2,520
Total	<u>\$ 1,966,408</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Business-Type Activities:				
Solid Waste:				
Non-Depreciable Capital Assets:				
Land	\$ 3,081,656	\$ -	\$ -	\$ 3,081,656
Construction in progress	7,830	256,238	-	264,068
Total non-depreciable assets	3,089,486	256,238	-	3,345,724
Depreciable Capital Assets:				
Buildings	1,735,292	-	-	1,735,292
Infrastructure	1,146,778	-	-	1,146,778
Furniture and equipment	2,880,909	31,191	39,811	2,872,289
Vehicles	969,691	22,973	-	992,664
Total depreciable assets	6,732,670	54,164	39,811	6,747,023
Less Accumulated Depreciation:				
Buildings	196,848	40,230	-	237,078
Infrastructure	199,545	25,219	-	224,764
Furniture and equipment	1,934,569	152,662	39,811	2,047,420
Vehicles	637,880	63,045	-	700,925
Total accumulated depreciation	2,968,842	\$ 281,156	\$ 39,811	3,210,187
Total depreciable capital assets, net	3,763,828			3,536,836
Solid Waste Capital Assets, Net	6,853,314			6,882,560
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	3,539,855	271,436	-	3,811,291
Office and maintenance equipment	12,107	750	-	12,857
Vehicles	40,794	-	-	40,794
Total accumulated depreciation	3,592,756	\$ 272,186	\$ -	3,864,942
Total depreciable capital assets, net	7,329,409			7,057,223
Southeast Water District Capital Assets, Net	7,377,798			7,105,612

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Business-Type Activities (continued):				
Southwest Water District:				
Non-Depreciable Capital Assets:				
Land	78,669	\$ -	\$ -	78,669
Construction in progress	654,776	-	654,776	-
Total non-depreciable assets	733,445	-	654,776	78,669
Depreciable Capital Assets:				
Plant and distribution system	15,204,365	654,776	-	15,859,141
Office and maintenance equipment	14,628	-	-	14,628
Vehicles	40,794	-	-	40,794
Total depreciable assets	15,259,787	654,776	-	15,914,563
Less Accumulated Depreciation:				
Plant and distribution system	4,385,787	350,092	-	4,735,879
Office and maintenance equipment	10,316	750	-	11,066
Vehicles	40,794	-	-	40,794
Total accumulated depreciation	4,436,897	\$ 350,842	\$ -	4,787,739
Total depreciable capital assets, net	10,822,890			11,126,824
Southwest Water District				
Capital Assets, Net	11,556,335			11,205,493
Business-Type Activities				
Capital Assets, Net	\$ 25,787,447			\$ 25,193,665

Construction Commitments

The government has active construction projects as of June 30, 2019. The County's commitments with contractors are listed as follows for the following projects:

<u>Project</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
2017 School Improvement	\$ 5,720,505	\$ 200,076
Courthouse Improvements	123,299	1,701
Sheriff Viper Radio Upgrades	873,933	607
DSS Facilities Improvements	1,612,144	7,556
Stream Debris Removal	65,222	424,530
Solid Waste Districts Convenience Centers Improvement	256,238	157,824
Total	\$ 8,651,341	\$ 792,294

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Discretely Presented Component Unit

Capital asset activity for the ABC Board for the year ended June 30, 2019 was as follows:

	<u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2019</u>
Wilson County ABC Board:				
Non-Depreciable Capital Assets:				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
Construction in progress	299,028	678,672	977,700	-
Total assets not depreciated	<u>873,369</u>	<u>678,672</u>	<u>977,700</u>	<u>574,341</u>
Depreciable Capital Assets:				
Buildings	2,422,013	874,610	-	3,296,623
Furniture and equipment	479,537	116,129	-	595,666
Vehicles	59,737	79,368	30,200	108,905
Leasehold improvements	42,203	-	-	42,203
Total depreciable assets	<u>3,003,490</u>	<u>1,070,107</u>	<u>30,200</u>	<u>4,043,397</u>
Less Accumulated Depreciation:				
Buildings	571,625	58,491	-	630,116
Furniture and equipment	388,454	37,688	-	426,142
Vehicles	51,097	6,349	25,845	31,601
Leasehold improvements	32,368	4,233	-	36,601
Total accumulated depreciation	<u>1,043,544</u>	<u>\$ 106,761</u>	<u>\$ 25,845</u>	<u>1,124,460</u>
Total depreciable capital assets, net	<u>1,959,946</u>			<u>2,918,937</u>
ABC Board Capital Assets, Net	<u>\$ 2,833,315</u>			<u>\$ 3,493,278</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2019 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	\$ 2,761,270	\$ 177,059	\$ 86,675	\$ 59,775	\$ 3,084,779
Other governmental	<u>178,953</u>	<u>-</u>	<u>-</u>	<u>447,624</u>	<u>626,577</u>
Total governmental activities	<u>\$ 2,940,223</u>	<u>\$ 177,059</u>	<u>\$ 86,675</u>	<u>\$ 507,399</u>	<u>\$ 3,711,356</u>
Business-Type Activities:					
Solid waste	\$ 143,155	\$ 40,870	\$ -	\$ -	\$ 184,025
Water Distribution Funds:					
Southeast district	41,767	573	8,760	-	51,100
Southwest district	<u>22,683</u>	<u>573</u>	<u>15,547</u>	<u>-</u>	<u>38,803</u>
Total business-type activities	<u>\$ 207,605</u>	<u>\$ 42,016</u>	<u>\$ 24,307</u>	<u>\$ -</u>	<u>\$ 273,928</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, 2019

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, 2019 was 8.50% of compensation for law enforcement officers and 7.80% 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 \$2,435,062 for the year ended June 30, 2019.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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

At June 30, 2019, the County reported a liability of \$11,792,676 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability 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, 2019, the County’s proportion was 0.49709% (measured as of June 30, 2018), which was a decrease of 0.02157% from its proportion measured as of June 30, 2018 (measured as of June 30, 2017).

For the year ended June 30, 2019, the County recognized pension expense of \$3,207,016. At June 30, 2019, 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	\$ 1,819,330	\$ 61,049
Changes of assumptions	3,129,321	-
Net difference between projected and actual earnings on pension plan investments	1,618,784	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	343,453
County contributions subsequent to the measurement date	2,435,062	-
Total	<u>\$ 9,002,497</u>	<u>\$ 404,502</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

\$2,435,062 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, 2020. 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
<hr/>	<hr/>
2020	\$ 3,038,338
2021	1,956,704
2022	288,063
2023	879,828
2024	-
Thereafter	<hr/> -
Total	<hr/> \$ 6,162,933 <hr/>

Actuarial Assumptions. The total pension liability in the December 31, 2017 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 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2017 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2018 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>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 7.00%. 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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 28,327,027</u>	<u>\$ 11,792,676</u>	<u>\$ (2,023,688)</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.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	12
Active members	<u>79</u>
Total	<u><u>91</u></u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2017 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	3.64 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, 2017 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.

Deaths After Retirement (Healthy): 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.

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

Deaths 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.

Deaths 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, at present, has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 \$200,422 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$2,695,167. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$230,140.

At June 30, 2019, 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	\$ 89,393	\$ -
Changes of assumptions and other inputs	111,606	123,510
County benefit payments and plan administrative expenses made subsequent to the measurement date	<u>104,758</u>	<u>-</u>
Total	<u><u>\$ 305,757</u></u>	<u><u>\$ 123,510</u></u>

\$104,758 reported as deferred outflows of resources related to pensions resulting from the County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. 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	Amount
2020	\$ 20,829
2021	20,829
2022	20,829
2023	24,761
2024	<u>(9,759)</u>
Total	<u><u>\$ 77,489</u></u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 2,932,921	\$ 2,695,167	\$ 2,479,292

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

	2019
Beginning balance	\$ 2,762,776
Service cost	124,355
Interest on the total pension liability	84,137
Differences between expected and actual experience in the measurement of the total pension liability	35,620
Changes of assumptions and other inputs	(111,299)
Benefit payments	(200,422)
Ending balance of the total pension liability	\$ 2,695,167

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.16 percent at December 31, 2017 to 3.64 percent at December 31, 2018.

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 \$203,013 for the reporting year. No amounts were forfeited.

Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing, multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 \$3,544 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$73,676 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County’s proportion was 0.44482%, which was a decrease of 0.01301% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$16,513. At June 30, 2019, 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	\$ 649	\$ 3,363
Changes of assumptions	3,465	-
Net difference between projected and actual earnings on pension plan investments	11,743	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,352	-
County contributions subsequent to the measurement date	3,544	-
Total	\$ 22,753	\$ 3,363

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$3,544 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, 2020. 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
2020	\$ 8,740
2021	1,823
2022	3,461
2023	1,822
2024	-
Thereafter	-
Total	<u>\$ 15,846</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 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

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, 2017 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

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 asset was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (58,089)	\$ (73,676)	\$ (86,820)

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.

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

The net pension liability for LGERS and ROD was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at December 31, 2017. The total pension liability for LEOSA was measured as of December 31, 2018, with an actuarial valuation date of December 31, 2017. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contribution of all

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 11,792,676	\$ (73,676)	\$ -	\$ 11,719,000
Proportion of the net pension liability (asset)	0.49709%	0.44482%	n/a	-
Total pension liability	-	-	2,695,167	2,695,167
Pension expense	3,207,016	16,513	230,140	3,453,669

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:				
Pensions - difference between expected and actual experience	\$ 1,819,330	\$ 649	\$ 89,393	\$ 1,909,372
Pensions - difference between projected and actual investment earnings	1,618,784	11,743	-	1,630,527
Changes of assumptions	3,129,321	3,465	111,606	3,244,392
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	-	3,352	-	3,352
County contributions (LGERS, ROD)/ benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,435,062</u>	<u>3,544</u>	<u>104,758</u>	<u>2,543,364</u>
Total	<u>\$ 9,002,497</u>	<u>\$ 22,753</u>	<u>\$ 305,757</u>	<u>\$ 9,331,007</u>

Deferred Inflows of Resources:				
Pensions - difference between expected and actual experience	\$ 61,049	\$ 3,363	\$ -	\$ 64,412
Changes of assumptions	-	-	123,510	123,510
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	<u>343,453</u>	<u>-</u>	<u>-</u>	<u>343,453</u>
Total	<u>\$ 404,502</u>	<u>\$ 3,363</u>	<u>\$ 123,510</u>	<u>\$ 531,375</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Other Post-Employment Benefits – Healthcare Benefits Plan

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 retirement 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. No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	189
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>658</u>
Total	<u><u>847</u></u>

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

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Total OPEB Liability

The County's total OPEB liability of \$50,909,788 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 to 7.75 percent
Law enforcement officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior measurement date	3.56 percent
Measurement date	3.89 percent
Healthcare Cost Trends	
Pre-Medicare Medical and Prescription Drug	7.25 percent for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare Medical and Prescription Drug	5.38 percent for 2018 decreasing to an ultimate rate of 4.75% by 2022

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 56,882,100
Changes for the year:	
Service cost*	1,972,998
Interest	1,995,199
Differences between expected and actual experience	(5,070,636)
Changes of assumptions or other inputs	(3,180,724)
Net benefit payments	(1,689,149)
Net changes	(5,972,312)
Balance at June 30, 2019	\$ 50,909,788

*the service cost includes interest for the year.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%.

The County selected a Municipal Bond Index Rate equal to the June average of the Bond Buyer 20-year General Obligation Bond Index published weekly by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	<u>\$ 61,186,175</u>	<u>\$ 50,909,788</u>	<u>\$ 42,930,531</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>\$ 42,328,573</u>	<u>\$ 50,909,788</u>	<u>\$ 62,157,080</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$2,139,826. At June 30, 2019, 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	\$ 644,755	\$ 4,397,243
Changes of assumptions	-	7,439,547
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,106,426</u>	<u>-</u>
Total	<u>\$ 1,751,181</u>	<u>\$ 11,836,790</u>

\$1,106,426 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2020	\$ (1,828,371)
2021	(1,828,371)
2022	(1,828,371)
2023	(1,828,371)
2024	(1,828,371)
Thereafter	<u>(2,050,180)</u>
Total	<u>\$ (11,192,035)</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 are \$3,929,969.

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, 2019, those funds are held in investments with a cost and market value of \$5,201,074. 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, 2019

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	\$ 399,989
Taxes receivable, net (General Fund)	1,601,541
Taxes receivable, net (Special Revenue)	47,908
Deferred inflows - unavailable revenue	262
Differences between expected and actual experience	
LGERS, OPEB, and ROD	4,461,655
Changes of assumptions	
LEOSSA and OPEB	7,563,057
Changes in proportion and differences between County contributions and proportionate share of contributions	
LGERS	343,453
Total	\$ 14,417,865

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

	Deferred Outflows
Charge on refunding of debt	\$ 389,190
Differences between expected and actual experience	
LGERS, LEOSSA, OPEB, and ROD	2,554,127
Changes of assumptions	
LGERS, LEOSSA, and ROD	3,244,392
Net difference between projected and actual earnings on pension plan investments	
LGERS and ROD	1,630,527
Changes in proportion and differences between County contributions and proportionate share of contributions	
ROD	3,352
Benefit payments for the OPEB plan paid subsequent to the measurement date	1,106,426
Contributions to pension plan in current fiscal year (LGERS and ROD)	2,438,606
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	104,758
Total	\$ 11,471,378

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$7,508,971 in claims was incurred for benefits during the year ended June 30, 2019. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 785,379	\$ 852,180
Incurred claims (including IBNRs)	7,508,971	4,893,921
Claim payments	<u>(8,095,030)</u>	<u>(4,960,722)</u>
Unpaid claims, end of year	<u>\$ 199,320</u>	<u>\$ 785,379</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, 2019, 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 August 21, 2015 for virtualization servers requiring thirty-six monthly installments of \$5,260;

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

3. Lease executed January 13, 2016 for monitors and defibrillators requiring five annual installments of \$75,157;
4. Lease executed on January 26, 2016 for voting machines requiring five annual installments of \$75,547;
5. Lease executed on July 1, 2016 for laptops requiring three annual installments of \$51,531;
6. 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	\$ 1,245,638	\$ 515,112	\$ 730,526
Buildings	1,526,750	274,528	1,252,222
Total	<u>\$ 2,772,388</u>	<u>\$ 789,640</u>	<u>\$ 1,982,748</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 264,824
2021	88,647
2022	43,400
Total minimum lease payments	396,871
Less: amount representing interest	(3,451)
Present value of the minimum lease payments	<u>\$ 393,420</u>

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 the event of a default, the County agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

Limited Obligations- Direct Placement - Water Funds:

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 \$ 7,650,000

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

<u>Year Ending</u> <u>June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 230,000	\$ 295,913
2021	235,000	274,713
2022	245,000	265,313
2023	255,000	255,513
2024	260,000	245,313
2025-2029	1,470,000	1,064,028
2030-2034	1,730,000	798,894
2035-2039	2,010,000	434,089
2040-2044	<u>1,215,000</u>	<u>85,050</u>
Total	<u>\$ 7,650,000</u>	<u>\$ 3,718,826</u>

The County's outstanding notes from direct placement related to business-type activities Limited Obligation Bonds in the amount of \$7,650,000 is secured by a deed of trust. The borrowing contains provisions that in the event of a default the bank may exercise any one of the following remedies:

- (a) Declare the unpaid portion of the principal and interest components of Installment Payments immediately due and payable without notice or demand to the County;
- (b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Contract or to recover for the breach thereof;

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

- (c) Exercise or direct the Trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under this Contract, including enforcing payment on the District Bonds and/or selling such District Bonds.

The County’s financing debt at June 30, 2019 is comprised of the following:

	<u>Balance June 30, 2019</u>
Notes Payable- Direct Placement:	
\$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%	\$ 80,511
\$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%	10,480,000
\$5,235,125 Economic Development Park - backed by an interlocal 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%	1,570,538
\$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	5,131,170
\$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>583,023</u>
Total	<u>\$ 17,845,242</u>

The County’s outstanding notes from direct placement related to General Fund activities in the amount of \$80,511 is secured by a deed of trust.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding notes from direct placement related to General Fund advance refunding in the amount of \$10,480,000 is secured by a deed of trust. The note contains provisions that in the event of default the bank may exercise any one of the following remedies:

- (a) Declare the interest rate on the Installment payments to be the Default Rate (provided such rate shall be retroactive to the date of the Event of Default)
- (b) Declare the unpaid portion of the then outstanding principal components of the Installment Payments immediately due and payable, without notice or demand to the County
- (c) Proceed by appropriate court action to enforce the performance by the County of the applicable covenants of the contract or to recover for any breach thereof
- (d) Exercise or direct the Deed of Trust Trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the Mortgaged Property without any court order or other process of law and without liability for entering the premises and to sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease, or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition, toward the balance due under the contract and, thereafter to pay any remaining proceeds to the County
- (e) Enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Mortgaged Property.

The County's outstanding notes from direct placement related to General Fund Economic Development Park in the amount of \$1,570,538 is secured by a deed of trust. The borrowing contains provisions that in the event of default the bank may exercise any one of the following remedies:

- (a) Declare the unpaid principal components of the Installment Payments immediately due and payable
- (b) Proceed by appropriate court action to enforce the County's performance of the applicable covenants of the Agreement or to recover for the breach thereof
- (c) Avail itself of all available remedies under the Agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding notes from direct placement related to General Fund School Improvements in the amount of \$5,131,170 is secured by a deed of trust and security interest in the Forest Hills Middle School. The borrowing contains provisions that in the event of default the bank may exercise any one of the following remedies:

- (a) Declare the unpaid portion of the then outstanding principal components of the installment payments immediately due and payable, without notice or demand to the County

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

- (b) Proceed by appropriate court action to enforce the performance by the County of the applicable covenants of the contract or to recover for any breach thereof
- (c) Exercise of direct the Deed of Trust Trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the Mortgaged Property without any court order or other process of law and without liability for entering the premises and to sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition, toward the balance due under this Contract and, thereafter, to pay any remaining proceeds to the County
- (d) Enforce its security interest of direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and see the Mortgaged Property.

The County's outstanding notes from direct placement related to General fund Sheriff equipment in the amount of \$583,023 is secured by a deed of trust. The borrowing contains provisions that in the event of default the bank may exercise any one of the following remedies:

- (a) Declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the Borrower
- (b) Proceed by appropriate court action to enforce performance by the Borrower of the applicable covenants of this Contract or to recover for the breach thereof;
- (c) Exercise all the rights and remedies of a secured party or creditor under the Uniform commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved hereunder, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the Borrower, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the Borrower;
- (d) Terminate the contract as to all or any part of the equipment and use, operate, lease or hold all or any part of the Equipment as the Bank in its sole discretion may decide
- (e) Take possession of any proceeds of the equipment, including net proceeds

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

	Balance
	<u>June 30, 2019</u>
Notes Payable- Direct Borrowing - Water Funds:	
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	\$ 288,361
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>240,756</u>
Total	<u><u>\$ 529,117</u></u>

In 2009, the County was approved for a direct borrowing with a maximum loan amount of \$1,058,321 from the U.S. Department of Environment and Natural Resources. The loan bears interest at 2.10% per annum and calls for annual payments or principal beginning in 2009 through May 2029. The County agrees that any other monies due to the unit of local government from the State may be withheld by the State and applied to the payment of this obligation whenever the unit fails to pay any payment of principal or interest when this note is due.

The annual requirements to amortize installment purchase contracts and notes payable outstanding as of June 30, 2019, including interest payments, are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,505,382	\$ 299,386	\$ 52,911	\$ 11,111	\$ 2,558,293	\$ 310,497
2021	2,486,550	245,753	52,911	10,000	2,539,461	255,753
2022	2,176,258	192,530	52,911	8,889	2,229,169	201,419
2023	1,594,705	164,686	52,911	7,778	1,647,616	172,464
2024	1,564,705	119,448	52,911	6,667	1,617,616	126,115
2025-2029	6,333,527	232,416	264,562	16,667	6,598,089	249,083
2030-2034	1,184,115	-	-	-	1,184,115	-
Total	<u>\$ 17,845,242</u>	<u>\$ 1,254,219</u>	<u>\$ 529,117</u>	<u>\$ 61,112</u>	<u>\$ 18,374,359</u>	<u>\$ 1,315,331</u>

At June 30, 2019, the County had a legal debt margin of \$533,214,240.

Debt Related to Capital Activities – Of the total governmental activities’ debt listed, only \$1,762,315 relates to assets the County holds title.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
Capitalized leases	\$ 715,085	\$ -	\$ 321,665	\$ 393,420	\$ 261,384
Notes payable - direct placement	20,489,892	-	2,644,650	17,845,242	2,505,382
Compensated absences	2,356,019	2,249,527	2,214,510	2,391,036	2,280,946
Net pension liability (LGERS)	7,729,508	3,727,382	-	11,456,890	-
Total pension liability (LEOSSA)	2,762,776	-	67,609	2,695,167	-
Total OPEB liability	<u>54,970,668</u>	<u>-</u>	<u>5,753,162</u>	<u>49,217,506</u>	<u>-</u>
Total governmental activities	<u>\$ 89,023,948</u>	<u>\$ 5,976,909</u>	<u>\$ 11,001,596</u>	<u>\$ 83,999,261</u>	<u>\$ 5,047,712</u>
Business-Type Activities:					
Southeast Water District:					
Limited obligation bond - direct placement	\$ 2,775,000	\$ -	\$ 75,000	\$ 2,700,000	\$ 80,000
Notes payable - direct placement	264,831	-	24,075	240,756	24,075
Bond premium	118,311	-	4,862	113,449	4,862
Compensated absences	9,580	9,285	7,626	11,239	7,855
Net pension liability (LGERS)	25,341	12,381	-	37,722	-
Total OPEB liability	<u>181,873</u>	<u>-</u>	<u>19,132</u>	<u>162,741</u>	<u>-</u>
Total Southeast Water District	<u>3,374,936</u>	<u>21,666</u>	<u>130,695</u>	<u>3,265,907</u>	<u>116,792</u>
Southwest Water District:					
Limited obligation bond - direct placement	\$ 5,090,000	\$ -	\$ 140,000	\$ 4,950,000	\$ 150,000
Notes payable - direct placement	317,197	-	28,836	288,361	28,836
Bond premium	217,267	-	8,929	208,338	8,929
Compensated absences	9,580	9,285	7,626	11,239	7,855
Net pension liability (LGERS)	25,341	12,381	-	37,722	-
Total OPEB liability	<u>181,873</u>	<u>-</u>	<u>19,132</u>	<u>162,741</u>	<u>-</u>
Total Southwest Water District	<u>5,841,258</u>	<u>21,666</u>	<u>204,523</u>	<u>5,658,401</u>	<u>195,620</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Solid Waste:					
Accrued landfill closure and post-closure care costs	\$ 3,852,848	\$ 115,585	\$ 38,464	\$ 3,929,969	\$ 33,843
Compensated absences	42,468	34,206	25,606	51,068	26,374
Net pension liability (LGERS)	143,499	116,843	-	260,342	-
Total OPEB liability	<u>1,547,686</u>	<u>-</u>	<u>180,886</u>	<u>1,366,800</u>	<u>-</u>
Total solid waste	<u>5,586,501</u>	<u>266,634</u>	<u>244,956</u>	<u>5,608,179</u>	<u>60,217</u>
 Total business-type activities	 <u>\$ 14,802,695</u>	 <u>\$ 309,966</u>	 <u>\$ 580,174</u>	 <u>\$ 14,532,487</u>	 <u>\$ 372,629</u>
 Discretely Presented Component Unit:					
Long-Term Liabilities:					
Compensated absences	\$ 48,060	\$ 3,860	\$ -	\$ 51,920	\$ -
Net pension liability (LGERS)	138,259	53,901	-	192,160	-
Total OPEB liability	<u>1,369,641</u>	<u>-</u>	<u>38,033</u>	<u>1,331,608</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,555,960</u>	<u>\$ 57,761</u>	<u>\$ 38,033</u>	<u>\$ 1,575,688</u>	<u>\$ -</u>

Compensated absences 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.

8. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019 consist of the following:

From the General Fund to the Capital Reserve Fund to set aside funds for future construction of substation, animal shelter, and Miller Rd. building	 <u>\$ 590,000</u>
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WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

9. Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	\$ 26,232,896	\$ 25,193,665
Long-term debt gross	18,238,662	8,500,904
Less: Long-term debt related to assets not owned by the County	(15,611,170)	-
Less: Other debt not issued for capital	(865,780)	-
Add: Unexpended debt proceeds	603	-
Capital debt, net	<u>1,762,315</u>	<u>8,500,904</u>
Net investment in capital assets	<u>\$ 24,470,581</u>	<u>\$ 16,692,761</u>

Deferred charge on refunding of \$389,190 and \$200,076 of unspent debt proceeds are related to debt for assets not owned by the County and is excluded from the above calculation.

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 \$350,795 to the Council for the fiscal year ended June 30, 2019. 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, 2019. 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 \$92,585 to the Authority's operating purposes during the year ended June 30, 2019. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$1,159,449 has been reported in the governmental activities in the County's basic financial statements at June 30, 2019. 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 \$2,716,251 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

Eastpoint

Wilson County, in conjunction with Bladen, Columbus, Duplin, Edgecombe, Nash, Lenoir, Robeson, Sampson, Scotland, Wayne, and Greene counties, participate in a joint venture to operate Eastpoint, a Local Management Entity (LME) and Managed Care Organization (MCO) of Mental Health, Developmental Disabilities, and Substance Abuse Services. The area Board consists of up to twenty-seven (27) members, with the ability to increase its membership as needed. Each of the counties will have either two or three representatives based on population as published by the NC Department of Health and Human Services. Wilson County has two representatives on the Board. Each participant in the joint venture makes an annual appropriation to the joint venture, but the majority of its funding comes from other sources. During the fiscal year ended June 30, 2019, 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, 2019. 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 \$37,170 to the Council during the fiscal year ended June 30, 2019.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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.

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

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WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS**

	Total OPEB Liability	
	2019	2018
Beginning balance	\$ 56,882,100	\$ 60,269,724
Service cost	1,972,998	2,269,163
Interest on TOL and cash flows	1,995,199	1,785,134
Differences between expected and actual experience	(5,070,636)	878,786
Changes of assumptions or other inputs	(3,180,724)	(6,380,406)
Benefit payments	(1,689,149)	(1,940,301)
Ending balance of the total OPEB liability	<u>\$ 50,909,788</u>	<u>\$ 56,882,100</u>
Covered payroll	\$ 27,375,770	\$ 27,051,216
Total OPEB liability as a percentage of covered payroll	185.97%	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:

Fiscal Year	Rate
2019	3.89%
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 SIX FISCAL YEARS***

	Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015	2014
Wilson County's proportion of the net pension liability (asset) (%)	0.49709%	0.51866%	0.51955%	0.50807%	0.51274%	0.50750%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ 11,792,676	\$ 7,923,689	\$ 11,026,592	\$ 2,280,188	\$ (3,023,866)	\$ 6,117,324
Wilson County's covered payroll	\$ 30,732,875	\$ 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 payroll	38.37%	25.65%	36.96%	7.94%	(10.48%)	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	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 SIX FISCAL YEARS

	Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,435,062	\$ 2,346,286	\$ 2,287,136	\$ 2,046,962	\$ 2,057,877	\$ 2,046,767
Contributions in relation to the contractually required contribution	<u>2,435,062</u>	<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>	<u>\$ -</u>
Wilson County's covered payroll	\$ 30,869,473	\$ 30,732,875	\$ 30,890,267	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961
Contributions as a percentage of covered payroll	7.89%	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 SIX FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund					
	2019	2018	2017	2016	2015	2014
Wilson County's proportion of the net pension liability (asset) (%)	0.44482%	0.45783%	0.47649%	0.47707%	0.49006%	0.47400%
Wilson County's proportion of the net pension liability (asset) (\$)	\$ (73,676)	\$ (78,147)	\$ (89,085)	\$ (110,556)	\$ (110,078)	\$ (111,078)
Wilson County's covered payroll	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202	\$ 70,926
Wilson County's proportionate share of the net pension liability as a percentage of its covered payroll	(91.14%)	(96.68%)	(1 10.21%)	(1 36.87%)	(46.58%)	(39.30%)
Plan fiduciary net position as a percentage of the total pension liability**	153.31%	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 SIX FISCAL YEARS

	Register of Deeds' Supplemental Pension Fund					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,544	\$ 3,807	\$ 3,978	\$ 3,892	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>3,544</u>	<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>	<u>\$ -</u>
Wilson County's covered payroll	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202
Contributions as a percentage of covered payroll	4.38%	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 THREE FISCAL YEARS***

	Law Enforcement Officers' Special Separation Allowance		
	2019	2018	2017
Beginning balance	\$ 2,762,776	\$ 2,481,531	\$ 2,513,338
Service cost	124,355	105,919	118,624
Interest on the total pension liability	84,137	92,374	86,600
Differences between expected and actual experience in the measurement of the total pension liability	35,620	90,817	-
Changes of assumptions or other inputs	(111,299)	168,986	(61,889)
Benefit payments	(200,422)	(176,851)	(175,142)
Ending balance of the total pension liability	<u>\$ 2,695,167</u>	<u>\$ 2,762,776</u>	<u>\$ 2,481,531</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 THREE FISCAL YEARS***

	Law Enforcement Officers' Special Separation Allowance		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,695,167	\$ 2,762,776	\$ 2,481,531
Covered payroll	3,859,405	3,811,844	4,028,341
Total pension liability as a percentage of covered payroll	69.83%	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.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

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Major Funds

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WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 51,363,447	\$ -	\$ -	\$ -	\$ 51,363,447
Local option sales tax	14,784,937	-	-	-	14,784,937
Other taxes and licenses	764,557	-	-	-	764,557
Unrestricted intergovernmental	266,722	-	-	-	266,722
Restricted intergovernmental	16,352,464	-	200,000	-	16,552,464
Permits and fees	1,463,654	-	-	-	1,463,654
Sales and services	7,784,458	-	-	-	7,784,458
Investment earnings	927,751	8,357	-	-	936,108
Miscellaneous	221,525	-	-	-	221,525
Total revenues	<u>93,929,515</u>	<u>8,357</u>	<u>200,000</u>	<u>-</u>	<u>94,137,872</u>
Expenditures:					
Current:					
General government	8,759,839	-	1,550,600	-	10,310,439
Public safety	21,003,161	-	-	-	21,003,161
Transportation	92,585	-	-	-	92,585
Environmental protection	251,027	-	-	-	251,027
Economic and physical development	1,383,003	-	-	-	1,383,003
Human services	29,024,588	-	-	-	29,024,588
Cultural and recreation	1,915,042	-	-	-	1,915,042
Intergovernmental:					
Education	24,786,491	-	-	-	24,786,491
Debt service:					
Principal retirement	2,644,650	-	-	-	2,644,650
Interest and other charges	360,404	-	-	-	360,404
Total expenditures	<u>90,220,790</u>	<u>-</u>	<u>1,550,600</u>	<u>-</u>	<u>91,771,390</u>
Revenues over (under) expenditures	<u>3,708,725</u>	<u>8,357</u>	<u>(1,350,600)</u>	<u>-</u>	<u>2,366,482</u>
Other Financing Sources (Uses):					
Transfers to other funds	(2,235,725)	-	-	1,645,725	(590,000)
Transfers from other funds	-	135,000	1,510,725	(1,645,725)	-
Sale of capital assets	2,034,293	-	-	-	2,034,293
Total other financing sources (uses)	<u>(201,432)</u>	<u>135,000</u>	<u>1,510,725</u>	<u>-</u>	<u>1,444,293</u>
Net change in fund balances	3,507,293	143,357	160,125	-	3,810,775
Fund Balances:					
Beginning of year, July 1	44,202,336	306,458	71,793	-	44,580,587
End of year, June 30	<u>\$ 47,709,629</u>	<u>\$ 449,815</u>	<u>\$ 231,918</u>	<u>\$ -</u>	<u>\$ 48,391,362</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 49,975,490	\$ 51,012,023	\$ 1,036,533
Interest	287,000	351,424	64,424
Total	<u>50,262,490</u>	<u>51,363,447</u>	<u>1,100,957</u>
Local Option Sales Taxes	<u>12,503,352</u>	<u>14,784,937</u>	<u>2,281,585</u>
Other Taxes and Licenses:			
Franchise tax	70,000	66,839	(3,161)
Rental vehicle sales tax	50,000	68,012	18,012
Privilege and civil licenses	-	269	269
Beer and wine tax	121,200	121,763	563
Excise tax	<u>440,000</u>	<u>507,674</u>	<u>67,674</u>
Total	<u>681,200</u>	<u>764,557</u>	<u>83,357</u>
Unrestricted Intergovernmental:			
Housing Authority	8,950	4,222	(4,728)
Wilson County ABC Board:			
Profit distribution	<u>262,500</u>	<u>262,500</u>	<u>-</u>
Total	<u>271,450</u>	<u>266,722</u>	<u>(4,728)</u>
Restricted Intergovernmental:			
General Fund	1,213,165	1,251,382	38,217
Library	144,759	143,168	(1,591)
Health services	1,990,722	1,932,004	(58,718)
Social services	13,369,242	12,886,893	(482,349)
Court facility fees	<u>96,225</u>	<u>139,017</u>	<u>42,792</u>
Total	<u>16,814,113</u>	<u>16,352,464</u>	<u>(461,649)</u>
Permits and Fees:			
Building permits and inspection fees	168,652	174,824	6,172
Register of Deeds	326,401	340,155	13,754
Public safety	488,855	436,800	(52,055)
Health services	<u>501,379</u>	<u>511,875</u>	<u>10,496</u>
Total	<u>1,485,287</u>	<u>1,463,654</u>	<u>(21,633)</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and Services:			
Jail fees and Sheriff fees	1,230,254	1,134,061	(96,193)
Rents, concessions, and fees	2,496,504	2,212,495	(284,009)
Ambulance service fees	2,566,120	3,039,397	473,277
Communication center	1,252,731	1,398,505	145,774
Total	<u>7,545,609</u>	<u>7,784,458</u>	<u>238,849</u>
Investment Earnings	<u>375,000</u>	<u>927,751</u>	<u>552,751</u>
Miscellaneous:			
Other	42,463	221,525	179,062
Total	<u>42,463</u>	<u>221,525</u>	<u>179,062</u>
Total revenues	<u>89,980,964</u>	<u>93,929,515</u>	<u>3,948,551</u>
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	61,369	61,361	8
Other operating expenditures	47,360	41,915	5,445
Total	<u>108,729</u>	<u>103,276</u>	<u>5,453</u>
Administration:			
Salaries and employee benefits	386,137	385,885	252
Other operating expenditures	14,349	10,246	4,103
Total	<u>400,486</u>	<u>396,131</u>	<u>4,355</u>
Human Resources:			
Salaries and employee benefits	225,610	216,383	9,227
Other operating expenditures	85,950	53,282	32,668
Total	<u>311,560</u>	<u>269,665</u>	<u>41,895</u>
Board of Elections:			
Salaries and employee benefits	278,652	251,255	27,397
Other operating expenditures	182,840	128,585	54,255
Capital outlay	76,000	75,547	453
Total	<u>537,492</u>	<u>455,387</u>	<u>82,105</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Finance:			
Salaries and employee benefits	521,915	506,402	15,513
Other operating expenditures	64,408	47,282	17,126
Capital outlay	11,531	11,531	-
Total	<u>597,854</u>	<u>565,215</u>	<u>32,639</u>
Office of Tax Supervisor:			
Salaries and employee benefits	1,054,482	977,509	76,973
Other operating expenditures	321,370	263,237	58,133
Data processing charges	158,500	153,085	5,415
Capital outlay	10,020	9,970	50
Total	<u>1,544,372</u>	<u>1,403,801</u>	<u>140,571</u>
Technology Services:			
Salaries and employee benefits	650,675	650,555	120
Other operating expenditures	52,787	39,337	13,450
Data processing charges	292,728	282,225	10,503
Capital outlay	74,579	71,287	3,292
Total	<u>1,070,769</u>	<u>1,043,404</u>	<u>27,365</u>
Register of Deeds:			
Salaries and employee benefits	360,178	348,955	11,223
Other operating expenditures	70,067	60,094	9,973
Total	<u>430,245</u>	<u>409,049</u>	<u>21,196</u>
Public Buildings:			
Other operating expenditures	824,661	730,216	94,445
Capital outlay	487,453	434,370	53,083
Total	<u>1,312,114</u>	<u>1,164,586</u>	<u>147,528</u>
Maintenance Administration			
Salaries and employee benefits	662,943	643,688	19,255
Other operating expenditures	82,962	77,732	5,230
Capital outlay	10,000	9,749	251
Total	<u>755,905</u>	<u>731,169</u>	<u>24,736</u>
Court Facilities:			
Other operating expenditures	168,780	146,049	22,731
Capital outlay	133,516	13,672	119,844
Total	<u>302,296</u>	<u>159,721</u>	<u>142,575</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Central Service:			
Other operating expenditures	1,986,951	1,909,776	77,175
Total	<u>1,986,951</u>	<u>1,909,776</u>	<u>77,175</u>
Other:			
Other area projects	153,791	148,659	5,132
Total	<u>153,791</u>	<u>148,659</u>	<u>5,132</u>
Total general government	<u>9,512,564</u>	<u>8,759,839</u>	<u>752,725</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	6,565,983	5,915,371	650,612
Other operating expenditures	1,030,738	1,030,768	(30)
Capital outlay	295,048	291,045	4,003
Total	<u>7,891,769</u>	<u>7,237,184</u>	<u>654,585</u>
Jail:			
Salaries and employee benefits	2,915,338	3,335,026	(419,688)
Other operating expenditures	1,479,294	1,479,285	9
Capital outlay	8,300	8,300	-
Total	<u>4,402,932</u>	<u>4,822,611</u>	<u>(419,679)</u>
Animal Control:			
Salaries and employee benefits	534,100	380,417	153,683
Other operating expenditures	79,421	79,376	45
Total	<u>613,521</u>	<u>459,793</u>	<u>153,728</u>
Emergency Communications:			
Salaries and employee benefits	2,561,181	2,242,302	318,879
Other operating expenditures	338,065	157,437	180,628
Capital outlay	56,258	51,641	4,617
Total	<u>2,955,504</u>	<u>2,451,380</u>	<u>504,124</u>
Emergency Management:			
Salaries and employee benefits	184,396	184,142	254
Other operating expenditures	120,742	92,063	28,679
Total	<u>305,138</u>	<u>276,205</u>	<u>28,933</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Emergency Medical Services:			
Salaries and employee benefits	4,790,543	4,526,278	264,265
Other operating expenditures	778,249	742,272	35,977
Capital outlay	502,337	487,438	14,899
Total	<u>6,071,129</u>	<u>5,755,988</u>	<u>315,141</u>
 Total public safety	 <u>22,239,993</u>	 <u>21,003,161</u>	 <u>1,236,832</u>
Transportation:			
Rocky Mount/Wilson Airport	<u>164,601</u>	<u>92,585</u>	<u>72,016</u>
Environmental Protection:			
Forestry Program:			
Other operating expenditures	<u>115,391</u>	<u>102,755</u>	<u>12,636</u>
Soil Conservation:			
Salaries and employee benefits	136,349	135,707	642
Other operating expenditures	<u>19,520</u>	<u>12,565</u>	<u>6,955</u>
Total	<u>155,869</u>	<u>148,272</u>	<u>7,597</u>
 Total environmental protection	 <u>271,260</u>	 <u>251,027</u>	 <u>20,233</u>
Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	442,603	419,333	23,270
Other operating expenditures	<u>60,820</u>	<u>53,067</u>	<u>7,753</u>
Total	<u>503,423</u>	<u>472,400</u>	<u>31,023</u>
Planning and Zoning:			
Salaries and employee benefits	489,851	472,078	17,773
Other operating expenditures	63,150	41,045	22,105
Capital outlay	<u>31,685</u>	<u>31,685</u>	<u>-</u>
Total	<u>584,686</u>	<u>544,808</u>	<u>39,878</u>
Other:			
Other projects	<u>365,795</u>	<u>365,795</u>	<u>-</u>
Total	<u>365,795</u>	<u>365,795</u>	<u>-</u>
 Total economic and physical development	 <u>1,453,904</u>	 <u>1,383,003</u>	 <u>70,901</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Diversified Opportunities	29,250	29,250	-
Senior Center:			
Salaries and employee benefits	164,331	150,865	13,466
Other operating expenditures	32,964	15,843	17,121
Total	<u>197,295</u>	<u>166,708</u>	<u>30,587</u>
Home and Community Care Block Grant:			
Operating expenses	415,355	415,355	-
Total	<u>415,355</u>	<u>415,355</u>	-
Health:			
Administration:			
Salaries and employee benefits	837,504	92,564	744,940
Other operating expenditures	402,913	438,978	(36,065)
Capital outlay	124,375	113,610	10,765
Total	<u>1,364,792</u>	<u>645,152</u>	<u>719,640</u>
Health Promotion:			
Salaries and employee benefits	29,796	27,878	1,918
Other operating expenditures	26,888	17,216	9,672
Total	<u>56,684</u>	<u>45,094</u>	<u>11,590</u>
Tuberculosis Control:			
Salaries and employee benefits	82,623	81,739	884
Other operating expenditures	22,555	20,688	1,867
Total	<u>105,178</u>	<u>102,427</u>	<u>2,751</u>
Home Health:			
Salaries and employee benefits	288,056	267,060	20,996
Other operating expenditures	500,604	331,606	168,998
Capital outlay	10,000	6,574	3,426
Total	<u>798,660</u>	<u>605,240</u>	<u>193,420</u>
Family Planning:			
Salaries and employee benefits	742,748	734,945	7,803
Other operating expenditures	133,181	127,512	5,669
Total	<u>875,929</u>	<u>862,457</u>	<u>13,472</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Maternal Health:			
Salaries and employee benefits	706,003	699,088	6,915
Other operating expenditures	128,296	119,198	9,098
Total	<u>834,299</u>	<u>818,286</u>	<u>16,013</u>
Environmental Health:			
Salaries and employee benefits	767,465	727,265	40,200
Other operating expenditures	192,445	176,225	16,220
Total	<u>959,910</u>	<u>903,490</u>	<u>56,420</u>
Immunization:			
Salaries and employee benefits	96,822	96,051	771
Other operating expenditures	98,136	98,076	60
Total	<u>194,958</u>	<u>194,127</u>	<u>831</u>
Communicable Diseases:			
Salaries and employee benefits	279,613	262,665	16,948
Other operating expenditures	14,300	13,010	1,290
Total	<u>293,913</u>	<u>275,675</u>	<u>18,238</u>
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	28,592	21,100	7,492
Other operating expenditures	19,900	19,578	322
Total	<u>48,492</u>	<u>40,678</u>	<u>7,814</u>
Child Health:			
Salaries and employee benefits	510,265	503,736	6,529
Other operating expenditures	14,847	12,956	1,891
Total	<u>525,112</u>	<u>516,692</u>	<u>8,420</u>
Child Service Coordinator:			
Salaries and employee benefits	214,898	212,387	2,511
Other operating expenditures	4,541	3,604	937
Total	<u>219,439</u>	<u>215,991</u>	<u>3,448</u>
WIC Clinic Administration:			
Salaries and employee benefits	46,721	45,545	1,176
Other operating expenditures	23,271	19,599	3,672
Total	<u>69,992</u>	<u>65,144</u>	<u>4,848</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
WIC Nutrition Education:			
Salaries and employee benefits	99,098	96,115	2,983
Other operating expenditures	6,000	1,442	4,558
Total	<u>105,098</u>	<u>97,557</u>	<u>7,541</u>
AIDS Control:			
Salaries and employee benefits	11,043	10,538	505
Other operating expenditures	1,457	777	680
Total	<u>12,500</u>	<u>11,315</u>	<u>1,185</u>
Bioterrorism:			
Salaries and employee benefits	32,977	30,570	2,407
Other operating expenditures	1,674	1,097	577
Total	<u>34,651</u>	<u>31,667</u>	<u>2,984</u>
WIC Client Services:			
Salaries and employee benefits	486,017	423,559	62,458
Other operating expenditures	4,700	4,059	641
Total	<u>490,717</u>	<u>427,618</u>	<u>63,099</u>
School Based Health Center:			
Salaries and employee benefits	228,547	209,600	18,947
Other operating expenditures	260,136	137,376	122,760
Capital outlay	50,000	11,016	38,984
Total	<u>538,683</u>	<u>357,992</u>	<u>180,691</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	305,946	235,458	70,488
Other operating expenditures	9,585	8,153	1,432
Total	<u>315,531</u>	<u>243,611</u>	<u>71,920</u>
WIC Breastfeeding:			
Salaries and employee benefits	57,351	55,831	1,520
Other operating expenditures	1,750	1,446	304
Total	<u>59,101</u>	<u>57,277</u>	<u>1,824</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Adult Health:			
Salaries and employee benefits	420,652	413,463	7,189
Other operating expenditures	27,215	26,695	520
Total	<u>447,867</u>	<u>440,158</u>	<u>7,709</u>
Total health	<u>8,682,823</u>	<u>7,288,965</u>	<u>1,393,858</u>
Social Services:			
Administration:			
Salaries and employee benefits	14,377,826	13,581,173	796,653
Other operating expenditures	3,015,509	2,538,978	476,531
Total	<u>17,393,335</u>	<u>16,120,151</u>	<u>1,273,184</u>
4D Child Support:			
Salaries and employee benefits	1,376,880	1,237,105	139,775
Other operating expenditures	438,403	130,129	308,274
Total	<u>1,815,283</u>	<u>1,367,234</u>	<u>448,049</u>
Income Maintenance Programs:			
AFDC Fostercare	467,082	153,169	313,913
Special assistance - adults	993,048	880,751	112,297
Medicaid - County participation	300,000	175,769	124,231
Total	<u>1,760,130</u>	<u>1,209,689</u>	<u>550,441</u>
Other Services:			
Other operating expenditures	<u>3,073,059</u>	<u>1,995,253</u>	<u>1,077,806</u>
Eat More Move More:			
Salaries and employee benefits	54,181	54,032	149
Other operating expenditures	130,917	59,165	71,752
Total	<u>185,098</u>	<u>113,197</u>	<u>71,901</u>
Community Response Program:			
Salaries and employee benefits	66,052	65,791	261
Other operating expenditures	32,707	14,978	17,729
Total	<u>98,759</u>	<u>80,769</u>	<u>17,990</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Every Teen Counts:			
Other operating expenditures	32,095	2,064	30,031
Total	<u>32,095</u>	<u>2,064</u>	<u>30,031</u>
Partner for Healthy Baby:			
Salaries and employee benefits	59,824	59,769	55
Other operating expenditures	15,176	12,129	3,047
Total	<u>75,000</u>	<u>71,898</u>	<u>3,102</u>
Strengthening Families Grant:			
Other operating expenditures	46,334	41,718	4,616
Total	<u>46,334</u>	<u>41,718</u>	<u>4,616</u>
RAPP Grant:			
Other operating expenditures	13,104	5,038	8,066
Total	<u>13,104</u>	<u>5,038</u>	<u>8,066</u>
Opioid Use Grant:			
Other operating expenditures	37,616	30,826	6,790
Total	<u>37,616</u>	<u>30,826</u>	<u>6,790</u>
FNS Employment & Training Grant:			
Salaries and employee benefits	24,592	-	24,592
Other operating expenditures	53,091	28,797	24,294
Total	<u>77,683</u>	<u>28,797</u>	<u>48,886</u>
Total social services	<u>24,607,496</u>	<u>21,066,634</u>	<u>3,540,862</u>
Veterans Affairs:			
Salaries and employee benefits	56,432	55,947	485
Other operating expenditures	3,378	1,729	1,649
Total	<u>59,810</u>	<u>57,676</u>	<u>2,134</u>
Total human services	<u>33,992,029</u>	<u>29,024,588</u>	<u>4,967,441</u>
Cultural and Recreation:			
Recreation:			
Other operating expenditures	187,070	88,500	98,570

WILSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Libraries:			
Salaries and employee benefits	1,488,858	1,383,686	105,172
Other operating expenditures	487,575	432,678	54,897
Capital outlay	25,178	10,178	15,000
Total	<u>2,001,611</u>	<u>1,826,542</u>	<u>175,069</u>
 Total cultural and recreation	 <u>2,188,681</u>	 <u>1,915,042</u>	 <u>273,639</u>
Education:			
Public schools - current	21,070,240	21,070,240	-
Public schools - capital outlay	1,000,000	1,000,000	-
Community colleges - current	2,338,251	2,338,251	-
Community colleges - capital outlay	378,000	378,000	-
Total education	<u>24,786,491</u>	<u>24,786,491</u>	<u>-</u>
Debt Service:			
Principal retirement	2,644,653	2,644,650	3
Interest and other charges	360,405	360,404	1
Total debt service	<u>3,005,058</u>	<u>3,005,054</u>	<u>4</u>
 Total expenditures	 <u>97,614,581</u>	 <u>90,220,790</u>	 <u>7,393,791</u>
 Revenues over (under) expenditures	 <u>(7,633,617)</u>	 <u>3,708,725</u>	 <u>11,342,342</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
Revaluation Fund	(135,000)	(135,000)	-
Economic Development Grant Fund	(1,510,725)	(1,510,725)	-
Capital Reserve Fund	(590,000)	(590,000)	-
Sale of capital assets	1,276,753	2,034,293	757,540
Fund balance appropriated	8,592,589	-	(8,592,589)
Total other financing sources (uses)	<u>7,633,617</u>	<u>(201,432)</u>	<u>(7,835,049)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>3,507,293</u>	 <u>\$ 3,507,293</u>
Fund Balance:			
Beginning of year, July 1		<u>44,202,336</u>	
End of year, June 30		<u>\$ 47,709,629</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, 2019**

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
Revenues:			
Restricted intergovernmental	\$ -	\$ 200,000	\$ 200,000
Investment earnings	<u>8,357</u>	<u>-</u>	<u>8,357</u>
Total revenues	<u>8,357</u>	<u>200,000</u>	<u>208,357</u>
Expenditures:			
Current:			
Economic development:			
Economic incentives	<u>-</u>	<u>1,550,600</u>	<u>1,550,600</u>
Revenues over (under) expenditures	8,357	(1,350,600)	(1,342,243)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>135,000</u>	<u>1,510,725</u>	<u>1,645,725</u>
Net change in fund balances	143,357	160,125	303,482
Fund Balances:			
Beginning of year, July 1	<u>306,458</u>	<u>71,793</u>	<u>378,251</u>
End of year, June 30	<u>\$ 449,815</u>	<u>\$ 231,918</u>	<u>\$ 681,733</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 8,357	\$ 8,357
Expenditures:			
Current:			
General government:			
Tax listing	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Revenues over (under) expenditures	(135,000)	8,357	143,357
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>	143,357	<u>\$ 143,357</u>
Fund Balance:			
Beginning of year, July 1		<u>306,458</u>	
End of year, June 30		<u>\$ 449,815</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 200,000	\$ 200,000	\$ -
Expenditures:			
Current:			
General government:			
Economic incentives	<u>1,710,725</u>	<u>1,550,600</u>	<u>160,125</u>
Revenues over (under) expenditures	(1,510,725)	(1,350,600)	(160,125)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>1,510,725</u>	<u>1,510,725</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	160,125	<u>\$ 160,125</u>
Fund Balance:			
Beginning of year, July 1		<u>71,793</u>	
End of year, June 30		<u>\$ 231,918</u>	

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Nonmajor Governmental Funds

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Fire Districts Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Total Nonmajor Special Revenue Funds
Assets:					
Cash and cash equivalents	\$ 428,536	\$ 574,641	\$ 132,645	\$ 84	\$ 1,135,906
Restricted cash	-	-	-	-	-
Taxes receivable, net	47,908	-	-	-	47,908
Accounts receivable, net	-	-	39,154	-	39,154
Due from other governments	19,774	41,951	-	-	61,725
Notes receivable	-	-	-	1,076,923	1,076,923
Total assets	<u>\$ 496,218</u>	<u>\$ 616,592</u>	<u>\$ 171,799</u>	<u>\$ 1,077,007</u>	<u>\$ 2,361,616</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 1,416	\$ 50,831	\$ -	\$ 52,247
Due to other governments	447,624	-	-	-	447,624
Total liabilities	<u>447,624</u>	<u>1,416</u>	<u>50,831</u>	<u>-</u>	<u>499,871</u>
Deferred Inflows of Resources:					
Taxes receivable	47,908	-	-	-	47,908
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>47,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,908</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	19,774	41,951	39,154	1,076,923	1,177,802
Human services	-	-	-	-	-
Economic development projects	-	-	-	84	84
School capital	-	-	-	-	-
Public safety	-	573,225	-	-	573,225
Assigned:					
Transportation	-	-	81,814	-	81,814
Future capital	-	-	-	-	-
Unassigned	(19,088)	-	-	-	(19,088)
Total fund balances	<u>686</u>	<u>615,176</u>	<u>120,968</u>	<u>1,077,007</u>	<u>1,813,837</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 496,218</u>	<u>\$ 616,592</u>	<u>\$ 171,799</u>	<u>\$ 1,077,007</u>	<u>\$ 2,361,616</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Community Grant Fund	Public Buildings Fund	School Capital Projects Fund	Capital Reserve Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	\$ 25,318	\$ 173,257	\$ 255	\$ 1,200,000	\$ 1,398,830	\$ 2,534,736
Restricted cash	-	603	200,076	-	200,679	200,679
Taxes receivable, net	-	-	-	-	-	47,908
Accounts receivable, net	-	-	-	-	-	39,154
Due from other governments	-	18,003	-	-	18,003	79,728
Notes receivable	-	-	-	-	-	1,076,923
Total assets	<u>\$ 25,318</u>	<u>\$ 191,863</u>	<u>\$ 200,331</u>	<u>\$ 1,200,000</u>	<u>\$ 1,617,512</u>	<u>\$ 3,979,128</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 25,318	\$ 101,388	\$ -	\$ -	\$ 126,706	\$ 178,953
Due to other governments	-	-	-	-	-	447,624
Total liabilities	<u>25,318</u>	<u>101,388</u>	<u>-</u>	<u>-</u>	<u>126,706</u>	<u>626,577</u>
Deferred Inflows of Resources:						
Taxes receivable	-	-	-	-	-	47,908
Unavailable revenue	-	262	-	-	262	262
Total deferred inflows of resources	<u>-</u>	<u>262</u>	<u>-</u>	<u>-</u>	<u>262</u>	<u>48,170</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	-	17,741	-	-	17,741	1,195,543
Human services	-	7,556	-	-	7,556	7,556
Economic development projects	-	-	-	-	-	84
School capital	-	-	200,331	-	200,331	200,331
Public safety	-	603	-	-	603	573,828
Assigned:						
Transportation	-	-	-	-	-	81,814
Future capital	-	64,313	-	1,200,000	1,264,313	1,264,313
Unassigned	-	-	-	-	-	(19,088)
Total fund balances	<u>-</u>	<u>90,213</u>	<u>200,331</u>	<u>1,200,000</u>	<u>1,490,544</u>	<u>3,304,381</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,318</u>	<u>\$ 191,863</u>	<u>\$ 200,331</u>	<u>\$ 1,200,000</u>	<u>\$ 1,617,512</u>	<u>\$ 3,979,128</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fire District Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Ad valorem taxes	\$ 1,733,327	\$ -	\$ -	\$ -	\$ 1,733,327
Local option sales tax	422,758	-	-	-	422,758
Restricted intergovernmental	-	665,995	413,365	-	1,079,360
Sales and services	-	-	87,237	-	87,237
Investment earnings	-	11,461	-	-	11,461
Miscellaneous	-	-	661	-	661
Total revenues	<u>2,156,085</u>	<u>677,456</u>	<u>501,263</u>	<u>-</u>	<u>3,334,804</u>
Expenditures:					
Public safety	2,155,997	605,035	-	-	2,761,032
Transportation	-	-	550,054	-	550,054
Environmental protection	-	-	-	-	-
Human services	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	<u>2,155,997</u>	<u>605,035</u>	<u>550,054</u>	<u>-</u>	<u>3,311,086</u>
Revenues over (under) expenditures	88	72,421	(48,791)	-	23,718
Other Financing Sources (Uses):					
Transfers from (to) other funds	-	-	-	-	-
Net change in fund balances	88	72,421	(48,791)	-	23,718
Fund Balances:					
Beginning of year, July 1	<u>598</u>	<u>542,755</u>	<u>169,759</u>	<u>1,077,007</u>	<u>1,790,119</u>
End of year, June 30	<u>\$ 686</u>	<u>\$ 615,176</u>	<u>\$ 120,968</u>	<u>\$ 1,077,007</u>	<u>\$ 1,813,837</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,733,327
Local option sales tax	-	-	-	-	-	422,758
Restricted intergovernmental	-	140,816	-	-	140,816	1,220,176
Sales and services	-	-	-	-	-	87,237
Investment earnings	-	383	18	-	401	11,862
Miscellaneous	-	-	-	-	-	661
Total revenues	<u>-</u>	<u>141,199</u>	<u>18</u>	<u>-</u>	<u>141,217</u>	<u>3,476,021</u>
Expenditures:						
Public safety	-	558,878	-	-	558,878	3,319,910
Transportation	-	-	-	-	-	550,054
Environmental protection	-	65,222	-	-	65,222	65,222
Human services	-	874,948	-	-	874,948	874,948
Education	-	-	21,336	-	21,336	21,336
Total expenditures	<u>-</u>	<u>1,499,048</u>	<u>21,336</u>	<u>-</u>	<u>1,520,384</u>	<u>4,831,470</u>
Revenues over (under) expenditures	-	(1,357,849)	(21,318)	-	(1,379,167)	(1,355,449)
Other Financing Sources (Uses):						
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>590,000</u>	<u>590,000</u>	<u>590,000</u>
Net change in fund balances	-	(1,357,849)	(21,318)	590,000	(789,167)	(765,449)
Fund Balances:						
Beginning of year, July 1	<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>
End of year, June 30	<u>\$ -</u>	<u>\$ 90,213</u>	<u>\$ 200,331</u>	<u>\$ 1,200,000</u>	<u>\$ 1,490,544</u>	<u>\$ 3,304,381</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,653,411	\$ 1,696,295	\$ 42,884
Prior year	<u>29,960</u>	<u>37,032</u>	<u>7,072</u>
Total ad valorem taxes	1,683,371	1,733,327	49,956
Other taxes	<u>495,945</u>	<u>422,758</u>	<u>(73,187)</u>
 Total revenues	 2,179,316	 2,156,085	 (23,231)
Expenditures:			
Public safety	<u>2,179,316</u>	<u>2,155,997</u>	<u>23,319</u>
 Net change in fund balance	 <u>\$ -</u>	 88	 <u>\$ 88</u>
Fund Balance:			
Beginning of year, July 1		<u>598</u>	
 End of year, June 30		 <u>\$ 686</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
NC 911 Board	\$ 503,412	\$ 503,412	\$ -
NC 911 Grant	162,583	162,583	-
Investment earnings	<u>2,000</u>	<u>11,461</u>	<u>9,461</u>
Total revenues	<u>667,995</u>	<u>677,456</u>	<u>9,461</u>
Expenditures:			
Implemental functions	47,934	42,047	5,887
Telephone	207,824	183,473	24,351
Software maintenance	213,774	189,510	24,264
Hardware maintenance	24,880	19,156	5,724
Training	11,000	8,266	2,734
Grant expenditures	<u>162,583</u>	<u>162,583</u>	<u>-</u>
Total expenditures	<u>667,995</u>	<u>605,035</u>	<u>62,960</u>
Net change in fund balance	<u>\$ -</u>	72,421	<u>\$ 72,421</u>
Fund Balance:			
Beginning of year, July 1		<u>542,755</u>	
End of year, June 30		<u>\$ 615,176</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Rural Operating Grant	\$ 227,245	\$ 193,441	\$ (33,804)
Capital Grant	125,000	109,769	(15,231)
Public Transportation Grant	138,783	110,155	(28,628)
FEMA grant	122	-	(122)
Sales and services	139,500	87,237	(52,263)
Miscellaneous	-	661	661
Total revenues	<u>630,650</u>	<u>501,263</u>	<u>(129,387)</u>
Expenditures:			
Salaries and employee benefits	113,976	105,097	8,879
Operating expenses	427,932	321,031	106,901
Capital outlay	<u>125,000</u>	<u>123,926</u>	<u>1,074</u>
Total expenditures	<u>666,908</u>	<u>550,054</u>	<u>116,854</u>
Revenues over (under) expenditures	(36,258)	(48,791)	(12,533)
Other Financing Sources (Uses):			
Fund balance appropriated	<u>36,258</u>	-	<u>(36,258)</u>
Net change in fund balance	<u>\$ -</u>	(48,791)	<u>\$ (48,791)</u>
Fund Balance:			
Beginning of year, July 1		<u>169,759</u>	
End of year, June 30		<u>\$ 120,968</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, 2019**

	<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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 565,608	\$ 140,816	\$ (424,792)
Expenditures:			
Capital outlay improvement - DSS	882,504	874,948	7,556
Capital outlay improvement - Courthouse	75,856	74,155	1,701
Capital outlay improvement - Viper Grant	485,330	484,723	607
Capital outlay improvement - Stream Debris Removal	489,752	65,222	424,530
Total expenditures	<u>1,933,442</u>	<u>1,499,048</u>	<u>434,394</u>
Revenues over (under) expenditures	(1,367,834)	(1,357,849)	9,985
Other Financing Sources (Uses):			
Fund balance appropriated	<u>1,367,834</u>	-	<u>(1,367,834)</u>
Net change in fund balance	<u>\$ -</u>	(1,357,849)	<u>\$ (1,357,849)</u>
Fund Balance:			
Beginning of year, July 1		<u>1,448,062</u>	
End of year, June 30		<u>\$ 90,213</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 18	\$ 18
Expenditures:			
Capital outlay	<u>221,413</u>	<u>21,336</u>	<u>200,077</u>
Revenues over (under) expenditures	(221,413)	(21,318)	200,095
Other Financing Sources (Uses):			
Fund balance appropriated	<u>221,413</u>	<u>-</u>	<u>(221,413)</u>
Net change in fund balance	<u>\$ -</u>	(21,318)	<u>\$ (21,318)</u>
Fund Balance:			
Beginning of year, July 1		<u>221,649</u>	
End of year, June 30		<u>\$ 200,331</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Future capital outlay	\$ 590,000	\$ -	\$ 590,000
Other Financing Sources (Uses):			
Transfers in	<u>590,000</u>	<u>590,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	590,000	<u>\$ 590,000</u>
Fund Balance:			
Beginning of year, July 1		<u>610,000</u>	
End of year, June 30		<u>\$ 1,200,000</u>	

Major Enterprise Funds

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WILSON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,120,109	\$ 3,311,360	\$ 191,251
Non-operating revenues:			
Restricted intergovernmental revenues	-	2,000	2,000
Investment earnings	40,500	356,230	315,730
Other	2,342	11,481	9,139
Total non-operating revenues	<u>42,842</u>	<u>369,711</u>	<u>326,869</u>
Total revenues	<u>3,162,951</u>	<u>3,681,071</u>	<u>518,120</u>
Expenditures:			
Salaries and benefits	1,444,062	1,257,947	186,115
Operating expenses	1,745,928	1,206,887	539,041
Capital outlay	106,476	105,522	954
Total expenditures	<u>3,296,466</u>	<u>2,570,356</u>	<u>726,110</u>
Revenues over (under) expenditures	(133,515)	1,110,715	(207,990)
Other Financing Sources (Uses):			
Fund balance appropriated	<u>133,515</u>	<u>-</u>	<u>(133,515)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,110,715</u>	<u>\$ 1,110,715</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlays		54,164	
Depreciation		(281,156)	
Change in deferred outflows of resources - pension		94,441	
Change in deferred inflows of resources - pension		(911)	
Change in net pension liability		(116,843)	
Change in accrued landfill closure and costs		(77,121)	
Change in OPEB liability		180,886	
Change in deferred outflows of resources - OPEB		(3,004)	
Change in deferred inflows of resources - OPEB		(190,992)	
Change in accrued compensated absences		(8,600)	
Total reconciling items		<u>(349,136)</u>	
Change in net position		<u>\$ 761,579</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, 2019

	<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	\$ 259,892	\$ -	\$ 256,238	\$ 256,238	\$ 3,654
Convenience centers improvements	154,170	-	-	-	154,170
Total expenditures	<u>414,062</u>	<u>-</u>	<u>256,238</u>	<u>256,238</u>	<u>157,824</u>
Revenues over (under) expenditures	(414,062)	-	(256,238)	(256,238)	(157,824)
Other Financing Sources (Uses):					
Transfers in (out)	<u>414,062</u>	<u>368,000</u>	<u>-</u>	<u>368,000</u>	<u>(46,062)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 368,000</u>	<u>\$ (256,238)</u>	<u>\$ 111,762</u>	<u>\$ 111,762</u>

WILSON COUNTY, NORTH CAROLINA

**SOUTHEAST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 1,005,500	\$ 945,421	\$ (60,079)
Non-operating revenues:			
Restricted intergovernmental	<u>312,588</u>	<u>227,018</u>	<u>(85,570)</u>
Total revenues	<u>1,318,088</u>	<u>1,172,439</u>	<u>(145,649)</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	159,410	149,777	9,633
Operating expenses	758,334	348,356	409,978
Water purchases	259,200	255,850	3,350
Capital outlay	<u>17,525</u>	<u>10,110</u>	<u>7,415</u>
Total operating expenditures	<u>1,194,469</u>	<u>764,093</u>	<u>430,376</u>
Debt service:			
Interest	108,993	108,992	1
Principal	<u>99,075</u>	<u>99,075</u>	<u>-</u>
Total debt service	<u>208,068</u>	<u>208,067</u>	<u>1</u>
Total expenditures	<u>1,402,537</u>	<u>972,160</u>	<u>430,377</u>
Revenues over (under) expenditures	(84,449)	200,279	284,728
Other Financing Sources (Uses):			
Fund balance appropriated	<u>84,449</u>	<u>-</u>	<u>(84,449)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>200,279</u>	<u>\$ 200,279</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Principal paid on long-term debt		99,075	
Depreciation and amortization		(267,324)	
Change in deferred outflows of resources - pension		10,007	
Change in deferred inflows of resources - pension		(97)	
Change in net pension liability		(12,381)	
Change in accrued interest		320	
Change in OPEB liability		19,132	
Change in deferred outflows of resources - OPEB		(33)	
Change in deferred inflows of resources - OPEB		(20,201)	
Change in accrued compensated absences		<u>(1,659)</u>	
Total reconciling items		<u>(173,161)</u>	
Change in net position		<u>\$ 27,118</u>	

WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 1,186,500	\$ 1,290,938	\$ 104,438
Non-operating revenues:			
Restricted intergovernmental	<u>150,000</u>	<u>101,583</u>	<u>(48,417)</u>
Total revenues	<u>1,336,500</u>	<u>1,392,521</u>	<u>56,021</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	160,072	149,841	10,231
Operating expenses	693,922	242,524	451,398
Water purchases	314,400	279,677	34,723
Capital outlay	50,000	14,264	35,736
Total operating expenditures	<u>1,218,394</u>	<u>686,306</u>	<u>532,088</u>
Debt service:			
Interest	196,019	195,742	277
Principal	<u>163,836</u>	<u>168,836</u>	<u>(5,000)</u>
Total debt service	<u>359,855</u>	<u>364,578</u>	<u>(4,723)</u>
Total expenditures	<u>1,578,249</u>	<u>1,050,884</u>	<u>527,365</u>
Revenues over (under) expenditures	(241,749)	341,637	583,386
Other Financing Sources (Uses):			
Fund balance appropriated	<u>241,749</u>	<u>-</u>	<u>(241,749)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>341,637</u>	<u>\$ 341,637</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Principal paid on long-term debt		168,836	
Depreciation and amortization		(341,913)	
Change in deferred outflows of resources - pension		10,007	
Change in deferred inflows of resources - pension		(97)	
Change in net pension liability		(12,381)	
Change in accrued interest		543	
Change in OPEB liability		19,132	
Change in deferred outflows of resources - OPEB		(33)	
Change in deferred inflows of resources - OPEB		(20,201)	
Change in accrued compensated absences		<u>(1,659)</u>	
Total reconciling items		<u>(177,766)</u>	
Change in net position		<u>\$ 163,871</u>	

WILSON COUNTY, NORTH CAROLINA

**WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Non-operating revenues:			
District revenue	\$ 507,513	\$ 507,513	\$ -
Expenditures:			
Debt service:			
Principal retirement	215,000	215,000	-
Interest	292,513	292,513	-
Total expenditures	<u>507,513</u>	<u>507,513</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Internal Service Fund

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WILSON COUNTY, NORTH CAROLINA

**HOSPITAL - SELF INSURANCE
SCHEDULE OF REVENUES AND EXPENDITURES -
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Insurance premiums	\$ 7,149,970	\$ 6,811,712	\$ (338,258)
Expenditures:			
Operating expenditures:			
Insurance claims and expenses	<u>7,949,664</u>	<u>7,165,571</u>	<u>784,093</u>
Revenues over (under) expenditures	(799,694)	(353,859)	445,835
Other Financing Sources (Uses):			
Fund balance appropriated	<u>799,694</u>	-	<u>(799,694)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (353,859)</u>	<u>\$ (353,859)</u>

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Agency Funds

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WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 597,058	\$ 597,058	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 597,058	\$ 597,058	\$ -
Deed of Trust Fee Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 53,777	\$ 38,942	\$ 14,835
Liabilities:				
Intergovernmental payable	\$ -	\$ 53,777	\$ 38,942	\$ 14,835
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 12,462	\$ 41,596	\$ 39,553	\$ 14,505
Liabilities:				
Miscellaneous liabilities	\$ 12,462	\$ 41,596	\$ 39,553	\$ 14,505
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 41,079	\$ 398,222	\$ 399,357	\$ 39,944
Liabilities:				
Miscellaneous liabilities	\$ 41,079	\$ 398,222	\$ 399,357	\$ 39,944
Sheriff Account Fund:				
Assets:				
Cash and cash equivalents	\$ 3,243	\$ 100,304	\$ 98,178	\$ 5,369
Liabilities:				
Miscellaneous liabilities	\$ 3,243	\$ 100,304	\$ 98,178	\$ 5,369
Tax Collections Held for Municipalities:				
Assets:				
Cash and cash equivalents	\$ 22,882	\$ 1,915,505	\$ 1,914,400	\$ 23,987
Accounts receivable	34,617	36,299	34,617	36,299
Total assets	<u>\$ 57,499</u>	<u>\$ 1,951,804</u>	<u>\$ 1,949,017</u>	<u>\$ 60,286</u>
Liabilities:				
Intergovernmental payable	<u>\$ 57,499</u>	<u>\$ 1,951,804</u>	<u>\$ 1,949,017</u>	<u>\$ 60,286</u>

WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 79,666	\$ 3,106,462	\$ 3,087,488	\$ 98,640
Accounts receivable	34,617	36,299	34,617	36,299
Total assets	<u>\$ 114,283</u>	<u>\$ 3,142,761</u>	<u>\$ 3,122,105</u>	<u>\$ 134,939</u>
Liabilities:				
Miscellaneous liabilities	\$ 56,784	\$ 540,122	\$ 537,088	\$ 59,818
Intergovernmental payable	57,499	2,602,639	2,585,017	75,121
Total liabilities	<u>\$ 114,283</u>	<u>\$ 3,142,761</u>	<u>\$ 3,122,105</u>	<u>\$ 134,939</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

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WILSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 51,246,820	\$ 50,366,985	\$ 879,835
2017-2018	834,919	-	458,835	376,084
2016-2017	321,014	-	94,390	226,624
2015-2016	248,361	-	55,759	192,602
2014-2015	171,958	-	12,784	159,174
2013-2014	170,918	-	10,576	160,342
2012-2013	167,891	-	5,791	162,100
2011-2012	168,196	-	4,267	163,929
2010-2011	97,819	-	2,973	94,846
2009-2010	90,940	-	2,272	88,668
2008-2009	93,492	-	93,492	-
Total	\$ 2,365,508	\$ 51,246,820	\$ 51,108,124	2,504,204
Less: Allowance for uncollectible accounts:				
General Fund				<u>(902,663)</u>
Ad valorem taxes receivable, net:				
General Fund				<u>\$ 1,601,541</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				<u>\$ 51,363,447</u>
Reconciling items:				
Interest collected				(351,424)
Taxes written off				93,492
Miscellaneous				<u>2,609</u>
Total reconciling items				<u>(255,323)</u>
Total collections and credits				<u>\$ 51,108,124</u>

WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2019

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 6,830,343,442	\$ 0.73	\$ 49,914,258	\$ 44,432,297	\$ 5,481,961
Discoveries	181,116,177	0.73	1,439,789	1,439,789	-
Abatements:					
At current year's rate	(4,882,482)	0.73	(36,276)	(36,276)	-
At prior year's rate	(7,154,564)	0.73	(70,951)	(70,951)	-
Total abatements	(12,037,046)		(107,227)	(107,227)	-
Total property valuation	<u>\$ 6,999,422,573</u>				
Net Levy			51,246,820	45,764,859	5,481,961
Uncollected taxes at June 30, 2019			(879,835)	(879,835)	-
Current Year's Taxes Collected			<u>\$ 50,366,985</u>	<u>\$ 44,885,024</u>	<u>\$ 5,481,961</u>
Current Levy Collection Percentage			<u>98.28%</u>	<u>98.08%</u>	<u>100.00%</u>

WILSON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2019**

	Original Levy	Uncollected Balance June 30, 2019
Bakertown	\$ 49,659	\$ 2,908
Beulah	69,920	2,623
Contentnea	114,732	5,591
Cross Roads	271,379	16,199
East Nash	25,112	276
Green Hornet	180,608	3,078
Lee Woodard	209,799	6,296
Moyton	80,630	3,379
Polly Watson	7,865	489
Rock Ridge	199,828	6,606
Sanoca	96,386	7,516
Silver Lake	117,032	1,222
Sims	115,408	5,189
Toisnot	43,778	4,047
Tri County	98,905	1,268
West Edgecombe	<u>2,785</u>	<u>412</u>
Total original levy	1,683,826	67,099
Less: Allowance for uncollectible accounts:		
Fire districts		<u>(19,191)</u>
Ad valorem taxes receivable, net:		
Fire districts		<u>\$ 47,908</u>
Less uncollected taxes at June 30, 2019	<u>(67,099)</u>	
Current Year's Taxes Collected	<u>\$ 1,616,727</u>	
Current Levy Collection Percentage	<u>96.02%</u>	

WILSON COUNTY, NORTH CAROLINA

SECONDARY MARKET DISCLOSURE COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2019

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio	<u>100.00%</u>
Real property ¹	\$ 4,727,965,395
Personal property	1,411,918,603
Public service companies ²	108,585,013
Motor vehicles	<u>750,953,562</u>
Assessed valuation at current year rates	<u>\$ 6,999,422,573</u>
Tax rate per \$100	<u>\$ 0.73</u>
Levy (includes discoveries, releases, and abatements)	\$ 51,095,785
Penalties	<u>151,035</u>
Net levy (includes discoveries, releases, and abatements) - all rates	<u>\$ 51,246,820</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 2023-2024 levy and will be reflected in the collections for the fiscal year ending June 30, 2024.

County-wide	\$ 51,246,820
Special fire districts	1,683,826
Solid waste district	<u>1,121,925</u>
Total	<u>\$ 54,052,571</u>

WILSON COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2019

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 429,589,510	35.10%
BB&T Centralized Solutions Inc.	Financial	187,911,991	15.36%
Merck	Pharmaceutical	125,826,602	10.28%
Sandoz	Pharmaceutical	100,898,420	8.25%
DLP Wilson Medical Center Inc.	Medical	91,729,407	7.50%
Fresenius Kabi USA LLC	Pharmaceutical	67,482,868	5.51%
Purdue Pharmaceuticals LP	Pharmaceutical	66,616,467	5.44%
Alliance One International Inc	Processing	65,531,052	5.35%
Ardagh Glass Inc	Manufacturing	46,411,371	3.79%
Linamar Forgings Inc.	Manufacturing	41,741,222	3.41%
Total		<u>\$ 1,223,738,910</u>	<u>100.00%</u>

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STATISTICAL SECTION

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 16,394,856	\$ 16,914,580	\$ 18,731,866	\$ 19,698,346	\$ 21,398,624	\$ 22,025,930	\$ 23,278,257	\$ 22,976,976	\$ 22,953,394	\$ 24,470,581
Restricted	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	15,778,189
Unrestricted	(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)	(39,112,954)
Total Governmental Activities Net Position	\$ 1,632,868	\$ 8,757,259	\$ 16,586,926	\$ 21,975,339	\$ 28,757,357	\$ 32,101,405	\$ 38,809,298	\$ 36,937,502	\$ (3,750,374)	\$ 1,135,816
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 16,692,761
Unrestricted	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	16,509,143
Total Business-Type Activities Net Position	\$ 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	\$ 33,201,904
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 41,163,342
Restricted	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	15,778,189
Unrestricted	581,222	(765,674)	4,417,154	5,959,392	1,878,602	1,886,831	17,096,098	14,437,872	(25,998,191)	(22,603,811)
Total Primary Government Net Position	\$ 34,159,612	\$ 40,922,854	\$ 48,559,326	\$ 53,513,816	\$ 60,122,121	\$ 63,828,151	\$ 70,821,683	\$ 69,471,845	\$ 28,486,223	\$ 34,337,720

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 7,469,350
Public safety	19,306,051	19,196,921	19,815,892	20,830,220	22,263,611	21,366,326	23,383,366	23,523,954	24,135,018	24,250,799
Transportation	50,861	50,724	49,967	50,246	47,857	37,357	50,377	872,603	671,867	521,233
Environmental protection	301,191	300,558	284,161	290,665	524,329	479,357	604,412	276,226	238,805	347,522
Economic and physical development	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	2,893,558
Human services	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	29,981,736
Cultural and recreational	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	2,102,387
Education	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	24,807,827
Interest on long-term debt	2,067,724	1,439,974	1,539,092	1,430,380	1,216,232	1,026,307	641,444	588,088	407,239	348,930
Total governmental activities expenses	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	92,723,342
Business-Type Activities:										
Landfill	\$ 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	\$ 2,919,492
Water	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	2,373,971
Total business-type activities expenses	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	5,293,463
Total primary government expenses	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	98,016,805
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	952,104	775,757	779,845	807,579	502,902	519,520	842,806	587,171	1,136,734	628,716
Public safety	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	4,610,258
Transportation	70,637	51,861	213,920	205,362	226,852	170,271	162,321	205,724	134,564	87,237
Environmental protection	200	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	23,953	-	-	-	-	-	-
Human services	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	3,611,000
Cultural and recreational	32,653	34,332	59,828	57,037	-	-	-	-	-	-
Operating grants and contributions	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	17,869,415
Capital grants and contributions	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	272,352
Total governmental activities program revenues	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	27,078,978
Business-Type Activities:										
Charges for services:										
Landfill	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	3,311,360
Water	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	2,236,359
Operating grants and contributions	-	-	-	-	-	54,400	30,000	613,682	191,492	330,601
Total business-type program revenues	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	5,878,320
Total primary government program revenues	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	32,957,298
Net(Expense)/Revenue										
Governmental activities	(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)	(65,644,364)
Business-type activities	(536,014)	(379,087)	(223,402)	(461,275)	(552,412)	242,804	212,980	431,245	893,604	584,857
Total primary government net expense	\$ (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)	\$ (65,059,507)

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 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	\$ 53,121,424
Local option sales tax	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	15,207,695
Other taxes and licenses	644,480	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795	764,557
Grants and contributions not restricted to specific programs	225,000	225,000	250,345	243,750	243,750	365,625	121,875	262,500	262,500	262,500
Investment earnings, unrestricted	84,638	73,441	68,897	89,810	47,280	39,376	106,848	207,783	552,198	947,970
Miscellaneous, unrestricted	284,644	259,932	156,371	108,558	239,841	128,209	214,860	142,429	57,243	226,408
Transfers	-	20,600	-	-	-	-	-	-	-	-
Total governmental activities	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	70,530,554
Business-Type Activities:										
Investment earnings, unrestricted	58,118	38,538	30,207	27,352	345,483	14,758	38,119	68,490	178,233	356,230
Miscellaneous, unrestricted	-	-	-	-	33,216	208,588	34,540	22,223	66,747	24,220
Transfers	-	(20,600)	-	-	-	-	-	-	-	-
Total business-type activities	58,118	17,938	30,207	27,352	378,699	223,346	72,659	90,713	244,980	380,450
Total primary government	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	70,911,004
Change in Net Position										
Governmental activities	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)	4,886,190
Business-type activities	(477,896)	(361,149)	(193,195)	(433,923)	(173,713)	466,150	285,639	521,968	1,138,584	965,307
Total primary government	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)	5,851,497

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 7,194,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	13,908,460
Committed	-	2,729,890	3,262,228	1,025,855	644,054	254,787	110,648	168,450	306,458	449,815
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	9,293,702
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	24,739,385
Total general fund	\$ 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	\$ 48,391,362
All Other Governmental Funds										
Reserved	\$ 231,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	1,571,911	-	-	-	-	-	-	-	-	-
Special revenue funds	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	1,977,342
Assigned	-	426,262	435,618	340,196	975,023	328,323	468,429	528,829	788,933	1,346,127
Non-spendable	-	-	-	-	-	-	500,000	-	-	-
Unassigned	-	75,359	-	-	(6,506)	(6,955)	(20,000)	(20,000)	(20,000)	(19,088)
Total all other governmental funds	\$ 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	\$ 3,304,381

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Ad valorem taxes	\$ 47,998,574	\$ 48,337,108	\$ 48,486,720	\$ 49,482,035	\$ 52,992,608	\$ 51,937,667	\$ 51,887,117	\$ 50,745,671	\$ 51,996,530	\$ 53,086,774
Local option sales tax	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	15,207,695
Other taxes and licenses	1,206,796	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795	764,557
Unrestricted intergovernmental revenues	268,665	225,000	250,345	243,750	254,149	386,087	130,421	271,450	271,760	266,722
Restricted intergovernmental revenues	21,575,164	22,886,533	20,475,539	19,489,754	22,191,573	21,480,140	21,612,997	21,371,636	17,809,868	17,772,640
Permits and fees	421,293	384,117	400,205	447,437	1,293,039	1,247,286	865,616	1,434,931	1,406,680	1,463,654
Sales and services	11,424,648	11,894,218	12,608,346	12,311,405	12,171,537	11,903,335	12,035,838	11,060,811	10,080,004	7,871,695
Investment earnings	84,638	73,441	68,897	62,458	47,280	39,376	106,848	207,783	552,198	947,970
Miscellaneous	294,269	213,499	344,420	427,439	282,065	83,741	178,696	153,630	21,638	222,186
Total revenues	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	97,613,893
Expenditures:										
General government	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	8,759,839
Public safety	18,052,745	15,929,725	19,216,818	19,974,519	22,206,531	20,773,507	22,451,613	22,136,490	22,495,983	24,323,071
Transportation	47,857	47,857	47,857	47,857	47,857	47,857	47,857	870,083	669,347	642,639
Environmental protection	278,506	281,693	269,781	279,338	281,859	274,118	265,817	262,994	316,249	316,249
Economic and physical development	2,764,400	5,066,317	5,613,412	3,448,155	3,354,289	3,203,158	2,547,218	3,068,412	2,833,292	2,933,603
Human services	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	29,899,536
Cultural and recreational	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	1,915,042
Intergovernmental:										
Education	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	24,807,827
Capital projects	853,109	421,594	991,388	472,641	1,168,920	1,313,220	4,188	-	1,175,551	-
Debt service:										
Principal retirement	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	2,644,650
Interest and fees	2,165,489	1,568,512	1,439,934	1,484,592	1,250,373	1,061,244	773,812	546,109	418,538	360,404
Bond issuance cost	-	144,909	-	-	-	-	-	-	-	-
Total expenditures	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	96,602,860
Excess of revenues over (under) expenditures	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)	1,011,033
Other financing sources (uses):										
Debt proceeds	-	-	-	-	-	-	-	5,920,581	874,536	-
Refunding bonds issued	-	10,200,000	-	-	-	-	14,495,000	-	-	-
Premium on refunding bonds	-	386,487	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	(10,438,084)	-	-	-	-	(14,386,684)	-	-	-
Transfers in to other funds	-	1,927,903	133,888	240,207	1,527,000	977,293	170,000	1,794,100	220,000	590,000
Transfer out to other funds	-	(1,907,303)	(133,888)	(240,207)	(1,527,000)	(977,293)	(170,000)	(1,794,100)	(220,000)	(590,000)
Installment purchase obligations issued	-	-	5,235,125	300,000	603,134	-	-	-	-	-
Capital lease obligation issued	252,034	-	(2,617,562)	36,813	58,822	-	955,570	190,587	42,838	-
Refunding issued	-	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	56,064	56,064	46,944	47,954	31,485	2,034,293
Total other financing sources (uses)	252,034	169,003	2,664,038	336,813	661,956	56,064	1,110,830	6,159,122	948,859	2,034,293
Net change in fund balances	\$ 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)	\$ 3,045,326
Debt service as a percentage of noncapital expenditures	8.46%	7.98%	7.28%	7.20%	7.63%	6.64%	6.09%	4.89%	3.31%	3.19%

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					Motor Vehicles	Total	Total Direct Tax Rate
	Residential Property	Public Service	Personal Property					
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
2019	4,727,965,395	108,585,013	1,411,918,603			750,953,562	6,999,422,573	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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Wilson County	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.73000
Municipality Rates:										
Black Creek	0.5500	0.5500	0.5500	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000	0.59360
Elm City	0.6800	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.56000
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.61000
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.45000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.58000
Sharpsburg	0.5500	0.5500	0.5500	0.6500	0.6500	0.6500	0.6500	0.5000	0.5000	0.50000
Sims	0.5000	0.4700	0.4700	0.4700	0.5000	0.5000	0.5000	0.5000	0.5000	0.50000
Stantonsburg	0.5000	0.5000	0.5000	0.5000	0.4600	0.4600	0.4600	0.4300	0.4300	0.43000
Wilson	0.5750	0.5750	0.5550	0.5550	0.5150	0.5150	0.5150	0.5150	0.5150	0.51500
Wilson-Municipal	0.7550	0.7550	0.7350	0.7350	0.6850	0.6850	0.6850	0.6850	0.6850	0.68500
Fire Districts:										
Bakertown	0.0600	0.0600	0.0600	0.0600	0.0850	0.0850	0.0850	0.0850	0.0850	0.08500
Beulah	0.0800	0.0800	0.0800	0.0800	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250
Black Creek	0.1050	0.1050	0.1050	0.1050	0.0500	0.0500	0.0500	0.0500	0.0500	0.04360
Contentnea	0.0832	0.0832	0.0832	0.0625	0.0950	0.0950	0.0950	0.0600	0.0600	0.06000
Cross Roads	0.1010	0.0670	0.0670	0.0650	0.0975	0.0975	0.0975	0.0975	0.0975	0.09750
East Nash	0.1025	0.1025	0.1025	0.1025	0.1350	0.1350	0.1350	0.1350	0.1350	0.13500
Green Hornet	0.0700	0.0700	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	0.08250
Lee Woodard	0.1120	0.1120	0.1990	0.1120	0.0825	0.0825	0.0825	0.0825	0.0725	0.07250
Moyton	0.1500	0.1500	0.1070	0.1070	0.1300	0.1300	0.1300	0.1300	0.1300	0.13000
Polly Watson	0.0750	0.0750	0.0750	0.0750	0.1075	0.1075	0.1075	0.1075	0.0875	0.08750
Rock Ridge	0.0675	0.0675	0.0675	0.0675	0.1000	0.1000	0.1000	0.1000	0.1000	0.10000
Sanoca	0.1150	0.1090	0.1090	0.0925	0.1250	0.1250	0.1250	0.1250	0.1250	0.12500
Silver Lake	0.0945	0.0945	0.0945	0.0945	0.1225	0.1225	0.1225	0.1225	0.1225	0.12250
Sims	0.0740	0.0740	0.0740	0.0400	0.0725	0.0725	0.0725	0.0725	0.0725	0.07250
Toisnot	0.0150	0.0150	0.0150	0.0150	0.0475	0.0475	0.0475	0.0475	0.0475	0.04750
Tri County	0.1000	0.1000	0.1000	0.1000	0.1125	0.1125	0.1125	0.1125	0.1125	0.11250
West Edgewcombe	0.0500	0.0500	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825	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 Nine Years Ago

Taxpayer	Type of Business	2019			2010		
		2018 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2009 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone	Tire manufacturing	\$ 429,589,510	1	6.14 %	354,994,694	1	5.71 %
BB&T Centralized Solutions Inc.	Financial	187,911,991	2	2.68	174,212,116	2	2.80
Merck Sharp & Dohme	Pharmaceutical	125,826,602	3	1.80	100,535,294	3	1.62
Sandoz	Pharmaceutical	100,898,420	4	1.44	63,300,514	4	1.02
DLP Wilson Medical Center	Medical	91,729,407	5	1.31	n/a	n/a	n/a
Fresenius Kabi USA LLC	Pharmaceutical	67,482,868	6	0.96	n/a	n/a	n/a
Perdue Pharmaceuticals	Pharmaceutical	66,616,467	7	0.95	51,294,371	6	0.82
Alliance One	Tobacco	65,531,052	8	0.94	47,065,044	5	0.76
Ardagh Glass Inc,	Bottling	46,411,371	9	0.66	n/a	n/a	n/a
Linamar Forginings	Manufacturing	41,741,222	10	0.60	n/a	n/a	n/a
Total		\$ 1,223,738,910		17.69%	\$ 791,402,033		12.72%

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
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%	1,113,712	50,423,806	99.95%
2015	50,003,422	49,136,672	98.27%	778,608	49,915,280	99.82%
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%	659,163	48,854,840	99.85%
2018	50,275,103	49,440,184	98.34%	586,224	50,026,408	99.51%
2019	51,246,820	50,366,985	98.28%	648,340	51,015,325	99.55%

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
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	54,980,668	12,527,937	133,060	50,384	81,349	359,813	583	68,133,794
2016	55,418,202	13,808,947	122,716	103,215	71,851	380,549	0.60	69,905,480
2017	53,924,543	14,333,203	127,724	55,687	90,091	494,531	13,163	69,038,943
2018	55,133,771	14,510,015	121,512	63,203	68,997	485,057	39	70,382,594
2019	56,497,286	15,430,062	135,763	68,012	83,890	507,674	269	72,722,955

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				
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	0.98%	366.98
2019	-	17,845,242	393,420	529,117	7,971,787		26,739,566	0.81%	326.30

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements (Long Term Debt Page).

^a 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General bonded debt outstanding										
General obligation bonds	\$ 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	6,373,053,765	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	6,999,422,573
Percentage of estimated actual property value	0.25%	0.23%	0.20%	0.15%	0.11%	0.07%	0.04%	0.01%	0.00%	0.00%
Per capita	201.60	184.49	158.92	124.05	88.64	59.65	30.09	4.90	0.00	0.00
Legal debt limit - eight percent (8%) of assessed valuation	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	559,953,806
Total Net Debt Applicable to Debt Limit	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	26,739,566
Legal debt margin	\$ 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	\$ 533,214,240
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	11.03%	10.10%	9.93%	8.66%	7.42%	6.53%	5.69%	6.09%	5.45%	4.78%

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
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%
2019	81,949 (7)	3,299,039	40,501	40.00	12,845	80.70%	5.3%

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	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BB&T	2,200	1	6.41 %	2,250	1	10.70 %
Bridgestone Americas Tire Operations, LLC	2,100	2	6.12	1,892	2	8.99
Wilson County Schools	1,500	3	4.37	1,800	3	8.56
Wilson Medical Center	982	4	2.86	1,149	4	5.46
UTC Aerospace Systems	900	6	2.62	1,180	5	5.61
City of Wilson	763	5	2.22	890	6	4.23
County of Wilson	724	7	1.94	700	7	3.33
Smithfield Packing Company	666	8	2.11	683	8	3.25
Alliance One International	620	9	1.81	681	9	3.24
Sandoz	462	10	1.35	525	10	2.50
Total	10,917		31.81 %	11,750		55.86 %
Balance of employment	23,405		68.19 %	9,285		44.14 %
Total employment	34,322		100.00 %	21,035		100.00 %

Source: NC Employment Security Commission
<http://accessnc.commerce.state.nc.us/docs/countryProfile/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 FY2019
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
County Manager	4	4	4	4	3	4	3	3	3	4
Tax administration	15	17	17	16	17	17	17	17	17	16
Board of Elections	2	3	3	3	3	3	3	3	3	3
Register of Deeds	5	6	6	6	6	6	6	6	6	6
Human resources	2	2	2	2	3	3	3	3	3	3
IT Department	5	5	5	5	4	5	5	6	6	9
Finance	7	6	6	6	6	6	7	7	7	7
Public buildings	7	6	6	10	14	14	12	13	13	12
Cultural and recreational										
Library	19	19	19	27	27	26	26	22	22	22
Public safety										
Sheriff	76	83	83	92	93	99	89	92	92	85
Detention center	35	43	43	45	45	47	44	50	51	49
Animal control	8	8	8	9	9	9	9	9	9	9
Emergency communications	32	31	31	31	34	38	38	36	36	33
Emergency management	2	2	2	2	2	2	2	2	2	2
Emergency medical services	48	49	49	69	72	69	72	65	65	64
Transportation										
Transportation	1	1	1	1	1	1	2	2	2	2
Economic and physical development										
Cooperative extension	9	9	9	11	11	11	11	3	3	2
Environmental protection										
Planning	9	9	9	9	9	9	6	9	9	6
Soil and water conservation	4	4	4	3	3	3	3	3	3	2
Human services										
Health	129	136	136	136	131	140	110	122	122	78
Senior Center	1	1	1	2	2	2	2	2	2	3
Social services	215	214	214	218	213	237	228	254	256	249
Veterans affairs	1	1	1	1	1	1	1	1	1	1
Utilities										
Water	4	4	4	5	5	5	5	5	5	5
Solid waste	8	10	10	38	38	38	38	13	15	13
Total	648	673	673	751	752	795	742	748	753	685

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Building permits issued	141	98	87	182	175	155	124	222	176	291
Building inspections conducted	2,342	2,850	177	2,969	2,758	1,746	2,473	2,821	3,300	3,418
Sheriff										
Arrests	3,194	2,806	2,723	2,274	2,226	2,377	2,201	2,253	2,118	2,194
Citations	1,916	1,088	1,455	958	650	1,483	750	804	920	1,227
Fire										
Inspections	83	82	76	81	53	181	40	46	39	20
EMS										
Calls	12,300	13,014	12,924	13,730	13,719	13,523	14,495	15,907	15,944	16,052
Solid Waste										
M/SW (tons)	6,026	6,311	6,447	6,334	6,287	6,282	5,720	6,758	6,893	8,139
C&D (tons)	14,917	14,009	15,154	13,477	11,674	14,231	36,240	18,755	35,984	35,475
Recycle (tons)	772	1,085	1,112	1,111	1,387	2,215	3,003	3,005	2,706	2,634
Tires (tons)	2,250	1,912	2,285	1,347	1,285	1,466	1,511	1,814	1,765	1,863
Oil (gallons)	2,756	3,095	2,376	2,246	1,627	4,123	5,415	4,507	6,238	6,074
Batteries (count)*	146	83	84	123	*4,320	n/a	2,956	5,256	3,301	7,416
Jail										
Inmates admitted (average)	5,129	5,200	5,353	6,039	6,695	5,783	5,870	5,534	5,410	5,668
Inmates (daily average)	191	173	176	198	220	190	189	182	178	189
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5,538	5,606	5,757	5,841	5,730	8,466	8,590	8,794	8,698	8,479
Family and children's Medicaid (active cases)	7,625	7,655	8,042	8,220	8,403	**20,010	10,924	11,035	12,875	14,443
Food stamps (active cases)	7,041	8,125	8,255	8,338	8,959	9,090	9,024	8,379	7,602	7,524
Children in foster care	69	63	60	58	60	73	68	43	42	37
Children in DSS custody	69	63	60	58	60	73	68	43	42	37
Day care (children served)	1,075	800	852	703	771	732	731	730	767	860
Child support (collections)	\$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	\$8,776,125
Work First (active cases)	2,920	2,925	235	249	233	249	275	229	199	169
Reception services (clients seen)	57,570	59,917	60,292	58,310	50,612	48,915	60,583	41,059	47,786	50,515
Health Department										
TB (clients seen)	1,508	2,210	2,325	2,589	2,735	2,805	2,896	3,364	3,622	3,066
Communicable disease/STD (client visits)	9,589	2,669	3,425	3,456	3,567	3,787	1,942	1,666	2,080	3,440
Pharmacy (prescriptions filled)	6,911	6,095	5,722	5,923	6,025	6,155	41,988	5,170	5,528	5,687
BCCOP (clients visits)	76	54	49	76	77	80	76	85	77	101
HIV/AIDS (tests)	3,797	4,418	3,725	3,872	3,942	4,102	3,209	2,842	2,946	3,037
Immunizations (administered)	10,257	10,133	10,125	11,280	11,569	12,589	4,827	3,794	4,262	4,465
Lab (tests)	32,672	27,304	28,294	29,854	40,953	41,872	37,950	30,694	27,522	44,859
Environmental health (onsite inspections)			472	515	1,268	1,299	1,228	1,544	1,896	2,244
Environmental health (restaurant inspections)	409		547	902	1,720	1,864	1,659	968	1,236	1,962
WIC (caseloads)	34,576		3,255	37,251	2,853	2,963	2,948	2,639	2,600	2,399
Cultural and Recreational										
Libraries - circulation of youth services	115,032	122,218	128,538	118,558	129,149	127,899	111,452	92,537	127,018	102,876
Libraries - circulation of adult services	162,240	154,082	150,340	133,204	170,703	158,998	156,372	153,464	102,977	84,838
Education										
ADM	12,461	12,177	12,043	12,307	13,099	13,469	12,084	12,211	11,526	10,921

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	91	99	98	98	97	99	98	98	95	98
Canine units	0	0	4	4	4	4	4	4	4	4
EMS										
Stations	1	1	1	1	1	2	2	2	2	2
Ambulances/QRVs	13	17	17	17	18	18	18	18	18	21
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

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COMPLIANCE SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2019. 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 the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2019-001 and 2019-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Wilson County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
December 18, 2019

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, 2019. 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, 2019.

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. We did not identify any deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

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
December 18, 2019

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, 2019. 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; 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, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of non-compliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-004. Our opinion on each major State program is not modified with respect to this matter.

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

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and; therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-004 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2019-003 to be a significant deficiency.

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 18, 2019

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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?	Yes
• Significant deficiency (s) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness (es) identified?	No
• Significant deficiency (s) identified?	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)?	No

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
TANF Cluster	93.558
Foster Care Title IV-E	93.658
Adoption Assistance	93.659

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	No

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

State Awards

Internal control over major state programs:

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

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
- Foster Care/Adoption Assistance Cluster
- NC DOT Cluster ROAP/SMAP
- School Nursing Funding Initiative
- CHA/CHIP Peer Review
- NC 911 Grants
- State Aid to Public Libraries
- Water System Asset Inventory Assessment Grants
- One N.C. Fund Grant

WILSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

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

Material Weakness

Finding 2019-001

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgment, may not have been detected except through our auditing procedures. The existence of such material adjustments indicated that the County's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

Effect: Financial reports used for budget monitoring throughout the year do not properly reflect the account balances.

Cause: The general ledger was not reconciled to subsidiary ledgers on a regular basis, and year-end journal entries were not booked.

Recommendation: Management should reconcile the subsidiary ledgers on a regular basis, reconcile year-end balances to subsidiary ledgers and post-closing entries needed, and improve the internal control system to prevent the adjustments in the future.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

Material Weakness

Finding 2019-002

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: The County's central depository bank account was not reconciled timely. The year-end bank reconciliation was not readily available to the external auditors.

Effect: Financial reports used for budget monitoring may not properly reflect the account balances.

Cause: Turnover in the department and lack of monitoring by finance personnel during bank reconciliation review.

Recommendation: Management should reconcile the bank account more timely and follow up with a thorough review.

Views of Responsible Officials and Planned Corrective Actions: Management concurs with this finding. Please refer to the Corrective Action Plan.

WILSON COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

N.C. Department of Transportation

Program Name: NC DOT Cluster ROAP/SMAP

Finding: 2019-003

Significant Deficiency **Eligibility**

Criteria: In accordance with the State Single Audit Act and guidelines for the NCDOT Cluster ROAP/SMAP, management should have an adequate system of internal control procedures in place to ensure that transportation services are provided only to those who are eligible based on program guidelines.

Condition: One rider was tested for eligibility under EDTAP, but documentation of eligibility was not available. Upon further investigation, it was determined that the rider was coded in the transportation system in error as EDTAP when he was not elderly or disabled and should have been coded as RGP to begin with. The rider was re-examined for RGP and was found to be eligible for RGP based on available documentation.

Context: Of the 88 riders during the fiscal year, we examined 17 and determined that the above condition applied to one (6%).

Effect: Riders could receive transportation when they are not eligible. Funding for the different types of programs could be exhausted and not readily available to those in need when it is held up for use by an ineligible rider.

Cause: Lack of controls and review over the eligibility determination process.

Questioned Costs: None.

Recommendation: Implement stronger controls over the eligibility determination process. Maintain documentation of eligibility determined at the time rides are provided.

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

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

4. State Award Findings and Questioned Costs (continued)

N.C. Department of Transportation

Program Name: NC DOT Cluster ROAP/SMAP

Finding: 2019-004

Material Weakness, Nonmaterial Non-Compliance Reporting

Criteria: In accordance with the State Single Audit Act and guidelines for the NCDOT Cluster ROAP/SMAP, management should have an adequate system of internal control procedures in place to ensure that any required reporting under the program are completed timely and accurately.

Condition: Quarterly reports completed and submitted during the fiscal year were late and the information provided in the reports did not agree to data from the transportation system used to track rides.

Context: Of the 4 reports we reviewed 4 and determined reporting completed during the year was inaccurate and had to be revised and resubmitted with the correct data.

Effect: Reports submitted to the grantor did not agree to the rider data all year. Funding provided to the County is based on the data from the quarterly reports, so it is important that the data agrees and reflects the actual activity.

Cause: Lack of controls and review over reporting.

Questioned Costs: Reporting has been revised and resubmitted by the County resulting in no questioned costs.

Recommendation: Implement stronger controls over the reporting process to detect possible errors in reporting.

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



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

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2019**

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

Findings 2019-001 and 2019-002

Name of Contact Person: Angel Landrau, Finance Director

Corrective Action/Management's Response: In the past year, the department had several employees transition to new roles. The biggest challenge has been training employees in their new assigned duties. The learning curve has played a significant role with completing assignments on a timely manner. The Finance Department currently has process and procedures in place that have proven to be effective for many years in the pass. The Finance Director will continue to closely monitor the progress of the employees and make recommendation/changes as necessary to ensure we meet our deadlines on a timely manner.

Proposed Completion Date: Immediately and ongoing

3. Federal Award Findings and Questioned Costs

None noted



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, 2019

4. State Award Findings and Questioned Costs

N.C. Department of Transportation

Program Name: NC DOT Cluster ROAP/SMAP

Finding 2019-003

Name of Contact Person: Mark M. Johnson, Director

Corrective Action/Management's Response: The Wilson County Transportation Division believes this finding is attributable to failure of Transportation staff to obtain necessary eligibility documentation. Corrective measure instituted by Development Services Director include the following: Staff have created a "Wilson County Transportation Check List" that will serve as an intake form. The Transportation staff will use this newly created form to ensure necessary documentation is received from ridership applicants. The required eligibility documentation will include the following: photo ID, verification of employment, verification of disability, power of attorney, verification Wilson County residency. The Department believes that these corrective measures should ensure that riders are properly classified.

Proposed Completion Date: Immediately and ongoing

Finding 2019-004

Name of Contact Person: Mark M. Johnson, Director

Corrective Action/Management's Response: Wilson County believes that failure to complete and submit quarterly reports timely and accurately was due in part by having an in-experienced Transportation Manager in place with inadequate oversight. The Transportation Manager that was employed with the County at the time of this finding is no longer employed with Wilson County. We strongly believe that new personnel will perform much better in this role.

The Development Services Director will provide greater oversight in regard to reporting, in order to ensure that reports are completed timely and accurately. The Transportation Manager will also be required to constantly be in communication with NCDOT for guidance and attend sponsored NCDOT training.

Proposed Completion Date: Immediately and ongoing

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

2018-001: Corrected.

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COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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>					
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 - Admin	10.561	195NC406S2514	\$ 1,623,254	\$ 59,525	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	195NC406S2514	219,924	-	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Food Stamp E&T & Depend C	10.561	195NC406S2514	55,625	-	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Food Stamp E&T	10.561	195NC406S2514	11,097	-	-
Total SNAP Cluster			1,909,900	59,525	-
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - Administration	10.557	13A25403GJ98	572,699	-	-
Total U.S. Department of Agriculture			2,482,599	59,525	-
<u>U.S. Department of Homeland Security:</u>					
Passed-through N.C. Department of Public Safety					
Division of Emergency Management:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4393-DR-NC	70,675	-	-
Emergency Management Performance Grants	97.042	EMPG-2018-18097	26,450	26,449	-
Total U.S. Department of Homeland Security			97,125	26,449	-
<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	88,066	5,180	-
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	DAAS-735	245,206	14,424	-
Nutrition Services Incentive Program	93.053	DAAS-735	41,203	-	-
Total Aging Cluster			374,475	19,604	-
<u>Administration for Children and Families</u>					
Passed-Through Upper Coastal Plain Council of Governments:					
Social Services Block Grant	93.667	DAAS-735	50,540	1,444	-
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	1901NCTANF	480,202	-	-
Work First Service	93.558	1901NCTANF	1,849,101	-	-
Division of Public Health:					
Temporary Assistance for Needy Families (TANF) State Programs	93.558	13325151T298/13A15151T298	88,379	-	-
Total TANF Cluster			2,417,682	-	-
<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	181,777	-	-
Total Subsidized Child Care Cluster (Note 3) / Child Care Development Fund Cluster			181,777	-	-
<u>Foster Care and Adoption Cluster (Note 3)</u>					
Adoption Assistance	93.659	1901NCADPT	14,325	-	-
Foster Care Title IV-E	93.658	1901NCFOST	505,448	58,009	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	1901NCFOST	91,197	32,679	-
Total Foster Care and Adoption Cluster (Note 3)			610,970	90,688	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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	G1901NCSOSR	441,031	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1901NCCWSS	24,838	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	1901NCFOST	424,001	-	-
Low Income Home Energy Assistance - Admin	93.568	1901NCFOST	89,607	-	-
Low Income Home Energy Assistance	93.568	1901NCFOST	462,889	-	-
Child Support Enforcement					
Title IV-D Administration	93.563	G1904NC4005	1,186,607	-	-
IV-D Offset Fees - ESC	93.563	G1904NC4005	120	-	-
IV-D Offset Fees - ESC Admin	93.563	G1904NC4005	7	-	-
IV-D Offset Fees - Federal	93.563	G1904NC4005	4,701	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Administration	93.674	1801NCC1LP	6,247	1,562	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payments	93.674	1801NCC1LP	1,735	-	-
<u>Special Children Adoption Fund Cluster (Note 3)</u>					
Promoting Safe and Stable Families	93.556	G1901NCFPSS	111,944	-	-
Total Special Children Adoption Fund Cluster (Note 3)			111,944	-	-
Total Administration for Children and Families			6,014,696	93,694	-
<u>Centers for Medicare and Medicaid Services</u>					
Passed-Through the N.C. Department of Health and Human Services:					
<u>Medicaid Cluster:</u>					
Division of Health Benefits:					
Division of Social Services:					
Medical Assistance Program					
State County Special Assistance	93.778	XIX-MAP19	59,933	-	-
Adult Care Home Case Management	93.778	XIX-MAP19	44,190	7,550	-
MA Expansion	93.778	XIX-MAP19	297,070	-	-
Medical Assistance Administration	93.778	XIX-MAP19	2,980,637	-	-
Medical Transportation Admin	93.778	XIX-MAP19	194,642	-	-
Total Medicaid Cluster			3,576,472	7,550	-
Children's Health Insurance Program:					
NC Health Choice - Admin	93.767	CHIP19	118,769	-	-
Total Centers for Medicare and Medicaid Services			3,695,241	7,550	-
<u>Centers for Disease Control and Prevention</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Immunization Cooperative Agreements	93.268	1331631EEJ98	24,578	-	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680EZ98	28,864	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272DNF98/1460272ENF98	28,383	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310AD798/1320310BD798	10,200	-	-
Preventative Health & Health Services Block Grant	93.991	12615503PH98	35,809	-	-
<u>HIV Cluster (Note 3):</u>					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311462ANB98/1311462ENB98	100	-	-
Total HIV Cluster (Note 3)			100	-	-
Total Centers for Disease Control and Prevention			127,934	-	-
<u>Health Resources and Service Administration</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	13A15146AR98	92,781	12,200	-
<u>Office of Population Affairs</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Office of Population Affairs:					
Family Planning Services	93.217	13A1592AFP98/13A1592CFP98	36,686	-	-
Total U.S. Department of Health and Human Services			10,341,813	133,048	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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:					
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0140	11,986	-	-
<u>U. S. Department of Transportation</u>					
<u>Federal Transit Administration</u>					
Passed-Through the N.C. Department of Transportation					
Public Transportation Division:					
Passed-Through City of Wilson					
Formula Grants for Rural Areas - Capital 19-CT-001	20.509	36233.26.20.3	97,572	12,197	-
Formula Grants for Rural Areas - Admin 19-CT-001	20.509	36233.26.20.1	103,675	6,480	-
Total U.S. Department of Transportation			201,247	18,677	-
<u>Institute of Museum and Library Services</u>					
Passed-Through State Library of North Carolina					
Grants to States - LSTA EZ Grants	45.310	2019	12,573	-	-
Total Federal Awards			13,147,343	237,699	-
STATE AWARDS:					
<u>N.C. Department of Administration</u>					
Division of Veterans Affairs:					
County Veterans Service Program		XXXXX	-	2,216	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library:					
State Aid to Public Libraries		XXXXX	-	128,329	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Division of Soil and Water Conservation:					
Stream Debris Removal Program		17-175-4062	-	64,960	-
District Matching and Technical Assistance Agreement		18-024-4066	-	27,024	-
Total Division of Soil and Water Conservation			-	91,984	-
<u>N.C. Department of Environmental Quality</u>					
Division of Water Infrastructure:					
Water System Asset Inventory Assessment Grant		H-AIA-D-18-0142	-	5,583	-
Water System Asset Inventory Assessment Grant		H-AIA-D-17-0101	-	95,000	-
Water System Asset Inventory Assessment Grant		H-AIA-D-18-0122	-	2,860	-
Total Division of Water Infrastructure			-	103,443	-
<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	-	10,956	-
In Home Service		DAAS-735	-	145,741	-
Home Delivered Meals		DAAS-735	-	83,736	-
Senior Center Outreach		DAAS-735	-	7,128	-
Total Division of Aging and Adult Services			-	247,561	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ98	-	14,090	-
Mosquito Abatement (Hurricane Florence)		115350150098	-	93,317	-
Public Health Nursing		116143010098	-	600	-
CHA/CHIP Peer Review		116141100098	-	138,713	-
Health Communities		126155030098	-	4,137	-
General Communicable Disease Control		117545100098	-	8,294	-
Breast and Cervical Cancer Control		132055990098	-	12,750	-
School Health Center		133253570098	-	88,880	-
Child Health		127157450098	-	9,930	-
TB Control		146045510098/146045540098	-	63,051	-
Family Planning - State		13A157350098	-	42,068	-
School Nursing Funding Initiative		133253580098	-	150,000	150,000

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

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
Maternal Health		13A157400098	-	75,542	-
Women Health Service Fund		13A16019FR98	-	11,157	-
HIV/STD State		13114536RR98/13114536RQ98	-	10,180	-
STD Drugs		13114601RQ98/13114601RR98	-	1,083	-
TPPI - Adolescent Parenting Program		13325150KZ98	-	3,687	-
Total Division of Public Health			-	727,479	150,000
Division of Social Services:					
ST Child Welfare/CPS/CS LD		XXXXX	-	59,362	-
Energy Assist Private Grant		XXXXX	-	921	-
AFDC Incent/Prog Integrity		XXXXX	-	506	-
Direct Benefit Payments-					
Extended FC/Max Non IV-E		XXXXX	-	49,616	-
F/C At Risk Maximization		XXXXX	-	759	-
SFHF Maximization		XXXXX	-	30,163	-
State Foster Home		XXXXX	-	17,129	-
Total Division of Social Services			-	158,456	-
Total N.C. Department of Health and Human Services			-	1,133,496	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	-	258,224	-
<u>N.C. Department of Information Technology</u>					
NC 911 Grant - Viper Radio System		2018B-3	-	157,913	-
NC 911 Grant - County Tower Site		G2019-01	-	4,670	-
Total N.C. Department of Information Technology			-	162,583	-
<u>N.C. Department of Transportation:</u>					
NC DOT Cluster ROAP/SMAP					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	71,679	-
ROAP Work First Transitional - Employment		36236.11.7.1	-	14,691	-
ROAP Rural General Public Program		36228.22.8.1	-	107,071	-
Total NC DOT Cluster ROAP/SMAP			-	193,441	-
Rock Ridge VFD NC-42 location pave driveway at bays		72.1048	-	23,500	23,500
Contentnea Creek VFD - New bays located at 4146 NC 42		72.1060	-	25,000	25,000
Total N.C. Department of Transportation			-	241,941	48,500
<u>N.C. Department of Commerce</u>					
One N.C. Fund Grant		2015-17339	-	200,000	200,000
<u>N.C. Office of State Budget and Management</u>					
Wilson County Courthouse Project			-	75,856	-
Total State Awards			-	2,398,072	398,500
Total Federal and State Awards			\$ 13,147,343	\$ 2,635,771	\$ 398,500

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, 2019. 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.