

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2020***

***WILSON COUNTY
NORTH CAROLINA***



FINANCE DEPARTMENT
ANGEL LANDRAU
FINANCE DIRECTOR

WILSON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

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Wilson
County

North Carolina

Wilson County Government

Finance Department

Letter of Transmittal

December 11, 2020

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, 2020.

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

Wilson County Government's financial statements have been audited by Martin Starnes & Associates, CPAs, P.A a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, 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, 2020, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF WILSON COUNTY

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

Wilson County is located in the east-central part of the State, amid the broad coastal plain which covers nearly half the State, from the Atlantic to the fall lines of the Roanoke, Tar, Neuse, and Cape Fear Rivers. The County, which measures approximately 30 miles from east to west and 20 miles from north to south, encompasses approximately 373 square miles. The principal waterways are the Contentnea Creek, Toisnot Swamp, Black Creek, and Town Creek. The June 2020 tax distribution reported Wilson County's population at 81,949. The City of Wilson, which is the county seat and the County's largest population center with a population of 49,459 according to the 2020 June Tax distribution, is the largest municipality. Other municipalities located in the County include the towns of Elm City, Saratoga, Stantonsburg, Black Creek, Lucama, Sims, and a portion of Sharpsburg.

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. 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. Both seaports maintain at least 45-foot channel depth and abundant covered and uncovered storage space for smooth transition of cargo to its destination. The US Highway 264 bypass, which has been designated as the future Interstate 587, provides interstate grade highway connecting Greenville, North Carolina and the Research Triangle Park. Wilson is also served by the Rocky Mount-Wilson regional airport which has one 6,000-foot runway and freight service provided by several carriers and the Raleigh-Durham International Airport, a major commercial airport approximately 55 miles west of the County that sends daily nonstop flights to over 65 locations across North and Central America and Europe. CSX Railroad and Norfolk Southern Railroad provide rail freight service to Wilson and Amtrak provides passenger 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 the December meeting, the Board elects a chairman and vice chairman from among its members.

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

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local economy

Wilson County's economy has evolved 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 \$143,608,104 in farm sales in 2020. 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.

Unemployment in Wilson has decreased to 7.7% still higher when compared to 6.1% for the State. The average weekly wage for 2020 for Wilson County was \$977, the eighth highest average weekly wage in the State.

In 2019, Wilson County saw the location of HandCraft and Avient Biosciences LLC. Refresco announced an expansion of its facility in 2019 and Merck announced two expansions. A total investment from new and existing companies in the local economy was \$141,500,000, resulting in the creation of 298 new jobs.

Founded in Wilson in 1872, BB&T has merged with SunTrust to create Truist, the sixth largest U.S. bank holding company. The bank currently employs approximately 2,200 people in Wilson. 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. Other large employers include Wilson County Schools with over 1,000 employees, Wilson Medical Center with approximately 900 employees,

UTC Aerospace Systems with approximately 750 employees, Smithfield Packing Company with approximately 650 employees, Merck with approximately 450 employees, and Fresenius Kabi with approximately 345 employees.

Retail sales in Wilson County were \$1,300,000 in 2019-2020. There were 4 new restaurants buildings, 7 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 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, 2019. 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, 2019

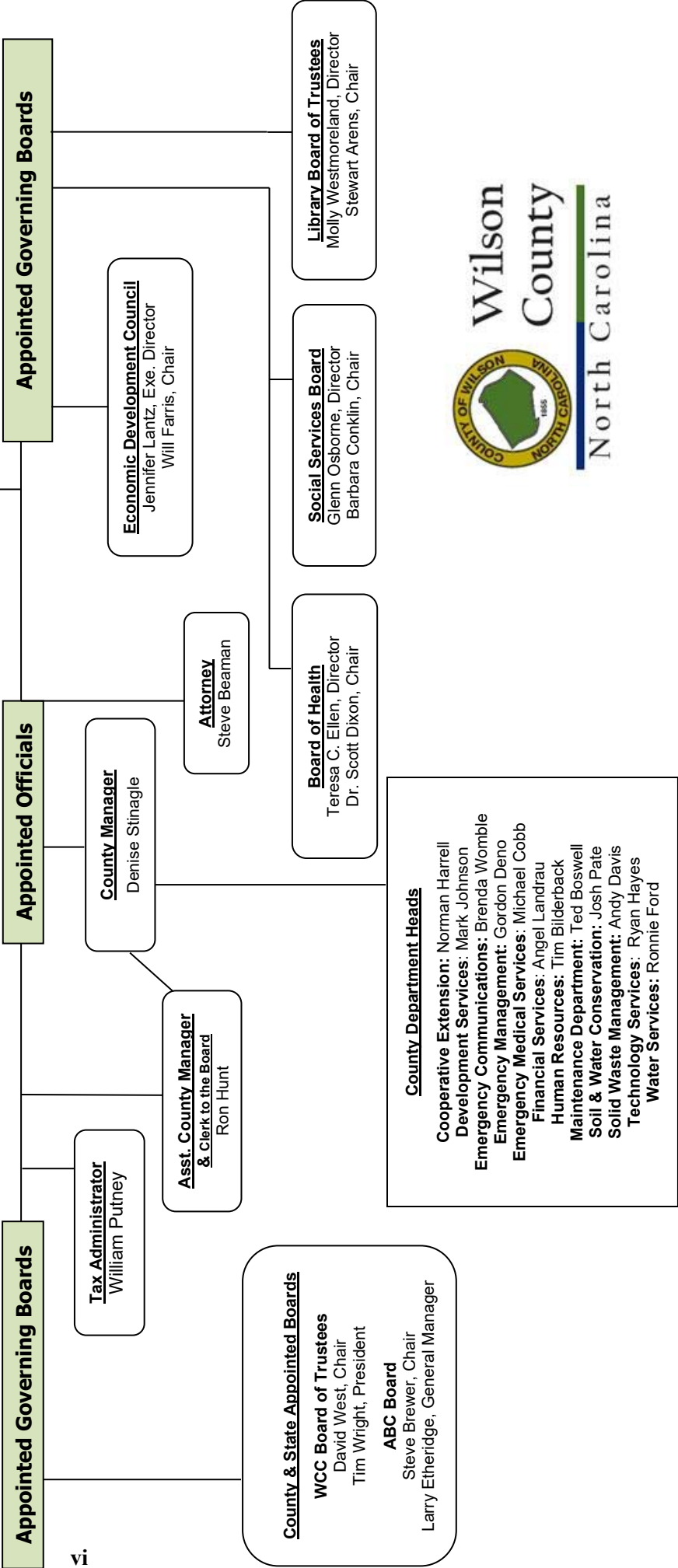
Christopher P. Morill

Executive Director/CEO

Elected Officials



Board of Elections
Rena Morris, Director
Chip Futrell, Chair



**Wilson County
List of Principal Officials
June 30, 2020**

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	Witt Putney
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	Josh Pate

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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, 2020, 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 on 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, 2020, 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 11, 2020 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 11, 2020

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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, 2020. 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

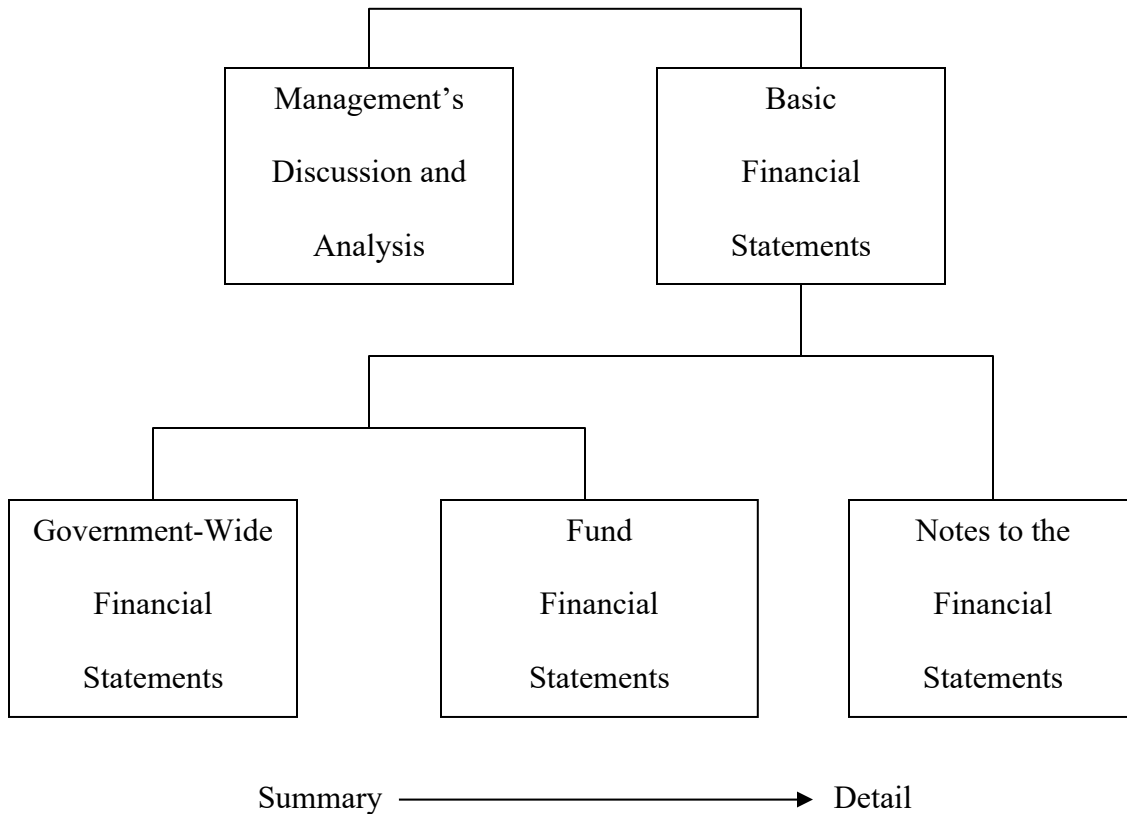
- The assets and deferred outflows of resources of Wilson County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$36,932,925.
- The government's total net position increased by \$2,595,205, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Wilson County's governmental funds reported combined ending fund balances of \$56,869,423, after a net increase in fund balance of \$5,173,680. Approximately 34.5 percent of this total amount, or \$19,619,605, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,691,256, or 23.20 percent, of total General Fund expenditures and transfers out for the fiscal year.
- The County holds the following bond ratings:
 - Moody's Aa2
 - Fitch AA

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Wilson County's basic financial statements. Wilson County's basic financial statements 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 \$36,932,925 as of June 30, 2020.

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and other assets	\$ 67,793,684	\$ 62,597,368	\$ 24,079,845	\$ 22,953,591	\$ 91,873,529	\$ 85,550,959
Restricted assets	2,094,817	650,494	251,206	223,448	2,346,023	873,942
Capital assets	25,491,637	26,232,896	24,779,705	25,193,665	50,271,342	51,426,561
Other assets	523,514	523,514	-	-	523,514	523,514
Total assets	<u>95,903,652</u>	<u>90,004,272</u>	<u>49,110,756</u>	<u>48,370,704</u>	<u>145,014,408</u>	<u>138,374,976</u>
Deferred Outflows of Resources	<u>12,880,723</u>	<u>11,161,508</u>	<u>374,543</u>	<u>309,870</u>	<u>13,255,266</u>	<u>11,471,378</u>
Liabilities:						
Long-term liabilities outstanding	88,470,438	83,999,261	14,852,218	14,532,487	103,322,656	98,531,748
Other liabilities	<u>6,182,458</u>	<u>3,711,356</u>	<u>660,256</u>	<u>497,376</u>	<u>6,842,714</u>	<u>4,208,732</u>
Total liabilities	<u>94,652,896</u>	<u>87,710,617</u>	<u>15,512,474</u>	<u>15,029,863</u>	<u>110,165,370</u>	<u>102,740,480</u>
Deferred Inflows of Resources	<u>10,780,040</u>	<u>12,319,347</u>	<u>391,339</u>	<u>448,807</u>	<u>11,171,379</u>	<u>12,768,154</u>
Net Position:						
Net investment in capital assets	24,421,556	24,470,581	16,575,503	16,692,761	40,997,059	41,163,342
Restricted	19,709,106	15,778,189	-	-	19,709,106	15,778,189
Unrestricted	<u>(40,779,223)</u>	<u>(39,112,954)</u>	<u>17,005,983</u>	<u>16,509,143</u>	<u>(23,773,240)</u>	<u>(22,603,811)</u>
Total net position	<u>\$ 3,351,439</u>	<u>\$ 1,135,816</u>	<u>\$ 33,581,486</u>	<u>\$ 33,201,904</u>	<u>\$ 36,932,925</u>	<u>\$ 34,337,720</u>

The County's net position increased by \$2,595,205 for the fiscal year ended June 30, 2020. One of the largest portions, \$40,997,059, 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, \$19,709,106 (53%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$23,773,240 is unrestricted. The deficit in unrestricted net position is due to the portion of the County's outstanding debt incurred for the benefit of local schools. Under North Carolina law, the County is responsible for providing capital funding for these institutions. The assets funded by the County, however, are owned and utilized by these institutions. Since the County acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

Management's Discussion and Analysis
Wilson County

Wilson County's Changes in Net Position
Figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Programs revenues:						
Charges for services	\$ 8,573,443	\$ 8,937,211	\$ 5,852,526	\$ 5,547,719	\$ 14,425,969	\$ 14,484,930
Grants and contributions:						
Operating	19,008,756	17,869,415	36,716	330,601	19,045,472	18,200,016
Capital	100,116	272,352	-	-	100,116	272,352
General revenues:						
Property taxes	57,164,778	53,121,424	-	-	57,164,778	53,121,424
Local option sales tax	16,455,461	15,207,695	-	-	16,455,461	15,207,695
Other taxes and licenses	801,466	764,557	-	-	801,466	764,557
Investment earnings	884,971	947,970	55,132	356,230	940,103	1,304,200
Grants and other contributions not restricted to specific programs	600,000	262,500	-	-	600,000	262,500
Miscellaneous	594,334	226,408	51,062	24,220	645,396	250,628
Total revenues	<u>104,183,325</u>	<u>97,609,532</u>	<u>5,995,436</u>	<u>6,258,770</u>	<u>110,178,761</u>	<u>103,868,302</u>
Expenses:						
General government	10,587,262	7,469,350	-	-	10,587,262	7,469,350
Public safety	25,819,930	24,250,799	-	-	25,819,930	24,250,799
Transportation	500,225	521,233	-	-	500,225	521,233
Environmental protection	649,335	347,522	-	-	649,335	347,522
Economic and physical development	3,620,033	2,893,558	-	-	3,620,033	2,893,558
Human services	31,953,761	29,981,736	-	-	31,953,761	29,981,736
Cultural and recreational	2,592,768	2,102,387	-	-	2,592,768	2,102,387
Education	25,955,838	24,807,827	-	-	25,955,838	24,807,827
Interest and other charges	288,550	348,930	-	-	288,550	348,930
Landfill	-	-	3,281,589	2,919,492	3,281,589	2,919,492
Water	-	-	2,334,265	2,373,971	2,334,265	2,373,971
Total expenses	<u>101,967,702</u>	<u>92,723,342</u>	<u>5,615,854</u>	<u>5,293,463</u>	<u>107,583,556</u>	<u>98,016,805</u>
Change in net position	2,215,623	4,886,190	379,582	965,307	2,595,205	5,851,497
Net position, beginning	<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>
Net position, ending	<u>\$ 3,351,439</u>	<u>\$ 1,135,816</u>	<u>\$ 33,581,486</u>	<u>\$ 33,201,904</u>	<u>\$ 36,932,925</u>	<u>\$ 34,337,720</u>

Management's Discussion and Analysis Wilson County

Governmental Activities. Governmental activities increased the County's net position by \$2,215,623 compared to \$4,886,190 in the prior year, 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, largely due to a revaluation in 2019
- Increase in local options sales tax
- Increases in expenses across most functions

Business-Type Activities. Business-type activities increased Wilson County's net position by \$379,582, compared to \$965,307 in the prior year. Key elements of this increase are as follows:

- Decrease in operating grant revenue from FY 2019 to FY 2020
- Decrease in investment earnings over previous years
- Increase in operational expenses of the landfill

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 \$40,528,384, while total fund balance for the General Fund is \$50,255,610. 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 41.43% of General Fund expenditures and transfers out, while total fund balance represents 51.37% of that same amount.

The County received coronavirus relief grant funding in June 2020 in the amount of \$1,580,929. Another wave of funding was subsequently received by the County in the next fiscal year for \$1,587,589. As of June 30, 2020, the County had spent \$375,950. The amount of unspent grant proceeds was \$1,204,979. This activity is recorded in the Coronavirus Relief Grant Fund.

At June 30, 2020, Wilson County's governmental funds reported combined ending fund balances of \$56,869,423, an increase of \$5,173,680. This increase is due primarily to the increase of fund balance in the General Fund, before transfers out to special revenue and capital project funds to fund grant matching and capital projects. Economic growth in the County resulted in a 7.6% increase in property taxes and an 8.2% increase in local option sales taxes.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,028,139. The budgetary increase was primarily attributable to increases during the year for restricted intergovernmental revenues and sales and services.

Management's Discussion and Analysis
Wilson County

Overall, in FY2020 the County recognized increases over the estimated property tax and local option sales tax revenues than expected.

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 \$13,920,310 and those for the water funds totaled \$2,872,237. The total growth in net position for the Solid Waste Fund was \$232,339, and the total increase in net position for the water funds was \$96,181. 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, 2020 amounted to \$50,271,342 (net of accumulated depreciation). This investment in capital assets includes land, vehicles, buildings and improvements, machinery, and equipment.

- Purchased new vehicles and equipment for the Public Safety Department;
- Disposed of old equipment and vehicle in the Public Safety Department;
- Purchased new equipment, vehicles, and building improvements for general government;
- Disposal of equipment for general government;
- Purchased equipment for the Human Services Department;
- Disposed of old equipment in the Human Services Department;
- Purchased new equipment for the solid waste landfill;
- Disposed of old equipment in the 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**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 3,399,703	\$ 3,399,703	\$ 3,208,714	\$ 3,208,714	\$ 6,608,417	\$ 6,608,417
Construction in progress	81,735	2,656,858	492,993	264,068	574,728	2,920,926
Buildings and improvements	35,175,490	33,034,833	3,084,863	2,882,070	38,260,353	35,916,903
Equipment and plant distribution	11,631,608	10,531,844	29,593,119	29,627,429	41,224,727	40,159,273
Vehicles	<u>6,726,910</u>	<u>6,468,743</u>	<u>1,006,650</u>	<u>1,074,252</u>	<u>7,733,560</u>	<u>7,542,995</u>
Total	57,015,446	56,091,981	37,386,339	37,056,533	94,401,785	93,148,514
Less: Accumulated depreciation	<u>31,523,809</u>	<u>29,859,085</u>	<u>12,606,634</u>	<u>11,862,868</u>	<u>44,130,443</u>	<u>41,721,953</u>
Capital assets	<u>\$ 25,491,637</u>	<u>\$ 26,232,896</u>	<u>\$ 24,779,705</u>	<u>\$ 25,193,665</u>	<u>\$ 50,271,342</u>	<u>\$ 51,426,561</u>

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

Management’s Discussion and Analysis
Wilson County

Long-Term Debt. As of June 30, 2020, Wilson County had total bonded debt outstanding of \$7,420,000, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Limited obligation bonds - direct placement	\$ -	\$ -	\$ 7,420,000	\$ 7,650,000	\$ 7,420,000	\$ 7,650,000

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 \$572,946,069. 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 fund expenses is 3.32%, an increase from fiscal year 2019 ratio of 3.28%.

Wilson County maintain a “AA” rating from Standard & Poor’s and Fitch Ratings and a “Aa2” rating from Moody’s Investors Service for general obligation debt.

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

Economic Factors and Next Year’s Budget and Rates

- Tax collections for Wilson County remain strong. In FY 2020, the tax collection rate was 98.52%.
- The County is seeing some positive incremental growth in the tax valuation since revaluation in 2019.
- Sales tax continues to remain strong.
- The employment rate of 8.5% as of June 30, 2020. Wilson County continues to be higher than the North Carolina average of 7.5%, and 5.3% at June 30, 2019.

Budget Highlights for Fiscal Year 2020-2021

Governmental Activities. The 2020 General Fund’s adopted budget increased \$5,414,780. The County tax rate continues to remain flat in with no tax rate increase in FY 2020-2021 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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Assets:				
Cash and cash equivalents	\$ 53,891,356	\$ 23,354,897	\$ 77,246,253	\$ 1,760,439
Receivables (net)	4,012,562	463,785	4,476,347	6,006
Due from other governments	7,520,621	47,727	7,568,348	-
Due from component unit	440,625	-	440,625	-
Internal balances	(213,436)	213,436	-	-
Inventories	-	-	-	1,178,163
Prepaid items	-	-	-	13,462
Restricted cash and cash equivalents	2,094,817	251,206	2,346,023	-
Net investment in joint venture	2,058,909	-	2,058,909	-
Capital lease receivable	523,514	-	523,514	-
Net pension asset	83,047	-	83,047	-
Capital assets:				
Land, improvements, and construction in progress	3,481,438	3,701,707	7,183,145	574,341
Other capital assets, net of depreciation	22,010,199	21,077,998	43,088,197	2,843,634
Total capital assets	25,491,637	24,779,705	50,271,342	3,417,975
Total assets	95,903,652	49,110,756	145,014,408	6,376,045
Deferred Outflows of Resources:				
OPEB deferrals	4,771,042	181,913	4,952,955	37,069
Pension deferrals	7,763,761	192,630	7,956,391	140,093
Charge on refunding of debt	345,920	-	345,920	-
Total deferred outflows of resources	12,880,723	374,543	13,255,266	177,162
Liabilities:				
Accounts payable and accrued expenses	3,942,804	385,653	4,328,457	786,672
Accrued interest payable	75,836	23,397	99,233	-
Due to other governments	624,217	-	624,217	146,875
Due to primary government	-	-	-	440,625
Accounts payable - payable from restricted assets	303,331	-	303,331	-
Customer deposits - payable from restricted assets	-	251,206	251,206	-
Advances from grantors	1,236,270	-	1,236,270	-
Due within one year: bonds, notes and compensated absences	4,847,861	400,939	5,248,800	-
Non-current liabilities:				
Due in more than one year:				
Net pension liability - LGERS	12,654,929	381,946	13,036,875	197,173
Total pension liability - LEOSA	2,896,272	-	2,896,272	-
Total OPEB liability	55,051,642	1,916,971	56,968,613	1,219,366
Bonds, notes, and compensated absences	13,019,734	12,152,362	25,172,096	46,793
Total liabilities	94,652,896	15,512,474	110,165,370	2,837,504

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Wilson County ABC Board
Deferred Inflows of Resources:				
OPEB deferrals	9,823,933	374,212	10,198,145	66,888
Pension deferrals	574,352	17,127	591,479	97
Prepaid taxes	381,755	-	381,755	-
Total deferred inflows of resources	<u>10,780,040</u>	<u>391,339</u>	<u>11,171,379</u>	<u>66,985</u>
Net Position:				
Net investment in capital assets	24,421,556	16,575,503	40,997,059	3,417,975
Restricted for:				
Stabilization by state statute	10,020,056	-	10,020,056	-
Public safety	714,351	-	714,351	-
Register of Deeds	271,676	-	271,676	-
Register of Deeds' pension plan	89,501	-	89,501	-
Health and human services	2,737,192	-	2,737,192	-
Working capital	-	-	-	331,082
Economic development projects	1,915,084	-	1,915,084	-
Education	3,961,246	-	3,961,246	-
Unrestricted (deficit)	<u>(40,779,223)</u>	<u>17,005,983</u>	<u>(23,773,240)</u>	<u>(100,339)</u>
Total net position	<u>\$ 3,351,439</u>	<u>\$ 33,581,486</u>	<u>\$ 36,932,925</u>	<u>\$ 3,648,718</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 10,587,262	\$ 677,223	\$ 306,895	\$ -
Public safety	25,819,930	4,439,624	875,368	-
Transportation	500,225	20,981	319,768	100,116
Environmental protection	649,335	-	337,479	-
Economic and physical development	3,620,033	-	500,000	-
Human services	31,953,761	3,435,615	16,420,549	-
Cultural and recreation	2,592,768	-	248,697	-
Education	25,955,838	-	-	-
Interest on long-term debt	288,550	-	-	-
Total governmental activities	<u>101,967,702</u>	<u>8,573,443</u>	<u>19,008,756</u>	<u>100,116</u>
Business-Type Activities:				
Landfill	3,281,589	3,458,796	-	-
Water	2,334,265	2,393,730	36,716	-
Total business-type activities	<u>5,615,854</u>	<u>5,852,526</u>	<u>36,716</u>	<u>-</u>
Total primary government	<u>\$ 107,583,556</u>	<u>\$ 14,425,969</u>	<u>\$ 19,045,472</u>	<u>\$ 100,116</u>
Component Unit:				
ABC Board	<u>\$ 8,364,451</u>	<u>\$ 8,608,134</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, 2020

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	\$ (9,603,144)	\$ -	\$ (9,603,144)	
Public safety	(20,504,938)	-	(20,504,938)	
Transportation	(59,360)	-	(59,360)	
Environmental protection	(311,856)	-	(311,856)	
Economic and physical development	(3,120,033)	-	(3,120,033)	
Human services	(12,097,597)	-	(12,097,597)	
Cultural and recreation	(2,344,071)	-	(2,344,071)	
Education	(25,955,838)	-	(25,955,838)	
Interest on long-term debt	(288,550)	-	(288,550)	
Total governmental activities	<u>(74,285,387)</u>	<u>-</u>	<u>(74,285,387)</u>	
Business-Type Activities:				
Landfill	-	177,207	177,207	
Water	-	96,181	96,181	
Total business-type activities	<u>-</u>	<u>273,388</u>	<u>273,388</u>	
Total primary government	<u>(74,285,387)</u>	<u>273,388</u>	<u>(74,011,999)</u>	
Component Unit:				
ABC Board				\$ 243,683
General Revenues:				
Taxes:				
Property taxes, levied for general purpose	57,164,778	-	57,164,778	-
Local option sales tax	16,455,461	-	16,455,461	-
Other taxes and licenses	801,466	-	801,466	-
Grants and contributions not restricted to specific programs	600,000	-	600,000	-
Investment earnings, unrestricted	884,971	55,132	940,103	1,295
Miscellaneous	594,334	51,062	645,396	4,752
Total general revenues	<u>76,501,010</u>	<u>106,194</u>	<u>76,607,204</u>	<u>6,047</u>
Change in net position	2,215,623	379,582	2,595,205	249,730
Net Position:				
Beginning of year - July 1	<u>1,135,816</u>	<u>33,201,904</u>	<u>34,337,720</u>	<u>3,398,988</u>
End of year - June 30	<u>\$ 3,351,439</u>	<u>\$ 33,581,486</u>	<u>\$ 36,932,925</u>	<u>\$ 3,648,718</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Coronavirus Relief Grant Fund	Nonmajor Governmental Funds	
Assets:				
Cash and cash equivalents	\$ 43,215,348	\$ -	\$ 7,070,053	\$ 50,285,401
Restricted cash	633,993	1,460,810	14	2,094,817
Taxes receivable, net	1,557,744	-	47,237	1,604,981
Accounts and other receivables, net	1,772,712	-	231,478	2,004,190
Due from other governments	7,459,269	-	61,352	7,520,621
Due from component unit	440,625	-	-	440,625
Due from other funds	54,620	-	-	54,620
Total assets	<u>\$ 55,134,311</u>	<u>\$ 1,460,810</u>	<u>\$ 7,410,134</u>	<u>\$ 64,005,255</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,795,529	\$ -	\$ 38,956	\$ 2,834,485
Due to other governments	-	-	624,217	624,217
Due to other funds	-	-	54,620	54,620
Miscellaneous liabilities	96,173	-	-	96,173
Accounts payable - payable from restricted assets	47,500	255,831	-	303,331
Advances from grantors	-	1,204,979	31,291	1,236,270
Total liabilities	<u>2,939,202</u>	<u>1,460,810</u>	<u>749,084</u>	<u>5,149,096</u>
Deferred Inflows of Resources	<u>1,939,499</u>	<u>-</u>	<u>47,237</u>	<u>1,986,736</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	9,727,226	-	292,830	10,020,056
Register of Deeds	271,676	-	-	271,676
Public safety	-	-	714,351	714,351
Human services	2,737,192	-	-	2,737,192
Economic development projects	-	-	1,915,084	1,915,084
Education	2,128,815	-	1,832,431	3,961,246
Committed:				
Tax revaluation	586,493	-	-	586,493
Assigned:				
Subsequent year's expenditures	12,098,503	-	-	12,098,503
Human services	14,449	-	-	14,449
Future capital	-	-	1,997,067	1,997,067
Unassigned	22,691,256	-	(137,950)	22,553,306
Total fund balances	<u>50,255,610</u>	<u>-</u>	<u>6,613,813</u>	<u>56,869,423</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,134,311</u>	<u>\$ 1,460,810</u>	<u>\$ 7,410,134</u>	<u>\$ 64,005,255</u>

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

WILSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Total fund balance, governmental funds	\$ 56,869,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,491,637
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.	523,514
Net investment in joint venture	2,058,909
Net pension asset	83,047
Deferred outflows of resources related to pensions are not reported in the funds.	7,763,761
Deferred outflows of resources related to OPEB are not reported in the funds.	4,771,042
Charges related to refunding bond issue	345,920
Other long-term assets are not available to pay for current-period expenditures.	250,890
Consolidation of Internal Service Fund	2,532,874
Deferred inflows of resources related to pensions are not reported in the funds.	(574,352)
Deferred inflows of resources related to OPEB are not reported in the funds.	(9,823,933)
Deferred inflows of resources for taxes receivable	1,604,981
Total OPEB liability	(55,051,642)
Net pension liability	(12,654,929)
Total pension liability	(2,896,272)
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>(17,943,431)</u>
Net position of governmental activities	<u>\$ 3,351,439</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, 2020

	Major Funds			Total Governmental Funds
	General Fund	Coronavirus Relief Grant Fund	Nonmajor Governmental Funds	
Revenues:				
Ad valorem taxes	\$ 55,185,869	\$ -	\$ 2,153,008	\$ 57,338,877
Local option sales taxes	15,860,697	-	594,764	16,455,461
Other taxes and licenses	801,466	-	-	801,466
Unrestricted intergovernmental	604,766	-	-	604,766
Restricted intergovernmental	16,589,959	375,950	1,726,767	18,692,676
Permits and fees	1,779,228	-	-	1,779,228
Sales and service	7,258,952	-	20,981	7,279,933
Investment earnings	876,204	-	8,767	884,971
Miscellaneous	506,622	-	82,946	589,568
Total revenues	<u>99,463,763</u>	<u>375,950</u>	<u>4,587,233</u>	<u>104,426,946</u>
Expenditures:				
Current:				
General government	9,312,794	257,407	-	9,570,201
Public safety	20,873,612	5,831	3,112,385	23,991,828
Transportation	47,857	-	531,986	579,843
Environmental protection	243,632	-	310,187	553,819
Economic and physical development	2,998,139	-	581,735	3,579,874
Human services	29,633,463	90,858	-	29,724,321
Cultural and recreation	2,369,686	21,854	-	2,391,540
Intergovernmental:				
Education	25,525,713	-	430,125	25,955,838
Debt service:				
Principal	2,828,277	-	-	2,828,277
Interest and other charges	299,389	-	-	299,389
Total expenditures	<u>94,132,562</u>	<u>375,950</u>	<u>4,966,418</u>	<u>99,474,930</u>
Revenues over (under) expenditures	<u>5,331,201</u>	<u>-</u>	<u>(379,185)</u>	<u>4,952,016</u>
Other Financing Sources (Uses):				
Transfers (to) other funds	(3,688,617)	-	(1,838,327)	(5,526,944)
Transfers from other funds	-	-	5,526,944	5,526,944
Capital lease issued	184,533	-	-	184,533
Sale of capital assets	37,131	-	-	37,131
Total other financing sources (uses)	<u>(3,466,953)</u>	<u>-</u>	<u>3,688,617</u>	<u>221,664</u>
Net change in fund balances	1,864,248	-	3,309,432	5,173,680
Fund Balances:				
Beginning of year, July 1	<u>48,391,362</u>	<u>-</u>	<u>3,304,381</u>	<u>51,695,743</u>
End of year, June 30	<u>\$ 50,255,610</u>	<u>\$ -</u>	<u>\$ 6,613,813</u>	<u>\$ 56,869,423</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, 2020**

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)	\$ 5,173,680
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	(44,730)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,533,086
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital assets sold.	(91,909)
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.	899,460
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,182,436)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities.	(184,533)
Pension expense - LEOSSA	(75,014)
Pension expense - LGERS	(2,688,488)
Pension expense - ROD	(3,565)
OPEB plan expense	(1,173,284)
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.	2,828,277
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.	10,839
Consolidation of Internal Service Fund	(1,469,462)
Changes in capital lease receivable	(261,756)
Changes in accrued interest receivable	(129,631)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	118,359
Changes in deferred outflow related to bond issuance	<u>(43,270)</u>
Total change in net position of governmental activities	<u>\$ 2,215,623</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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Over/Under
Revenues:				
Ad valorem taxes	\$ 51,626,558	\$ 51,626,558	\$ 55,185,869	\$ 3,559,311
Local option sales tax	12,857,558	12,857,558	15,860,697	3,003,139
Other taxes and licenses	701,200	701,200	801,466	100,266
Unrestricted intergovernmental	271,500	271,500	604,766	333,266
Restricted intergovernmental	14,811,108	16,367,164	16,589,959	222,795
Permits and fees	1,404,592	1,709,592	1,779,228	69,636
Sales and services	7,044,243	7,122,509	7,258,952	136,443
Investment earnings	750,000	750,000	874,526	124,526
Miscellaneous	36,100	124,917	506,622	381,705
Total revenues	<u>89,502,859</u>	<u>91,530,998</u>	<u>99,462,085</u>	<u>7,931,087</u>
Expenditures:				
Current:				
General government	9,894,088	9,935,427	9,312,794	622,633
Public safety	22,829,429	23,190,728	20,873,612	2,317,116
Transportation	47,857	47,857	47,857	-
Environmental protection	277,811	277,811	243,632	34,179
Economic and physical development	1,451,322	1,454,322	1,417,086	37,236
Human services	30,767,197	34,598,042	29,633,463	4,964,579
Cultural and recreation	2,528,123	2,565,069	2,369,686	195,383
Intergovernmental:				
Education	25,525,713	25,525,713	25,525,713	-
Debt service:				
Principal retirement	3,005,384	2,828,281	2,828,277	4
Interest and other charges	299,387	299,387	299,389	(2)
Total expenditures	<u>96,626,311</u>	<u>100,722,637</u>	<u>92,551,509</u>	<u>8,171,128</u>
Revenues over (under) expenditures	<u>(7,123,452)</u>	<u>(9,191,639)</u>	<u>6,910,576</u>	<u>16,102,215</u>
Other Financing Sources (Uses):				
Transfers to other funds	(2,178,725)	(5,642,342)	(5,417,342)	225,000
Capital lease issued	-	176,548	184,533	7,985
Sale of capital assets	20,000	20,000	37,131	17,131
Fund balance appropriated	9,282,177	14,637,433	-	(14,637,433)
Total other financing sources (uses)	<u>7,123,452</u>	<u>9,191,639</u>	<u>(5,195,678)</u>	<u>(14,387,317)</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, 2020

	<u>General Fund</u>			Variance with Final Over/Under
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,714,898	<u>\$ 1,714,898</u>
Fund Balance:				
Beginning of year, July 1			<u>47,709,629</u>	
End of year, June 30			49,424,527	
Legally budgeted Tax Revaluation Fund and Economic Development Fund are consolidated into the General Fund for reporting purposes:				
Investment earnings			1,678	
Transfer in from General Fund			1,728,725	
Expenditures - Economic Development			(1,581,053)	
Fund balance, beginning			<u>681,733</u>	
Fund balance, ending (Exhibit D)			<u>\$ 50,255,610</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, 2020

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 20,118,770	\$ 1,933,297	\$ 1,302,830	\$ 23,354,897	\$ 3,605,955
Restricted cash and cash equivalents	-	126,427	124,779	251,206	-
Receivables, net	105,384	156,726	201,675	463,785	152,501
Due from other governments	47,727	-	-	47,727	-
Total current assets	<u>20,271,881</u>	<u>2,216,450</u>	<u>1,629,284</u>	<u>24,117,615</u>	<u>3,758,456</u>
Capital assets:					
Land and construction in progress	3,574,649	48,389	78,669	3,701,707	-
Other capital assets, net of depreciation	3,512,427	6,800,409	10,765,162	21,077,998	-
Capital assets, net	<u>7,087,076</u>	<u>6,848,798</u>	<u>10,843,831</u>	<u>24,779,705</u>	<u>-</u>
Total assets	<u>27,358,957</u>	<u>9,065,248</u>	<u>12,473,115</u>	<u>48,897,320</u>	<u>3,758,456</u>
Deferred Outflows of Resources:					
OPEB deferrals	146,732	18,415	16,766	181,913	-
Pension deferrals	145,558	23,171	23,901	192,630	-
Total deferred outflows of resources	<u>292,290</u>	<u>41,586</u>	<u>40,667</u>	<u>374,543</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable	150,937	108,258	126,458	385,653	1,012,146
Current portion of notes payable	-	24,075	28,836	52,911	-
Current portion of compensated absences	46,146	9,624	9,624	65,394	-
Current portion of debt	33,843	89,862	158,929	282,634	-
Accrued interest	-	8,424	14,973	23,397	-
Total current liabilities	<u>230,926</u>	<u>240,243</u>	<u>338,820</u>	<u>809,989</u>	<u>1,012,146</u>
Non-current liabilities:					
Liabilities payable from restricted assets:					
Customer deposits	-	126,427	124,779	251,206	-
Net pension liability	297,668	42,450	41,828	381,946	-
Accrued landfill closure and post-closure care costs	4,249,862	-	-	4,249,862	-
Total OPEB liability	1,548,658	185,723	182,590	1,916,971	-
Notes payable	-	192,606	230,689	423,295	-
Limited obligation bond	-	2,638,725	4,840,480	7,479,205	-
Total non-current liabilities	<u>6,096,188</u>	<u>3,185,931</u>	<u>5,420,366</u>	<u>14,702,485</u>	<u>-</u>
Total liabilities	<u>6,327,114</u>	<u>3,426,174</u>	<u>5,759,186</u>	<u>15,512,474</u>	<u>1,012,146</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, 2020

	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	307,874	32,745	33,593	374,212	-
Pension deferrals	8,873	4,149	4,105	17,127	-
Total deferred inflows of resources	<u>316,747</u>	<u>36,894</u>	<u>37,698</u>	<u>391,339</u>	-
Net Position:					
Net investment in capital assets	7,087,076	3,903,530	5,584,897	16,575,503	-
Unrestricted	<u>13,920,310</u>	<u>1,740,236</u>	<u>1,132,001</u>	<u>16,792,547</u>	<u>2,746,310</u>
Total net position	<u>\$ 21,007,386</u>	<u>\$ 5,643,766</u>	<u>\$ 6,716,898</u>	33,368,050	<u>\$ 2,746,310</u>
The assets and liabilities of the Internal Service Fund are not included in the fund financial statements, but are included in the business-type activities of the Statement of Net Position.				<u>213,436</u>	
Total net position - business-type activities				<u>\$ 33,581,486</u>	

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

WILSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Operating Revenues:					
Charges for services	\$ 3,458,796	\$ 1,021,380	\$ 1,372,350	\$ 5,852,526	\$ 6,765,497
Operating Expenses:					
Salaries and employee benefits	1,357,137	187,627	167,470	1,712,234	-
Operating expense	1,335,684	125,294	356,729	1,817,707	8,183,897
Landfill closure	353,736	-	-	353,736	-
Depreciation/amortization	227,202	269,031	369,812	866,045	-
Water purchase	-	252,574	311,594	564,168	-
Total operating expenses	3,273,759	834,526	1,205,605	5,313,890	8,183,897
Operating income (loss)	185,037	186,854	166,745	538,636	(1,418,400)
Non-Operating Revenues (Expenses):					
Gain (loss) on disposal of assets	(7,830)	-	-	(7,830)	-
Interest/investment revenue	55,132	-	-	55,132	-
Restricted intergovernmental revenue	-	19,302	17,414	36,716	-
Interest expense	-	(104,876)	(189,258)	(294,134)	-
Total non-operating revenues (expenses)	47,302	(85,574)	(171,844)	(210,116)	-
Change in net position	232,339	101,280	(5,099)	328,520	(1,418,400)
Beginning of year - July 1	20,775,047	5,542,486	6,721,997	33,039,530	4,164,710
End of year - June 30	\$ 21,007,386	\$ 5,643,766	\$ 6,716,898	\$ 33,368,050	\$ 2,746,310
Change in net position, per above				\$ 328,520	
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.				51,062	
Total change in net position - business-type activities				\$ 379,582	

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, 2020

	Major Enterprise Funds			Total	Governmental
	Solid Waste Fund	Water Distribution Fund Southeast District	Water Distribution Fund Southwest District		Internal Service Fund
Cash Flows from Operating Activities:					
Cash received from customers	\$ 3,490,316	\$ 991,581	\$ 1,345,455	\$ 5,827,352	\$ 6,765,497
Cash paid for goods and services	(1,368,772)	(311,950)	(565,121)	(2,245,843)	(7,371,071)
Cash paid to employees for services	(1,241,867)	(173,968)	(155,843)	(1,571,678)	-
Net cash provided (used) by operating activities	<u>879,677</u>	<u>505,663</u>	<u>624,491</u>	<u>2,009,831</u>	<u>(605,574)</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from sale of assets	11,481	-	-	11,481	-
Acquisition and construction of capital assets	(439,548)	(17,079)	(17,079)	(473,706)	-
Principal paid on bond maturities and equipment contracts	-	(104,075)	(178,836)	(282,911)	-
Interest paid on bond maturities equipment contracts	-	(105,212)	(189,832)	(295,044)	-
Net cash provided (used) by capital and related financing activities	<u>(428,067)</u>	<u>(226,366)</u>	<u>(385,747)</u>	<u>(1,040,180)</u>	<u>-</u>
Cash Flows from Non-Capital and Related Activities:					
Grants	-	19,302	17,414	36,716	-
Other non-operating revenues	(11,481)	-	-	(11,481)	-
Net cash provided (used) by non-capital and related financing activities	<u>(11,481)</u>	<u>19,302</u>	<u>17,414</u>	<u>25,235</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	55,132	-	-	55,132	-
Net increase (decrease) in cash and cash equivalents	495,261	298,599	256,158	1,050,018	(605,574)
Cash and Cash Equivalents:					
Beginning of year - July 1	<u>19,623,509</u>	<u>1,761,125</u>	<u>1,171,451</u>	<u>22,556,085</u>	<u>4,211,529</u>
End of year - June 30	<u>\$ 20,118,770</u>	<u>\$ 2,059,724</u>	<u>\$ 1,427,609</u>	<u>\$ 23,606,103</u>	<u>\$ 3,605,955</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 185,037	\$ 186,854	\$ 166,745	\$ 538,636	\$ (1,418,400)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization	227,202	269,031	369,812	866,045	-
Changes in assets, liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	31,520	(40,348)	(44,104)	(52,932)	-
(Increase) decrease in deferred outflows of resources for pensions	43,768	5,544	4,814	54,126	-
Increase (decrease) in deferred inflows of resources for pensions	2,668	338	294	3,300	-
Increase (decrease) in net pension liability	37,326	4,728	4,106	46,160	-
Increase (decrease) in post-closure	353,736	-	-	353,736	-
Increase (decrease) in accounts payable and accrued liabilities	(38,010)	74,852	118,796	155,638	812,826
(Increase) decrease in deferred outflows of resources for OPEB	(96,244)	(12,102)	(10,453)	(118,799)	-
Increase (decrease) in deferred inflows of resources for OPEB	(49,184)	(6,216)	(5,368)	(60,768)	-
Increase (decrease) in OPEB payable	<u>181,858</u>	<u>22,982</u>	<u>19,849</u>	<u>224,689</u>	<u>-</u>
Total adjustments	<u>694,640</u>	<u>318,809</u>	<u>457,746</u>	<u>1,471,195</u>	<u>812,826</u>
Net cash provided (used) by operating activities	<u>\$ 879,677</u>	<u>\$ 505,663</u>	<u>\$ 624,491</u>	<u>\$ 2,009,831</u>	<u>\$ (605,574)</u>

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

WILSON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITON
FIDUCIARY FUNDS
JUNE 30, 2020**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 99,803
Accounts receivable	<u>28,402</u>
Total assets	<u>\$ 128,205</u>
Liabilities:	
Miscellaneous liabilities	\$ 62,149
Intergovernmental payable	<u>66,056</u>
Total liabilities	<u>\$ 128,205</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, 2020

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, 2020

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 funds:

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Coronavirus Relief Grant Fund. This fund is used to account for the grants received to assist in the County's response to the coronavirus global pandemic, COVID-19.

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 Fund, 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 seven legally budgeted nonmajor funds. The Emergency Telephone System Fund, the Fire District Fund, the Transportation Fund, and the Economic Development Grant Fund are reported as nonmajor special revenue funds. The 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, 2020

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. 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, Coronavirus Relief 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 ordinance is adopted for the 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, 2020

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, depreciation, 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 North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund, which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio is a short term-bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

2. Cash and Cash Equivalents

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

3. **Restricted Assets**

Governmental funds: \$586,493 in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. \$47,500 in federal asset forfeiture and state-controlled substance funds are also classified as restricted assets because their use is restricted for future law enforcement expenditures. \$1,460,810 in the Coronavirus Relief Grant Fund and \$14 in the Public Buildings Fund are restricted for unspent grant proceeds.

Enterprise funds: \$251,206 of customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

4. **Ad Valorem Taxes Receivable**

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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 criteria – a charge on refunding, and OPEB and pension related deferrals.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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.

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State Statute – 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A due to restricted for Register of Deeds' pension plan of \$89,501.

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 2020-2021 expenditures.

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

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

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 50,255,610
Less:	
Stabilization by state statute	<u>9,727,226</u>
Total available fund balance	<u>\$ 40,528,384</u>

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. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2020, the expenditures made in the County's Hospital Self-Insurance Fund exceeded the financial plan made by the governing board by \$628,261. This over-expenditure occurred because of claims that were incurred but not reported (IBNR) at June 30. Management will more closely monitor the budget to include an estimate of unreported claims to ensure compliance in future years.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

III. Detail Notes On All Funds

A. Assets

1. Deposits

All of the County's and the ABC Board's deposits are insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's 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. 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, 2020, the County's deposits had a carrying amount of \$18,632,793 and a bank balance of \$19,014,307. 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, 2020, Wilson County had \$4,710 cash on hand.

At June 30, 2020, the carrying amount of deposits for the ABC Board was \$1,752,539, and the bank balance was \$1,749,675. Of the bank balance, \$341,450 was covered by federal depository insurance, and \$1,408,225 was collateralized by institutions using the Pooling Method.

At June 30, 2020, the ABC Board had \$7,900 cash on hand.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

2. Investments

As of June 30, 2020, 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	\$ 37,745,833	\$ 37,745,833	N/A	N/A
Term Portfolio*	Fair Value-Level 1	23,308,743	23,308,743	N/A	N/A
Total		<u>\$ 61,054,576</u>	<u>\$ 61,054,576</u>	<u>\$ -</u>	<u>\$ -</u>

*As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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

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

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

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. 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, 2020, the ABC Board had no investments.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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>
2017	\$ 1,523,600	\$ 361,857	\$ 1,885,457
2018	1,529,415	225,590	1,755,005
2019	1,528,860	87,911	1,616,771
2020	1,542,270	-	1,542,270
Total	<u>\$ 6,124,145</u>	<u>\$ 675,358</u>	<u>\$ 6,799,503</u>

4. Receivables

Receivables at the government-wide level at June 30, 2020 were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,644,408	\$ 2,763,046	\$ 7,459,269	\$ 12,866,723
Other governmental	231,478	66,648	61,352	359,478
Total receivables	2,875,886	2,829,694	7,520,621	13,226,201
Allowance for doubtful accounts	(719,195)	(973,823)	-	(1,693,018)
Total governmental activities	<u>\$ 2,156,691</u>	<u>\$ 1,855,871</u>	<u>\$ 7,520,621</u>	<u>\$ 11,533,183</u>
Business-Type Activities:				
Landfill	\$ 125,647	\$ -	\$ 47,727	\$ 173,374
Water and sewer	550,002	-	-	550,002
Total receivables	675,649	-	47,727	723,376
Allowance for doubtful accounts	(211,864)	-	-	(211,864)
Total business-type activities	<u>\$ 463,785</u>	<u>\$ -</u>	<u>\$ 47,727</u>	<u>\$ 511,512</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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

	Governmental Activities	Business-Type Activities
Local option sales tax	\$ 3,003,385	\$ -
White goods disposal tax	-	9,523
Scrap tire tax	-	24,900
North Carolina administrative reimbursement and other	3,658,940	13,304
DMV tax distribution	816,927	-
Emergency telephone	41,369	-
Total	\$ 7,520,621	\$ 47,727

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, 2020 were as follows:

Year Ending June 30	Amount
2021	\$ 261,756
2022	261,758
Total	\$ 523,514

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

5. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 3,399,703	\$ -	\$ -	\$ -	\$ 3,399,703
Construction in progress	2,656,858	81,735	47,481	(2,609,377)	81,735
Total non-depreciable assets	<u>6,056,561</u>	<u>81,735</u>	<u>47,481</u>	<u>(2,609,377)</u>	<u>3,481,438</u>
Depreciable Capital Assets:					
Buildings	25,270,707	-	-	-	25,270,707
Other improvements	7,764,126	405,213	-	1,735,444	9,904,783
Furniture and equipment	10,531,844	372,564	146,733	873,933	11,631,608
Vehicles	6,468,743	673,574	415,407	-	6,726,910
Total depreciable assets	<u>50,035,420</u>	<u>1,451,351</u>	<u>562,140</u>	<u>2,609,377</u>	<u>53,534,008</u>
Less Accumulated Depreciation:					
Buildings	13,072,234	476,946	-	-	13,549,180
Other improvements	3,440,078	312,168	-	-	3,752,246
Furniture and equipment	8,264,073	895,711	132,280	-	9,027,504
Vehicles	5,082,700	497,611	385,432	-	5,194,879
Total accumulated depreciation	<u>29,859,085</u>	<u>\$ 2,182,436</u>	<u>\$ 517,712</u>	<u>\$ -</u>	<u>31,523,809</u>
Total depreciable capital assets, net	<u>20,176,335</u>				<u>22,010,199</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 26,232,896</u>				<u>\$ 25,491,637</u>

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

General government	\$ 361,269
Public safety	1,074,989
Economic and physical development	33,024
Human services	527,393
Cultural and recreation	155,039
Transportation	30,722
Total	<u>\$ 2,182,436</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Business-Type Activities:					
Solid Waste:					
Non-Depreciable Capital Assets:					
Land	\$ 3,081,656	\$ -	\$ -	\$ -	\$ 3,081,656
Construction in progress	264,068	439,548	7,830	(202,793)	492,993
Total non-depreciable assets	3,345,724	439,548	7,830	(202,793)	3,574,649
Depreciable Capital Assets:					
Buildings	1,735,292	-	-	-	1,735,292
Infrastructure	1,146,778	-	-	202,793	1,349,571
Furniture and equipment	2,872,289	-	31,363	-	2,840,926
Vehicles	992,664	-	101,760	-	890,904
Total depreciable assets	6,747,023	-	133,123	202,793	6,816,693
Less Accumulated Depreciation:					
Buildings	237,078	40,230	-	-	277,308
Infrastructure	224,764	25,894	-	-	250,658
Furniture and equipment	2,047,420	102,576	36,286	-	2,113,710
Vehicles	700,925	58,502	96,837	-	662,590
Total accumulated depreciation	3,210,187	\$ 227,202	\$ 133,123	\$ -	3,304,266
Total depreciable capital assets, net	3,536,836				3,512,427
Solid Waste Capital Assets, Net	6,882,560				7,087,076
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	-	2,947	-	13,473
Vehicles	40,794	17,079	-	-	57,873
Total depreciable assets	10,922,165	17,079	2,947	-	10,936,297
Less Accumulated Depreciation:					
Plant and distribution system	3,811,291	271,435	-	-	4,082,726
Office and maintenance equipment	12,857	750	2,947	-	10,660
Vehicles	40,794	1,708	-	-	42,502
Total accumulated depreciation	3,864,942	\$ 273,893	\$ 2,947	\$ -	4,135,888
Total depreciable capital assets, net	7,057,223				6,800,409
Southeast Water District Capital Assets, Net	7,105,612				6,848,798

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Business-Type Activities (continued):					
Southwest Water District:					
Non-Depreciable Capital Assets:					
Land	78,669	\$ -	\$ -	\$ -	78,669
Depreciable Capital Assets:					
Plant and distribution system	15,859,141	-	-	-	15,859,141
Office and maintenance equipment	14,628	-	-	-	14,628
Vehicles	40,794	17,079	-	-	57,873
Total depreciable assets	15,914,563	17,079	-	-	15,931,642
Less Accumulated Depreciation:					
Plant and distribution system	4,735,879	376,283	-	-	5,112,162
Office and maintenance equipment	11,066	750	-	-	11,816
Vehicles	40,794	1,708	-	-	42,502
Total accumulated depreciation	4,787,739	\$ 378,741	\$ -	\$ -	5,166,480
Total depreciable capital assets, net	11,126,824				10,765,162
Southwest Water District					
Capital Assets, Net	11,205,493				10,843,831
Business-Type Activities					
Capital Assets, Net	\$ 25,193,665				\$ 24,779,705

Construction Commitments

The government has active construction projects as of June 30, 2020. 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	\$ 5,858,368	\$ 62,213
2020 School Improvement	292,262	1,769,951
Solid Waste Westside 2	236,755	842,645
EMS Substation	136,350	409,888
Animal Shelter	423,195	791,459
Total	\$ 6,946,930	\$ 3,876,156

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Discretely Presented Component Unit

Capital asset activity for the ABC Board for the year ended June 30, 2020 was as follows:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
Wilson County ABC Board:				
Non-Depreciable Capital Assets:				
Land	\$ 574,341	\$ -	\$ -	\$ 574,341
Depreciable Capital Assets:				
Buildings	3,296,623	-	11,712	3,284,911
Furniture and equipment	595,666	59,526	219,249	435,943
Vehicles	108,905	-	-	108,905
Leasehold improvements	42,203	-	6,810	35,393
Total depreciable assets	<u>4,043,397</u>	<u>59,526</u>	<u>237,771</u>	<u>3,865,152</u>
Less Accumulated Depreciation:				
Buildings	630,116	67,237	10,549	686,804
Furniture and equipment	426,142	44,261	217,110	253,293
Vehicles	31,601	16,677	-	48,278
Leasehold improvements	36,601	3,352	6,810	33,143
Total accumulated depreciation	<u>1,124,460</u>	<u>\$ 131,527</u>	<u>\$ 234,469</u>	<u>1,021,518</u>
Total depreciable capital assets, net	<u>2,918,937</u>			<u>2,843,634</u>
ABC Board Capital Assets, Net	<u>\$ 3,493,278</u>			<u>\$ 3,417,975</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020 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	\$ 3,726,789	\$ 177,059	\$ 75,836	\$ -	\$ 3,979,684
Other governmental	38,956	-	-	624,217	663,173
Total governmental activities	<u>\$ 3,765,745</u>	<u>\$ 177,059</u>	<u>\$ 75,836</u>	<u>\$ 624,217</u>	<u>\$ 4,642,857</u>
Business-Type Activities:					
Solid waste	\$ 110,067	\$ 40,870	\$ -	\$ -	\$ 150,937
Water distribution funds:					
Southeast district	107,685	573	8,424	-	116,682
Southwest district	125,885	573	14,973	-	141,431
Total business-type activities	<u>\$ 343,637</u>	<u>\$ 42,016</u>	<u>\$ 23,397</u>	<u>\$ -</u>	<u>\$ 409,050</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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.

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020 was 9.70% of compensation for law enforcement officers and 8.95% 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 \$2,868,545 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$13,036,875 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.47738% (measured as of June 30, 2019), which was a decrease of 0.01971% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020, the County recognized pension expense of \$5,660,620. At June 30, 2020, 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	\$ 2,232,243	\$ -
Changes of assumptions	2,124,795	-
Net difference between projected and actual earnings on pension plan investments	317,987	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	493,450
County contributions subsequent to the measurement date	2,868,545	-
Total	\$ 7,543,570	\$ 493,450

\$2,868,545 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, 2021. 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
2021	\$ 2,173,023
2022	570,826
2023	1,140,152
2024	297,574
2025	-
Thereafter	-
Total	\$ 4,181,575

Actuarial Assumptions. The total pension liability in the December 31, 2018 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 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	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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>\$29,817,718</u>	<u>\$13,036,875</u>	<u>\$ (911,404)</u>

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

Law Enforcement Officers’ Special Separation Allowance

Plan Description. Wilson County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	14
Active members	<u>77</u>
Total	<u><u>91</u></u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 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	3.26 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019.

The actuarial assumptions used in the December 31, 2018 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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 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 \$203,749 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, 2020, the County reported a total pension liability of \$2,896,272. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$267,677.

At June 30, 2020, 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 151,919	\$ -
Changes of assumptions and other inputs	157,637	94,024
County benefit payments and plan administrative expenses made subsequent to the measurement date	92,806	-
Total	<u>\$ 402,362</u>	<u>\$ 94,024</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

\$92,806 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 ending June 30, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
June 30	
2021	\$ 54,704
2022	54,704
2023	58,636
2024	24,116
2025	<u>23,372</u>
Total	<u>\$ 215,532</u>

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 3.26%, 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 (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	<u>\$ 3,151,560</u>	<u>\$ 2,896,272</u>	<u>\$ 2,664,877</u>

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

	2020
Beginning balance	\$ 2,695,167
Service cost	117,711
Interest on the total pension liability	94,396
Differences between expected and actual experience in the measurement of the total pension liability	102,094
Changes of assumptions and other inputs	90,653
Benefit payments	<u>(203,749)</u>
Ending balance of the total pension liability	<u>\$ 2,896,272</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions. Changes of assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.64 percent at December 31, 2018 to 3.26 percent at December 31, 2019.

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

The County contributed \$321,543 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,162 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$83,047 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 0.42066%, which was a decrease of 0.02416% from its proportion measured as of June 30, 2018.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020, the County recognized pension expense of \$8,725. At June 30, 2020, 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	\$ -	\$ 4,005
Net difference between projected and actual earnings on pension plan investments	850	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,447	-
County contributions subsequent to the measurement date	5,162	-
Total	\$ 10,459	\$ 4,005

\$5,162 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 ending June 30, 2021. 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
2021	\$ 493
2022	1,990
2023	450
2024	(1,641)
2025	-
Thereafter	-
Total	\$ 1,292

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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)	<u>\$ (68,648)</u>	<u>\$ (83,047)</u>	<u>\$ (95,221)</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.

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at December 31, 2018. The total pension liability for LEOSSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018. 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 participating entities. Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	ROD	LEOSSA	Total
Proportionate share of net pension liability (asset)	\$ 13,036,875	\$ (83,047)	\$ -	\$ 12,953,828
Proportion of the net pension liability (asset)	0.47738%	0.42066%	n/a	-
Total pension liability	-	-	2,896,272	2,896,272
Pension expense	5,660,620	8,725	267,677	5,937,022

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:				
Pensions - difference between expected and actual experience	\$ 2,232,243	\$ -	\$ 151,919	\$ 2,384,162
Pensions - difference between projected and actual investment earnings	317,987	850	-	318,837
Changes of assumptions	2,124,795	-	157,637	2,282,432
Pensions - change in proportion and and difference between employer contributions and proportionate share of contributions	-	4,447	-	4,447
County contributions (LGERS, ROD)/ benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,868,545</u>	<u>5,162</u>	<u>92,806</u>	<u>2,966,513</u>
Total	<u>\$ 7,543,570</u>	<u>\$ 10,459</u>	<u>\$ 402,362</u>	<u>\$ 7,956,391</u>

Deferred Inflows of Resources:				
Pensions - difference between expected and actual experience	\$ -	\$ 4,005	\$ -	\$ 4,005
Changes of assumptions	-	-	94,024	94,024
Pensions - change in proportion and difference between employer and proportionate share of contributions	<u>493,450</u>	<u>-</u>	<u>-</u>	<u>493,450</u>
Total	<u>\$ 493,450</u>	<u>\$ 4,005</u>	<u>\$ 94,024</u>	<u>\$ 591,479</u>

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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	658
Total	847

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.

Total OPEB Liability

The County’s total OPEB liability of \$56,968,613 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

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	3.89 percent
Measurement date	3.50 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

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	<u>\$ 50,909,788</u>
Changes for the year:	
Service cost*	1,523,584
Interest	1,963,277
Differences between expected and actual experience	(353,713)
Changes of assumptions or other inputs	3,814,033
Net benefit payments	<u>(888,356)</u>
Net changes	<u>6,058,825</u>
Balance at June 30, 2020	<u><u>\$ 56,968,613</u></u>

*The service cost includes interest for the year.

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.89% to 3.50%.

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June 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 through 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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	<u>\$ 68,702,424</u>	<u>\$ 56,968,613</u>	<u>\$ 47,886,113</u>

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

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 46,750,375</u>	<u>\$ 56,968,613</u>	<u>\$ 70,480,037</u>

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$2,118,028. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 527,741	\$ 4,030,593
Changes of assumptions	3,307,521	6,167,552
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>1,117,693</u>	<u>-</u>
Total	<u>\$ 4,952,955</u>	<u>\$ 10,198,145</u>

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

\$1,117,693 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
June 30	Total
2021	\$ (1,368,833)
2022	(1,368,833)
2023	(1,368,833)
2024	(1,368,833)
2025	(1,009,869)
Thereafter	<u>122,318</u>
Total	<u>\$ (6,362,883)</u>

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020 are \$4,283,705.

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, 2020, those funds are held in investments with a cost and market value of \$5,153,510. 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.

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	\$ 381,755
Taxes receivable, net (General Fund)	1,557,744
Taxes receivable, net (special revenue)	47,237
Differences between expected and actual experience OPEB and ROD	4,034,598
Changes of assumptions LEOSSA and OPEB	6,261,576
Changes in proportion and differences between County contributions and proportionate share of contributions LGERS	493,450
Total	<u>\$ 12,776,360</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

	Deferred Outflows
Charge on refunding of debt	\$ 345,920
Differences between expected and actual experience LGERS, LEOSA, and OPEB	2,911,903
Changes of assumptions LGERS, LEOSA, and OPEB	5,589,953
Net difference between projected and actual earnings on pension plan investments LGERS and ROD	318,837
Changes in proportion and differences between County contributions and proportionate share of contributions ROD	4,447
Benefit payments for the OPEB plan paid subsequent to the measurement date	1,117,693
Contributions to pension plan in current fiscal year (LGERS and ROD)	2,873,707
Benefit payments/administration costs paid subsequent to the measurement date (LEOSA)	92,806
Total	<u>\$ 13,255,266</u>

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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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.

Premiums are paid to the fund by the County for employees and by the employee for dependents. A total of \$8,168,461 in claims was incurred for benefits during the year ended June 30, 2020. Changes in the fund's claims liability amount were as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Unpaid claims, beginning of year	\$ 199,320	\$ 785,379
Incurred claims (including IBNRs)	8,168,461	7,508,971
Claim payments	<u>(7,355,635)</u>	<u>(8,095,030)</u>
Unpaid claims, end of year	<u>\$ 1,012,146</u>	<u>\$ 199,320</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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, 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 January 13, 2016 for monitors and defibrillators requiring five annual installments of \$75,157;
3. Lease executed on January 26, 2016 for voting machines requiring five annual installments of \$75,547;
4. Lease executed on July 1, 2016 for laptops requiring three annual installments of \$51,531;
5. Lease executed on December 1, 2017 for software requiring thirty-six monthly installments of \$308.
6. Lease executed on October 1, 2017 for computer equipment requiring three annual installments of \$11,314.
7. Lease executed on October 1, 2019 for computer equipment requiring three annual installments of \$56,760.
8. Lease executed on July 1, 2019 for copier requiring thirty-six monthly installments of \$396.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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	\$ 1,115,516	\$ 887,197	\$ 228,319
Buildings	1,091,055	296,403	794,652
Total	<u>\$ 2,206,571</u>	<u>\$ 1,183,600</u>	<u>\$ 1,022,971</u>

For Wilson County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 150,158
2022	104,911
Total minimum lease payments	255,069
Less: amount representing interest	(13)
Present value of the minimum lease payments	<u>\$ 255,056</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.

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.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 \$ 7,420,000

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

Year Ending	Business-Type Activities	
	Principal	Interest
June 30		
2021	\$ 235,000	\$ 274,713
2022	245,000	265,313
2023	255,000	255,513
2024	260,000	245,313
2025	275,000	234,913
2026-2030	1,515,000	1,011,613
2031-2035	1,795,000	734,781
2036-2040	2,030,000	358,425
2041-2042	810,000	42,525
Total	<u>\$ 7,420,000</u>	<u>\$ 3,423,109</u>

The County's outstanding notes from direct placement related to business-type activities limited obligation bonds in the amount of \$7,420,000 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;
- (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.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County's financing debt at June 30, 2020 is comprised of the following:

	<u>Balance</u> <u>June 30, 2020</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%	\$ 54,860
\$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%	9,210,000
\$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%	1,047,025
\$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	4,736,464
\$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	291,513
Total	<u>\$ 15,339,862</u>

The County's outstanding notes from direct placement related to General Fund activities in the amount of \$54,860 is secured by a deed of trust.

The County's outstanding notes from direct placement related to General Fund advance refunding in the amount of \$9,210,000 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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- (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 \$1,047,025 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 \$4,736,464 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
- (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,

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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 \$291,513 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, 2020

	<u>Balance</u> <u>June 30, 2020</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	\$ 259,525
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>216,681</u>
Total	<u><u>\$ 476,206</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, 2020, including interest payments, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	165,962	52,911	7,778	1,647,616	173,740
2024	1,564,705	119,448	52,911	6,667	1,617,616	126,115
2025	1,529,705	94,176	52,911	5,556	1,582,616	99,732
2026-2030	5,198,527	138,240	211,651	11,111	5,410,178	149,351
2031-2034	789,412	-	-	-	789,412	-
Total	<u>\$ 15,339,862</u>	<u>\$ 956,109</u>	<u>\$ 476,206</u>	<u>\$ 50,001</u>	<u>\$ 15,816,068</u>	<u>\$ 1,006,110</u>

At June 30, 2020, the County had a legal debt margin of \$572,946,069.

Debt Related to Capital Activities – Of the total governmental activities’ debt listed, only \$1,070,081 relates to assets the County holds title.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
Capitalized leases	\$ 393,420	\$ 184,533	\$ 322,897	\$ 255,056	\$ 88,634
Notes payable - direct placement	17,845,242	-	2,505,380	15,339,862	2,486,550
Compensated absences	2,391,036	2,278,173	2,396,532	2,272,677	2,272,677
Net pension liability (LGERS)	11,456,890	1,198,039	-	12,654,929	-
Total pension liability (LEOSSA)	2,695,167	201,105	-	2,896,272	-
Total OPEB liability	<u>49,217,506</u>	<u>5,834,136</u>	<u>-</u>	<u>55,051,642</u>	<u>-</u>
Total governmental activities	<u>\$ 83,999,261</u>	<u>\$ 9,695,986</u>	<u>\$ 5,224,809</u>	<u>\$ 88,470,438</u>	<u>\$ 4,847,861</u>
Business-Type Activities:					
Southeast Water District:					
Limited obligation bond - direct placement	\$ 2,700,000	\$ -	\$ 80,000	\$ 2,620,000	\$ 85,000
Notes payable - direct placement	240,756	-	24,075	216,681	24,075
Bond premium	113,449	-	4,862	108,587	4,862
Compensated absences	11,239	10,175	11,790	9,624	9,624
Net pension liability (LGERS)	37,722	4,728	-	42,450	-
Total OPEB liability	<u>162,741</u>	<u>22,982</u>	<u>-</u>	<u>185,723</u>	<u>-</u>
Total Southeast Water District	<u>3,265,907</u>	<u>37,885</u>	<u>120,727</u>	<u>3,183,065</u>	<u>123,561</u>
Business-Type Activities:					
Southwest Water District:					
Limited obligation bond - direct placement	\$ 4,950,000	\$ -	\$ 150,000	\$ 4,800,000	\$ 150,000
Notes payable - direct placement	288,361	-	28,836	259,525	28,836
Bond premium	208,338	-	8,929	199,409	8,929
Compensated absences	11,239	10,175	11,790	9,624	9,624
Net pension liability (LGERS)	37,722	4,106	-	41,828	-
Total OPEB liability	<u>162,741</u>	<u>19,849</u>	<u>-</u>	<u>182,590</u>	<u>-</u>
Total Southwest Water District	<u>5,658,401</u>	<u>34,130</u>	<u>199,555</u>	<u>5,492,976</u>	<u>197,389</u>

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Solid Waste:					
Accrued landfill closure and post-closure care costs	\$ 3,929,969	\$ 417,543	\$ 63,807	\$ 4,283,705	\$ 33,843
Compensated absences	51,068	40,490	45,412	46,146	46,146
Net pension liability (LGERS)	260,342	37,326	-	297,668	-
Total OPEB liability	<u>1,366,800</u>	<u>181,858</u>	<u>-</u>	<u>1,548,658</u>	<u>-</u>
Total solid waste	<u>5,608,179</u>	<u>677,217</u>	<u>109,219</u>	<u>6,176,177</u>	<u>79,989</u>
 Total business-type activities	 <u>\$ 14,532,487</u>	 <u>\$ 749,232</u>	 <u>\$ 429,501</u>	 <u>\$ 14,852,218</u>	 <u>\$ 400,939</u>
	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Discretely Presented					
Component Unit:					
Long-Term Liabilities:					
Compensated absences	\$ 51,920	\$ -	\$ 5,127	\$ 46,793	\$ -
Net pension liability (LGERS)	192,160	5,013	-	197,173	-
Total OPEB liability	<u>1,331,608</u>	<u>-</u>	<u>112,242</u>	<u>1,219,366</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,575,688</u>	<u>\$ 5,013</u>	<u>\$ 117,369</u>	<u>\$ 1,463,332</u>	<u>\$ -</u>

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

8. Interfund Balances and Activity

Due to the General Fund from Transportation Fund at June 30, 2020 of \$54,620 was for time lag related to when reimbursable expenditures were received.

WILSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Transfers to/from other funds for year ended June 30, 2020 consist of the following:

From the General Fund to the Economic Development Grant Fund for County match of project funding	\$ 838,077
From the General Fund to the Capital Reserve Fund to set aside funds for future construction	788,327
From Capital Reserve Fund to Public Buildings Fund for local contribution to projects	1,838,327
From the General Fund to the School Capital Project Fund for local contribution to schools	<u>2,062,213</u>
Total	<u>\$ 5,526,944</u>

9. Net Investment in Capital Assets

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 25,491,637</u>	<u>\$ 24,779,705</u>
Long-term debt gross	15,594,918	8,204,202
Less: Long-term debt related to assets not owned by the County	(13,946,464)	-
Less: Other debt not issued for capital	<u>(578,373)</u>	<u>-</u>
Capital debt, net	<u>1,070,081</u>	<u>8,204,202</u>
Net investment in capital assets	<u>\$ 24,421,556</u>	<u>\$ 16,575,503</u>

Deferred charge on refunding of \$345,920 is related to debt for assets not owned by the County and is excluded from the above calculation.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

IV. 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 \$365,795 to the Council for the fiscal year ended June 30, 2020. 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, 2020. 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 \$225,336 to the Authority's operating purposes during the year ended June 30, 2020. The participants in the joint venture have an equity interest in the Authority's real property; therefore, an equity interest of \$2,058,909 has been reported in the governmental activities in the County's basic financial statements at June 30, 2020. 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 \$2,823,366 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. 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, 2020. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 902 Herring Avenue, Wilson, North Carolina 27893.

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, 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, 2020. 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.

V. 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 \$37,003 to the Council during the fiscal year ended June 30, 2020.

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.

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

WILSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

VII. Subsequent Event

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen, which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

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 THREE FISCAL YEARS**

Total OPEB Liability			
	2020	2019	2018
Beginning balance	\$ 50,909,788	\$ 56,882,100	\$ 60,269,724
Service cost	1,523,584	1,972,998	2,269,163
Interest on TOL and cash flows	1,963,277	1,995,199	1,785,134
Differences between expected and actual experience	(353,713)	(5,070,636)	878,786
Changes of assumptions or other inputs	3,814,033	(3,180,724)	(6,380,406)
Benefit payments	(888,356)	(1,689,149)	(1,940,301)
Ending balance of the total OPEB liability	<u>\$ 56,968,613</u>	<u>\$ 50,909,788</u>	<u>\$ 56,882,100</u>
Covered payroll	\$ 27,375,770	\$ 27,375,770	\$ 27,051,216
Total OPEB liability as a percentage of covered payroll	208.10%	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
2020	3.50%
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 SEVEN FISCAL YEARS***

	Local Governmental Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.47738%	0.49709%	0.51866%	0.51955%	0.50807%	0.51274%	0.50750%
County's proportion of the net pension liability (asset) (\$)	\$ 13,036,875	\$ 11,792,675	\$ 7,923,689	\$ 11,026,592	\$ 2,280,188	\$ (3,023,866)	\$ 6,117,324
County's covered payroll	\$ 30,869,473	\$ 30,732,875	\$ 30,890,267	\$ 29,830,699	\$ 28,732,521	\$ 28,860,961	\$ 26,563,359
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.23%	38.37%	25.65%	36.96%	7.94%	-10.48%	23.03%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	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 SEVEN FISCAL YEARS

	Local Governmental Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,868,545	\$ 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>2,868,545</u>	<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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 31,543,126	\$ 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	9.09%	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 SEVEN FISCAL YEARS*

	Register of Deeds' Supplemental Pension Fund						
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.42066%	0.44482%	0.45783%	0.47649%	0.47707%	0.49006%	0.47400%
County's proportion of the net pension liability (asset) (\$)	\$ (83,047)	\$ (73,676)	\$ (78,147)	\$ (89,085)	\$ (110,556)	\$ (110,078)	\$ (111,078)
County's covered payroll	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202	\$ 70,926
County's proportionate share of the net pension liability as a percentage of its covered payroll	-102.74%	-91.14%	-96.68%	-110.21%	-136.87%	-46.58%	-39.30%
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	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 SEVEN FISCAL YEARS

	Register of Deeds' Supplemental Pension Fund						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,162	\$ 3,544	\$ 3,807	\$ 3,978	\$ 3,892	\$ 3,818	\$ 4,001
Contributions in relation to the contractually required contribution	<u>5,162</u>	<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>	<u>\$ -</u>
County's covered payroll	\$ 83,150	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,834	\$ 80,773	\$ 79,202
Contributions as a percentage of covered payroll	6.21%	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 FOUR FISCAL YEARS***

Law Enforcement Officers' Special Separation Allowance				
	2020	2019	2018	2017
Beginning balance	\$ 2,695,167	\$ 2,762,776	\$ 2,481,531	\$ 2,513,338
Service cost	117,711	124,355	105,919	118,624
Interest on the total pension liability	94,396	84,137	92,374	86,600
Differences between expected and actual experience in the measurement of the total pension liability	102,094	35,620	90,817	-
Changes of assumptions or other inputs	90,653	(111,299)	168,986	(61,889)
Benefit payments	(203,749)	(200,422)	(176,851)	(175,142)
Ending balance of the total pension liability	<u>\$ 2,896,272</u>	<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 FOUR FISCAL YEARS*

Law Enforcement Officers' Special Separation Allowance				
	2020	2019	2018	2017
Total pension liability	\$ 2,896,272	\$ 2,695,167	\$ 2,762,776	\$ 2,481,531
Covered payroll	3,904,382	3,859,405	3,811,844	4,028,341
Total pension liability as a percentage of covered payroll	74.18%	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, 2020**

	<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	\$ 55,185,869	\$ -	\$ -	\$ -	\$ 55,185,869
Local option sales tax	15,860,697	-	-	-	15,860,697
Other taxes and licenses	801,466	-	-	-	801,466
Unrestricted intergovernmental	604,766	-	-	-	604,766
Restricted intergovernmental	16,589,959	-	-	-	16,589,959
Permits and fees	1,779,228	-	-	-	1,779,228
Sales and services	7,258,952	-	-	-	7,258,952
Investment earnings	874,526	1,678	-	-	876,204
Miscellaneous	<u>506,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506,622</u>
Total revenues	<u>99,462,085</u>	<u>1,678</u>	<u>-</u>	<u>-</u>	<u>99,463,763</u>
Expenditures:					
Current:					
General government	9,312,794	-	1,581,053	-	10,893,847
Public safety	20,873,612	-	-	-	20,873,612
Transportation	47,857	-	-	-	47,857
Environmental protection	243,632	-	-	-	243,632
Economic and physical development	1,417,086	-	-	-	1,417,086
Human services	29,633,463	-	-	-	29,633,463
Cultural and recreation	2,369,686	-	-	-	2,369,686
Intergovernmental:					
Education	25,525,713	-	-	-	25,525,713
Debt service:					
Principal retirement	2,828,277	-	-	-	2,828,277
Interest and other charges	<u>299,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,389</u>
Total expenditures	<u>92,551,509</u>	<u>-</u>	<u>1,581,053</u>	<u>-</u>	<u>94,132,562</u>
Revenues over (under) expenditures	<u>6,910,576</u>	<u>1,678</u>	<u>(1,581,053)</u>	<u>-</u>	<u>5,331,201</u>
Other Financing Sources (Uses):					
Transfers to other funds	(5,417,342)	-	-	1,728,725	(3,688,617)
Transfers from other funds	-	135,000	1,593,725	(1,728,725)	-
Capital lease proceeds	184,533	-	-	-	184,533
Sale of capital assets	<u>37,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,131</u>
Total other financing sources (uses)	<u>(5,195,678)</u>	<u>135,000</u>	<u>1,593,725</u>	<u>-</u>	<u>(3,466,953)</u>
Net change in fund balances	1,714,898	136,678	12,672	-	1,864,248
Fund Balances:					
Beginning of year, July 1	<u>47,709,629</u>	<u>449,815</u>	<u>231,918</u>	<u>-</u>	<u>48,391,362</u>
End of year, June 30	<u>\$ 49,424,527</u>	<u>\$ 586,493</u>	<u>\$ 244,590</u>	<u>\$ -</u>	<u>\$ 50,255,610</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 51,329,558	\$ 54,668,481	\$ 3,338,923
Interest	297,000	517,388	220,388
Total	<u>51,626,558</u>	<u>55,185,869</u>	<u>3,559,311</u>
Local Option Sales Taxes	<u>12,857,558</u>	<u>15,860,697</u>	<u>3,003,139</u>
Other Taxes and Licenses:			
Franchise tax	65,000	63,121	(1,879)
Rental vehicle sales tax	50,000	54,658	4,658
Beer and wine tax	121,200	123,702	2,502
Excise tax	465,000	559,985	94,985
Total	<u>701,200</u>	<u>801,466</u>	<u>100,266</u>
Unrestricted Intergovernmental:			
Housing Authority	9,000	4,766	(4,234)
Wilson County ABC Board:			
Profit distribution	262,500	600,000	337,500
Total	<u>271,500</u>	<u>604,766</u>	<u>333,266</u>
Restricted Intergovernmental:			
General Fund	1,330,205	1,326,322	(3,883)
Library	230,182	226,843	(3,339)
Health services	2,026,809	1,878,127	(148,682)
Social services	12,682,743	13,069,360	386,617
Court facility fees	97,225	89,307	(7,918)
Total	<u>16,367,164</u>	<u>16,589,959</u>	<u>222,795</u>
Permits and Fees:			
Building permits and inspection fees	168,652	260,013	91,361
Register of Deeds	329,875	391,963	62,088
Public safety	474,500	536,692	62,192
Health services	736,565	590,560	(146,005)
Total	<u>1,709,592</u>	<u>1,779,228</u>	<u>69,636</u>
Sales and Services:			
Jail fees and sheriff fees	1,311,758	1,153,494	(158,264)
Rents, concessions, and fees	1,910,751	2,000,284	89,533
Ambulance service fees	2,600,000	2,669,843	69,843
Communication center	1,300,000	1,435,331	135,331
Total	<u>7,122,509</u>	<u>7,258,952</u>	<u>136,443</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Investment Earnings	750,000	874,526	124,526
Miscellaneous:			
Other	124,917	506,622	381,705
Total revenues	<u>91,530,998</u>	<u>99,462,085</u>	<u>7,931,087</u>
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and employee benefits	61,369	61,361	8
Other operating expenditures	47,360	37,230	10,130
Total	<u>108,729</u>	<u>98,591</u>	<u>10,138</u>
Administration:			
Salaries and employee benefits	485,115	455,926	29,189
Other operating expenditures	42,550	37,347	5,203
Capital outlay	13,500	8,725	4,775
Total	<u>541,165</u>	<u>501,998</u>	<u>39,167</u>
Human Resources:			
Salaries and employee benefits	239,705	230,055	9,650
Other operating expenditures	67,842	52,155	15,687
Total	<u>307,547</u>	<u>282,210</u>	<u>25,337</u>
Board of Elections:			
Salaries and employee benefits	376,610	285,357	91,253
Other operating expenditures	182,870	139,114	43,756
Capital outlay	453	-	453
Total	<u>559,933</u>	<u>424,471</u>	<u>135,462</u>
Finance:			
Salaries and employee benefits	575,832	566,945	8,887
Other operating expenditures	35,122	24,505	10,617
Total	<u>610,954</u>	<u>591,450</u>	<u>19,504</u>
Office of Tax Supervisor:			
Salaries and employee benefits	1,065,119	1,011,762	53,357
Other operating expenditures	355,186	333,401	21,785
Data processing charges	141,223	139,732	1,491
Capital outlay	9,416	6,365	3,051
Total	<u>1,570,944</u>	<u>1,491,260</u>	<u>79,684</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Technology Services:			
Salaries and employee benefits	682,917	682,320	597
Other operating expenditures	60,500	50,828	9,672
Data processing charges	312,361	299,973	12,388
Capital outlay	93,620	86,165	7,455
Total	<u>1,149,398</u>	<u>1,119,286</u>	<u>30,112</u>
Register of Deeds:			
Salaries and employee benefits	374,613	355,681	18,932
Other operating expenditures	78,810	66,852	11,958
Total	<u>453,423</u>	<u>422,533</u>	<u>30,890</u>
Public Buildings:			
Other operating expenditures	818,839	756,540	62,299
Capital outlay	326,136	299,474	26,662
Total	<u>1,144,975</u>	<u>1,056,014</u>	<u>88,961</u>
Maintenance Administration			
Salaries and employee benefits	693,413	664,040	29,373
Other operating expenditures	82,694	73,917	8,777
Capital outlay	32,684	32,684	-
Total	<u>808,791</u>	<u>770,641</u>	<u>38,150</u>
Court Facilities:			
Salaries and employee benefits	1,431	1,431	-
Other operating expenditures	153,515	129,054	24,461
Capital outlay	149,590	149,163	427
Total	<u>304,536</u>	<u>279,648</u>	<u>24,888</u>
Central Service:			
Other operating expenditures	<u>2,019,850</u>	<u>1,939,051</u>	<u>80,799</u>
Other:			
Other area projects	<u>355,182</u>	<u>335,641</u>	<u>19,541</u>
Total general government	<u>9,935,427</u>	<u>9,312,794</u>	<u>622,633</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	6,762,419	6,221,557	540,862
Other operating expenditures	1,136,218	1,115,884	20,334
Capital outlay	605,237	466,998	138,239
Total	<u>8,503,874</u>	<u>7,804,439</u>	<u>699,435</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Jail:			
Salaries and employee benefits	3,048,501	2,776,552	271,949
Other operating expenditures	1,364,677	1,211,492	153,185
Capital outlay	49,870	41,066	8,804
Total	<u>4,463,048</u>	<u>4,029,110</u>	<u>433,938</u>
Animal Control:			
Salaries and employee benefits	542,259	517,819	24,440
Other operating expenditures	105,060	91,502	13,558
Total	<u>647,319</u>	<u>609,321</u>	<u>37,998</u>
Emergency Communications:			
Salaries and employee benefits	2,636,082	2,366,531	269,551
Other operating expenditures	455,055	209,817	245,238
Capital outlay	5,377	19,421	(14,044)
Total	<u>3,096,514</u>	<u>2,595,769</u>	<u>500,745</u>
Emergency Management:			
Salaries and employee benefits	183,227	183,089	138
Other operating expenditures	139,099	113,882	25,217
Capital outlay	7,000	6,837	163
Total	<u>329,326</u>	<u>303,808</u>	<u>25,518</u>
Emergency Medical Services:			
Salaries and employee benefits	5,095,322	4,570,490	524,832
Other operating expenditures	801,234	740,480	60,754
Capital outlay	254,091	220,195	33,896
Total	<u>6,150,647</u>	<u>5,531,165</u>	<u>619,482</u>
Total public safety	<u>23,190,728</u>	<u>20,873,612</u>	<u>2,317,116</u>
Transportation:			
Rocky Mount/Wilson Airport	47,857	47,857	-
Environmental Protection:			
Forestry Program:			
Other operating expenditures	117,650	104,870	12,780
Soil Conservation:			
Salaries and employee benefits	140,661	128,508	12,153
Other operating expenditures	19,500	10,254	9,246
Total	<u>160,161</u>	<u>138,762</u>	<u>21,399</u>
Total environmental protection	<u>277,811</u>	<u>243,632</u>	<u>34,179</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Economic and Physical Development:			
Agricultural Extension and 4-H:			
Salaries and employee benefits	464,775	454,891	9,884
Other operating expenditures	55,526	51,322	4,204
Total	<u>520,301</u>	<u>506,213</u>	<u>14,088</u>
Planning and Zoning:			
Salaries and employee benefits	503,197	500,678	2,519
Other operating expenditures	51,029	40,087	10,942
Capital outlay	14,000	4,313	9,687
Total	<u>568,226</u>	<u>545,078</u>	<u>23,148</u>
Other:			
Other projects	<u>365,795</u>	<u>365,795</u>	<u>-</u>
Total economic and physical development	<u>1,454,322</u>	<u>1,417,086</u>	<u>37,236</u>
Human Services:			
Diversified Opportunities			
	<u>29,250</u>	<u>29,250</u>	<u>-</u>
Senior Center:			
Salaries and employee benefits	172,850	172,485	365
Other operating expenditures	35,658	22,823	12,835
Total	<u>208,508</u>	<u>195,308</u>	<u>13,200</u>
Home and Community Care Block Grant:			
Operating expenses	<u>511,663</u>	<u>465,529</u>	<u>46,134</u>
Health:			
Administration:			
Salaries and employee benefits	56,252	53,546	2,706
Other operating expenditures	434,106	393,569	40,537
Capital outlay	45,749	40,169	5,580
Total	<u>536,107</u>	<u>487,284</u>	<u>48,823</u>
Health Promotion:			
Salaries and employee benefits	25,658	25,508	150
Other operating expenditures	22,002	16,525	5,477
Total	<u>47,660</u>	<u>42,033</u>	<u>5,627</u>
Tuberculosis Control:			
Salaries and employee benefits	108,516	104,229	4,287
Other operating expenditures	19,735	17,798	1,937
Total	<u>128,251</u>	<u>122,027</u>	<u>6,224</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Family Planning:			
Salaries and employee benefits	715,964	648,345	67,619
Other operating expenditures	139,875	120,752	19,123
Total	<u>855,839</u>	<u>769,097</u>	<u>86,742</u>
Maternal Health:			
Salaries and employee benefits	732,029	665,615	66,414
Other operating expenditures	95,600	94,552	1,048
Total	<u>827,629</u>	<u>760,167</u>	<u>67,462</u>
Environmental Health:			
Salaries and employee benefits	819,940	818,789	1,151
Other operating expenditures	83,296	66,070	17,226
Capital outlay	62,510	62,508	2
Total	<u>965,746</u>	<u>947,367</u>	<u>18,379</u>
Immunization:			
Salaries and employee benefits	132,083	105,009	27,074
Other operating expenditures	132,250	85,206	47,044
Total	<u>264,333</u>	<u>190,215</u>	<u>74,118</u>
Communicable Diseases:			
Salaries and employee benefits	373,784	373,718	66
Other operating expenditures	19,365	18,692	673
Total	<u>393,149</u>	<u>392,410</u>	<u>739</u>
Comprehensive Breast Cancer Prevention:			
Salaries and employee benefits	24,519	22,298	2,221
Other operating expenditures	20,181	20,166	15
Total	<u>44,700</u>	<u>42,464</u>	<u>2,236</u>
Child Health:			
Salaries and employee benefits	533,469	450,657	82,812
Other operating expenditures	12,400	9,954	2,446
Total	<u>545,869</u>	<u>460,611</u>	<u>85,258</u>
Child Service Coordinator:			
Salaries and employee benefits	239,097	223,081	16,016
Other operating expenditures	5,124	4,653	471
Total	<u>244,221</u>	<u>227,734</u>	<u>16,487</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
WIC Clinic Administration:			
Salaries and employee benefits	37,307	36,855	452
Other operating expenditures	7,693	4,020	3,673
Total	<u>45,000</u>	<u>40,875</u>	<u>4,125</u>
WIC Nutrition Education:			
Salaries and employee benefits	136,100	97,350	38,750
Other operating expenditures	2,990	1,740	1,250
Total	<u>139,090</u>	<u>99,090</u>	<u>40,000</u>
AIDS Control:			
Salaries and employee benefits	10,231	9,451	780
Other operating expenditures	2,269	418	1,851
Total	<u>12,500</u>	<u>9,869</u>	<u>2,631</u>
Bioterrorism:			
Salaries and employee benefits	32,369	32,065	304
Other operating expenditures	2,282	714	1,568
Total	<u>34,651</u>	<u>32,779</u>	<u>1,872</u>
WIC Client Services:			
Salaries and employee benefits	500,223	425,322	74,901
Other operating expenditures	21,817	20,842	975
Capital outlay	1,025	1,024	1
Total	<u>523,065</u>	<u>447,188</u>	<u>75,877</u>
School Based Health Center:			
Salaries and employee benefits	353,899	222,293	131,606
Other operating expenditures	135,693	115,912	19,781
Total	<u>489,592</u>	<u>338,205</u>	<u>151,387</u>
Mental Health:			
Other operating expenditures	331,317	331,317	-
Maternal Child Care:			
Salaries and employee benefits	241,566	219,333	22,233
Other operating expenditures	93,873	93,262	611
Total	<u>335,439</u>	<u>312,595</u>	<u>22,844</u>
Dental Program:			
Salaries and employee benefits	64,869	17,921	46,948
Other operating expenditures	245,700	52,414	193,286
Capital outlay	225,000	206,466	18,534
Total	<u>535,569</u>	<u>276,801</u>	<u>258,768</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
WIC Breastfeeding:			
Salaries and employee benefits	102,045	65,123	36,922
Other operating expenditures	1,500	1,323	177
Total	<u>103,545</u>	<u>66,446</u>	<u>37,099</u>
Adult Health:			
Salaries and employee benefits	471,547	367,536	104,011
Other operating expenditures	50,175	32,275	17,900
Total	<u>521,722</u>	<u>399,811</u>	<u>121,911</u>
Total health	<u>7,924,994</u>	<u>6,796,385</u>	<u>1,128,609</u>
Social Services:			
Administration:			
Salaries and employee benefits	14,899,421	14,011,388	888,033
Other operating expenditures	4,069,228	2,958,348	1,110,880
Total	<u>18,968,649</u>	<u>16,969,736</u>	<u>1,998,913</u>
4D Child Support:			
Salaries and employee benefits	1,261,928	1,259,516	2,412
Other operating expenditures	638,881	279,693	359,188
Total	<u>1,900,809</u>	<u>1,539,209</u>	<u>361,600</u>
Income Maintenance Programs:			
AFDC Fostercare	467,082	120,618	346,464
Special assistance - adults	993,048	594,862	398,186
Medicaid - County participation	300,000	195,326	104,674
Total	<u>1,760,130</u>	<u>910,806</u>	<u>849,324</u>
Other Services:			
Other operating expenditures	<u>2,493,651</u>	<u>2,172,697</u>	<u>320,954</u>
Eat More Move More:			
Salaries and employee benefits	55,999	55,853	146
Other operating expenditures	157,587	139,045	18,542
Total	<u>213,586</u>	<u>194,898</u>	<u>18,688</u>
Community Response Program:			
Salaries and employee benefits	68,356	68,072	284
Other operating expenditures	31,644	7,591	24,053
Total	<u>100,000</u>	<u>75,663</u>	<u>24,337</u>
Every Teen Counts:			
Other operating expenditures	<u>30,031</u>	<u>13,428</u>	<u>16,603</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Partner for Healthy Baby:			
Salaries and employee benefits	123,758	60,845	62,913
Other operating expenditures	17,717	16,004	1,713
Total	<u>141,475</u>	<u>76,849</u>	<u>64,626</u>
Strengthening Families Grant:			
Other operating expenditures	<u>46,334</u>	<u>33,799</u>	<u>12,535</u>
RAPP Grant:			
Other operating expenditures	<u>8,066</u>	<u>4,822</u>	<u>3,244</u>
Opioid Use Grant:			
Other operating expenditures	<u>50,000</u>	<u>46,330</u>	<u>3,670</u>
FNS Employment & Training Grant:			
Other operating expenditures	<u>150,850</u>	<u>49,247</u>	<u>101,603</u>
Total social services	<u>25,863,581</u>	<u>22,087,484</u>	<u>3,776,097</u>
Veterans Affairs:			
Salaries and employee benefits	58,348	57,844	504
Other operating expenditures	1,698	1,663	35
Total	<u>60,046</u>	<u>59,507</u>	<u>539</u>
Total human services	<u>34,598,042</u>	<u>29,633,463</u>	<u>4,964,579</u>
Cultural and Recreation:			
Recreation:			
Other operating expenditures	<u>108,500</u>	<u>90,500</u>	<u>18,000</u>
Libraries:			
Salaries and employee benefits	1,490,027	1,388,315	101,712
Other operating expenditures	579,378	505,295	74,083
Capital outlay	387,164	385,576	1,588
Total	<u>2,456,569</u>	<u>2,279,186</u>	<u>177,383</u>
Total cultural and recreation	<u>2,565,069</u>	<u>2,369,686</u>	<u>195,383</u>
Education:			
Public schools - current	21,702,347	21,702,347	-
Public schools - capital outlay	1,000,000	1,000,000	-
Community colleges - current	2,445,366	2,445,366	-
Community colleges - capital outlay	378,000	378,000	-
Total education	<u>25,525,713</u>	<u>25,525,713</u>	<u>-</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Debt Service:			
Principal retirement	2,828,281	2,828,277	4
Interest and other charges	299,387	299,389	(2)
Total debt service	<u>3,127,668</u>	<u>3,127,666</u>	<u>2</u>
 Total expenditures	 <u>100,722,637</u>	 <u>92,551,509</u>	 <u>8,171,128</u>
 Revenues over (under) expenditures	 <u>(9,191,639)</u>	 <u>6,910,576</u>	 <u>16,102,215</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
Revaluation Fund	(135,000)	(135,000)	-
Economic Development Grant Fund	(1,063,077)	(838,077)	225,000
Economic Development Fund	(1,593,725)	(1,593,725)	-
Capital Reserve Fund	(788,327)	(788,327)	-
School Capital Projects Fund	(2,062,213)	(2,062,213)	-
Capital lease obligations issued	176,548	184,533	7,985
Sale of capital assets	20,000	37,131	17,131
Fund balance appropriated	<u>14,637,433</u>	<u>-</u>	<u>(14,637,433)</u>
Total other financing sources (uses)	<u>9,191,639</u>	<u>(5,195,678)</u>	<u>(14,387,317)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>1,714,898</u>	 <u>\$ 1,714,898</u>
Fund Balance:			
Beginning of year, July 1		<u>47,709,629</u>	
End of year, June 30		<u>\$ 49,424,527</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, 2020**

	<u>Revaluation Fund</u>	<u>Economic Development</u>	<u>Total Combined Funds</u>
Revenues:			
Investment earnings	\$ 1,678	\$ -	\$ 1,678
Expenditures:			
Current:			
Economic development:			
Economic incentives	-	1,581,053	1,581,053
Revenues over (under) expenditures	1,678	(1,581,053)	(1,579,375)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	135,000	1,593,725	1,728,725
Net change in fund balances	136,678	12,672	149,350
Fund Balances:			
Beginning of year, July 1	449,815	231,918	681,733
End of year, June 30	<u>\$ 586,493</u>	<u>\$ 244,590</u>	<u>\$ 831,083</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 1,678	\$ 1,678
Expenditures:			
Current:			
General government:			
Tax listing	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Revenues over (under) expenditures	(135,000)	1,678	136,678
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>	136,678	<u>\$ 136,678</u>
Fund Balance:			
Beginning of year, July 1		<u>449,815</u>	
End of year, June 30		<u>\$ 586,493</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 250,000	\$ -	\$ 250,000
Expenditures:			
Current:			
General government:			
Economic incentives	<u>1,843,725</u>	<u>1,581,053</u>	<u>262,672</u>
Revenues over (under) expenditures	(1,593,725)	(1,581,053)	(12,672)
Other Financing Sources (Uses):			
Transfer in:			
General Fund	<u>1,593,725</u>	<u>1,593,725</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	12,672	<u>\$ 12,672</u>
Fund Balance:			
Beginning of year, July 1		<u>231,918</u>	
End of year, June 30		<u>\$ 244,590</u>	

WILSON COUNTY, NORTH CAROLINA

**MAJOR FUND - CORONAVIRUS RELIEF GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Coronavirus Relief Fund	\$ 1,580,929	\$ 375,950	\$ (1,204,979)
Expenditures:			
Coronavirus Relief Fund	<u>1,580,929</u>	<u>375,950</u>	<u>1,204,979</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		-	
End of year, June 30		<u>\$ -</u>	

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Nonmajor Governmental Funds

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Fire Districts Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Transportation Fund</u>	<u>Economic Development Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:					
Cash and cash equivalents	\$ 604,952	\$ 720,519	\$ -	\$ 1,915,084	\$ 3,240,555
Restricted cash	-	-	-	-	-
Taxes receivable, net	47,237	-	-	-	47,237
Accounts receivable, net	-	-	231,478	-	231,478
Due from other governments	19,983	41,369	-	-	61,352
Total assets	<u>\$ 672,172</u>	<u>\$ 761,888</u>	<u>\$ 231,478</u>	<u>\$ 1,915,084</u>	<u>\$ 3,580,622</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 6,168	\$ 32,788	\$ -	\$ 38,956
Due to other funds	-	-	54,620	-	54,620
Due to other governments	624,217	-	-	-	624,217
Advances from grantors	-	-	31,277	-	31,277
Total liabilities	<u>624,217</u>	<u>6,168</u>	<u>118,685</u>	<u>-</u>	<u>749,070</u>
Deferred Inflows of Resources:					
Taxes receivable	<u>47,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,237</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	19,983	41,369	231,478	-	292,830
Economic development projects	-	-	-	1,915,084	1,915,084
School capital	-	-	-	-	-
Public safety	-	714,351	-	-	714,351
Assigned:					
Future capital	-	-	-	-	-
Unassigned	<u>(19,265)</u>	<u>-</u>	<u>(118,685)</u>	<u>-</u>	<u>(137,950)</u>
Total fund balances	<u>718</u>	<u>755,720</u>	<u>112,793</u>	<u>1,915,084</u>	<u>2,784,315</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 672,172</u>	<u>\$ 761,888</u>	<u>\$ 231,478</u>	<u>\$ 1,915,084</u>	<u>\$ 3,580,622</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Public Buildings Fund</u>	<u>School Capital Projects Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 1,847,067	\$ 1,832,431	\$ 150,000	\$ 3,829,498	\$ 7,070,053
Restricted cash	14	-	-	14	14
Taxes receivable, net	-	-	-	-	47,237
Accounts receivable, net	-	-	-	-	231,478
Due from other governments	-	-	-	-	61,352
Total assets	<u>\$ 1,847,081</u>	<u>\$ 1,832,431</u>	<u>\$ 150,000</u>	<u>\$ 3,829,512</u>	<u>\$ 7,410,134</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 38,956
Due to other funds	-	-	-	-	54,620
Due to other governments	-	-	-	-	624,217
Advances from grantors	14	-	-	14	31,291
Total liabilities	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>749,084</u>
Deferred Inflows of Resources:					
Taxes receivable	-	-	-	-	47,237
Fund Balances:					
Restricted:					
Stabilization by state statute	-	-	-	-	292,830
Economic development projects	-	-	-	-	1,915,084
School capital	-	1,832,431	-	1,832,431	1,832,431
Public safety	-	-	-	-	714,351
Assigned:					
Future capital	1,847,067	-	150,000	1,997,067	1,997,067
Unassigned	-	-	-	-	(137,950)
Total fund balances	<u>1,847,067</u>	<u>1,832,431</u>	<u>150,000</u>	<u>3,829,498</u>	<u>6,613,813</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,847,081</u>	<u>\$ 1,832,431</u>	<u>\$ 150,000</u>	<u>\$ 3,829,512</u>	<u>\$ 7,410,134</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Fire District Fund	Emergency Telephone System Fund	Transportation Fund	Economic Development Grant Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Ad valorem taxes	\$ 2,153,008	\$ -	\$ -	\$ -	\$ 2,153,008
Local option sales tax	594,764	-	-	-	594,764
Restricted intergovernmental	-	496,434	419,884	500,000	1,416,318
Sales and services	-	-	20,981	-	20,981
Investment earnings	-	8,755	-	-	8,755
Miscellaneous	-	-	82,946	-	82,946
Total revenues	<u>2,747,772</u>	<u>505,189</u>	<u>523,811</u>	<u>500,000</u>	<u>4,276,772</u>
Expenditures:					
Public safety	2,747,740	364,645	-	-	3,112,385
Transportation	-	-	531,986	-	531,986
Environmental protection	-	-	-	-	-
Economic and physical development	-	-	-	500,000	500,000
Education	-	-	-	-	-
Total expenditures	<u>2,747,740</u>	<u>364,645</u>	<u>531,986</u>	<u>500,000</u>	<u>4,144,371</u>
Revenues over (under) expenditures	<u>32</u>	<u>140,544</u>	<u>(8,175)</u>	<u>-</u>	<u>132,401</u>
Other Financing Sources (Uses):					
Transfers from other funds	-	-	-	838,077	838,077
Transfers (to) other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>838,077</u>	<u>838,077</u>
Net change in fund balances	32	140,544	(8,175)	838,077	970,478
Fund Balances:					
Beginning of year, July 1	<u>686</u>	<u>615,176</u>	<u>120,968</u>	<u>1,077,007</u>	<u>1,813,837</u>
End of year, June 30	<u>\$ 718</u>	<u>\$ 755,720</u>	<u>\$ 112,793</u>	<u>\$ 1,915,084</u>	<u>\$ 2,784,315</u>

WILSON COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Public Buildings Fund	School Capital Projects Fund	Capital Reserve Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,153,008
Local option sales tax	-	-	-	-	594,764
Restricted intergovernmental	310,449	-	-	310,449	1,726,767
Sales and services	-	-	-	-	20,981
Investment earnings	-	12	-	12	8,767
Miscellaneous	-	-	-	-	82,946
Total revenues	<u>310,449</u>	<u>12</u>	<u>-</u>	<u>310,461</u>	<u>4,587,233</u>
Expenditures:					
Public safety	-	-	-	-	3,112,385
Transportation	-	-	-	-	531,986
Environmental protection	310,187	-	-	310,187	310,187
Economic and physical development	81,735	-	-	81,735	581,735
Education	-	430,125	-	430,125	430,125
Total expenditures	<u>391,922</u>	<u>430,125</u>	<u>-</u>	<u>822,047</u>	<u>4,966,418</u>
Revenues over (under) expenditures	<u>(81,473)</u>	<u>(430,113)</u>	<u>-</u>	<u>(511,586)</u>	<u>(379,185)</u>
Other Financing Sources (Uses):					
Transfers from other funds	1,838,327	2,062,213	788,327	4,688,867	5,526,944
Transfers (to) other funds	-	-	(1,838,327)	(1,838,327)	(1,838,327)
Total other financing sources (uses)	<u>1,838,327</u>	<u>2,062,213</u>	<u>(1,050,000)</u>	<u>2,850,540</u>	<u>3,688,617</u>
Net change in fund balances	1,756,854	1,632,100	(1,050,000)	2,338,954	3,309,432
Fund Balances:					
Beginning of year, July 1	<u>90,213</u>	<u>200,331</u>	<u>1,200,000</u>	<u>1,490,544</u>	<u>3,304,381</u>
End of year, June 30	<u>\$ 1,847,067</u>	<u>\$ 1,832,431</u>	<u>\$ 150,000</u>	<u>\$ 3,829,498</u>	<u>\$ 6,613,813</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 2,028,695	\$ 2,119,921	\$ 91,226
Prior year	31,275	33,087	1,812
Total ad valorem taxes	<u>2,059,970</u>	<u>2,153,008</u>	<u>93,038</u>
Other taxes	<u>697,606</u>	<u>594,764</u>	<u>(102,842)</u>
Total revenues	2,757,576	2,747,772	(9,804)
Expenditures:			
Public safety	<u>2,757,576</u>	<u>2,747,740</u>	<u>9,836</u>
Net change in fund balance	<u>\$ -</u>	32	<u>\$ 32</u>
Fund Balance:			
Beginning of year, July 1		<u>686</u>	
End of year, June 30		<u>\$ 718</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
NC 911 Board	\$ 496,477	\$ 496,434	\$ (43)
Investment earnings	2,000	8,755	6,755
Total revenues	<u>498,477</u>	<u>505,189</u>	<u>6,712</u>
Expenditures:			
Implemental functions	50,000	32,444	17,556
Telephone	164,213	94,402	69,811
Software maintenance	202,562	192,501	10,061
Hardware maintenance	46,702	36,132	10,570
Training	35,000	9,166	25,834
Total expenditures	<u>498,477</u>	<u>364,645</u>	<u>133,832</u>
Net change in fund balance	<u>\$ -</u>	140,544	<u>\$ 140,544</u>
Fund Balance:			
Beginning of year, July 1		<u>615,176</u>	
End of year, June 30		<u>\$ 755,720</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Rural Operating Grant	\$ 248,524	\$ 226,745	\$ (21,779)
Capital Grant	128,500	100,116	(28,384)
Public Transportation Grant	149,745	93,023	(56,722)
Sales and services	27,000	20,981	(6,019)
Miscellaneous	<u>113,000</u>	<u>82,946</u>	<u>(30,054)</u>
Total revenues	<u>666,769</u>	<u>523,811</u>	<u>(142,958)</u>
Expenditures:			
Salaries and employee benefits	109,607	105,771	3,836
Operating expenses	457,958	314,975	142,983
Capital outlay	<u>128,500</u>	<u>111,240</u>	<u>17,260</u>
Total expenditures	<u>696,065</u>	<u>531,986</u>	<u>164,079</u>
Revenues over (under) expenditures	(29,296)	(8,175)	21,121
Other Financing Sources (Uses):			
Fund balance appropriated	<u>29,296</u>	<u>-</u>	<u>(29,296)</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,175)</u>	<u>\$ (8,175)</u>
Fund Balance:			
Beginning of year, July 1		<u>120,968</u>	
End of year, June 30		<u>\$ 112,793</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Rural Economic Development			
Reuse and Restoration Grant	\$ 500,000	\$ 500,000	\$ -
Repayment of loans	<u>1,076,923</u>	<u>1,076,923</u>	<u>-</u>
Total revenues	<u>1,576,923</u>	<u>1,576,923</u>	<u>-</u>
Expenditures:			
Operating expenditures	<u>2,415,000</u>	<u>500,000</u>	<u>1,915,000</u>
Revenues over (under) expenditures	(838,077)	1,076,923	1,915,000
Other Financing Sources (Uses):			
Transfers in	<u>838,077</u>	<u>838,077</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,915,000	<u>\$ 1,915,000</u>
Reconciliation of Budgetary Basis with Modified Accrual Basis:			
Payment received on notes receivable		<u>(1,076,923)</u>	
Net change in fund balance, modified accrual basis		838,077	
Fund Balance:			
Beginning of year, July 1		<u>1,077,007</u>	
End of year, June 30		<u>\$ 1,915,084</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 442,272	\$ 310,449	\$ (131,823)
Expenditures:			
Capital outlay improvement - Animal Shelter	1,274,550	59,896	1,214,654
Capital outlay improvement - EMS substation	563,777	21,839	541,938
Capital outlay improvement - Stream Debris Removal	<u>442,272</u>	<u>310,187</u>	<u>132,085</u>
Total expenditures	<u>2,280,599</u>	<u>391,922</u>	<u>1,888,677</u>
Revenues over (under) expenditures	(1,838,327)	(81,473)	1,756,854
Other Financing Sources (Uses):			
Transfers in (out)	<u>1,838,327</u>	<u>1,838,327</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,756,854	<u>\$ 1,756,854</u>
Fund Balance:			
Beginning of year, July 1		<u>90,213</u>	
End of year, June 30		<u>\$ 1,847,067</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 12	\$ 12
Expenditures:			
Capital outlay	<u>2,262,290</u>	<u>430,125</u>	<u>1,832,165</u>
Revenues over (under) expenditures	<u>(2,262,290)</u>	<u>(430,113)</u>	<u>1,832,177</u>
Other Financing Sources (Uses):			
Fund balance appropriated	200,077	-	(200,077)
Transfer in	<u>2,062,213</u>	<u>2,062,213</u>	<u>-</u>
Total other financing sources (uses)	<u>2,262,290</u>	<u>2,062,213</u>	<u>(200,077)</u>
Net change in fund balance	<u>\$ -</u>	1,632,100	<u>\$ 1,632,100</u>
Fund Balance:			
Beginning of year, July 1		<u>200,331</u>	
End of year, June 30		<u>\$ 1,832,431</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Fund balance appropriated	\$ 1,050,000	\$ -	\$ (1,050,000)
Transfers out	(1,838,327)	(1,838,327)	-
Transfers in	<u>788,327</u>	<u>788,327</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,050,000)</u>	<u>(1,050,000)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>(1,050,000)</u>	 <u>\$ (1,050,000)</u>
Fund Balance:			
Beginning of year, July 1		<u>1,200,000</u>	
End of year, June 30		<u>\$ 150,000</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,038,500	\$ 3,458,796	\$ 420,296
Non-operating revenues:			
Investment earnings	68,000	55,132	(12,868)
Total revenues	<u>3,106,500</u>	<u>3,513,928</u>	<u>407,428</u>
Expenditures:			
Salaries and benefits	1,471,600	1,241,867	229,733
Operating expenses	<u>1,828,395</u>	<u>1,335,684</u>	<u>492,711</u>
Total expenditures	<u>3,299,995</u>	<u>2,577,551</u>	<u>722,444</u>
Revenues over (under) expenditures	<u>(193,495)</u>	<u>936,377</u>	<u>(315,016)</u>
Other Financing Sources (Uses):			
Transfers in (out)	(1,079,400)	-	1,079,400
Fund balance appropriated	<u>1,272,895</u>	-	<u>(1,272,895)</u>
Total other financing sources (uses)	<u>193,495</u>	<u>-</u>	<u>(193,495)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>936,377</u>	<u>\$ 936,377</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(227,202)	
Book value of asset disposals		(7,830)	
Change in deferred outflows of resources - pension		(43,768)	
Change in deferred inflows of resources - pension		(2,668)	
Change in net pension liability		(37,326)	
Change in accrued landfill closure and costs		(353,736)	
Change in OPEB liability		(181,858)	
Change in deferred outflows of resources - OPEB		96,244	
Change in deferred inflows of resources - OPEB		49,184	
Change in accrued compensated absences		4,922	
Total reconciling items		<u>(704,038)</u>	
Change in net position		<u>\$ 232,339</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, 2020

	<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	\$ 1,079,400	\$ 256,238	\$ 236,755	\$ 492,993	\$ 586,407
Convenience centers improvements	<u>268,389</u>	<u>-</u>	<u>202,793</u>	<u>202,793</u>	<u>65,596</u>
Total expenditures	<u>1,347,789</u>	<u>256,238</u>	<u>439,548</u>	<u>695,786</u>	<u>652,003</u>
Revenues over (under) expenditures	<u>(1,347,789)</u>	<u>(256,238)</u>	<u>(439,548)</u>	<u>(695,786)</u>	<u>(652,003)</u>
Other Financing Sources (Uses):					
Transfers in (out)	1,189,965	368,000	-	368,000	(821,965)
Fund balance appropriated	<u>157,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,824)</u>
Total other financing sources (uses)	<u>1,347,789</u>	<u>368,000</u>	<u>-</u>	<u>368,000</u>	<u>(979,789)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 111,762</u>	<u>\$ (439,548)</u>	<u>\$ (327,786)</u>	<u>\$ (327,786)</u>

WILSON COUNTY, NORTH CAROLINA

**SOUTHEAST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 992,500	\$ 1,021,380	\$ 28,880
Non-operating revenues:			
Restricted intergovernmental	<u>60,000</u>	<u>19,302</u>	<u>(40,698)</u>
Total revenues	<u>1,052,500</u>	<u>1,040,682</u>	<u>(11,818)</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	181,497	173,968	7,529
Operating expenses	448,850	122,924	325,926
Water purchases	253,000	252,574	426
Capital outlay	<u>78,900</u>	<u>19,449</u>	<u>59,451</u>
Total operating expenditures	<u>962,247</u>	<u>568,915</u>	<u>393,332</u>
Debt service:			
Interest	105,212	105,212	-
Principal	<u>104,075</u>	<u>104,075</u>	<u>-</u>
Total debt service	<u>209,287</u>	<u>209,287</u>	<u>-</u>
Total expenditures	<u>1,171,534</u>	<u>778,202</u>	<u>393,332</u>
Revenues over (under) expenditures	(119,034)	262,480	381,514
Other Financing Sources (Uses):			
Fund balance appropriated	<u>119,034</u>	<u>-</u>	<u>(119,034)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>262,480</u>	<u>\$ 262,480</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlay items capitalized		17,079	
Depreciation		(273,893)	
Principal paid on long-term debt		104,075	
Amortization of bond premium		4,862	
Change in deferred outflows of resources - pension		(5,544)	
Change in deferred inflows of resources - pension		(338)	
Change in net pension liability		(4,728)	
Change in accrued interest		336	
Change in OPEB liability		(22,982)	
Change in deferred outflows of resources - OPEB		12,102	
Change in deferred inflows of resources - OPEB		6,216	
Change in accrued compensated absences		<u>1,615</u>	
Total reconciling items		<u>(161,200)</u>	
Change in net position		<u>\$ 101,280</u>	

WILSON COUNTY, NORTH CAROLINA

**SOUTHWEST WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 1,470,000	\$ 1,372,350	\$ (97,650)
Non-operating revenues:			
Restricted intergovernmental	<u>55,000</u>	<u>17,414</u>	<u>(37,586)</u>
Total revenues	<u>1,525,000</u>	<u>1,389,764</u>	<u>(135,236)</u>
Expenditures:			
Operating expenditures:			
Salaries and benefits	160,491	155,843	4,648
Operating expenses	559,911	155,541	404,370
Water purchases	321,700	311,594	10,106
Capital outlay	<u>363,500</u>	<u>218,267</u>	<u>145,233</u>
Total operating expenditures	<u>1,405,602</u>	<u>841,245</u>	<u>564,357</u>
Debt service:			
Interest	189,812	189,832	(20)
Principal	<u>178,836</u>	<u>178,836</u>	<u>-</u>
Total debt service	<u>368,648</u>	<u>368,668</u>	<u>(20)</u>
Total expenditures	<u>1,774,250</u>	<u>1,209,913</u>	<u>564,337</u>
Revenues over (under) expenditures	(249,250)	179,851	429,101
Other Financing Sources (Uses):			
Fund balance appropriated	<u>249,250</u>	<u>-</u>	<u>(249,250)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>179,851</u>	<u>\$ 179,851</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlay items capitalized		17,079	
Depreciation		(378,741)	
Principal paid on long-term debt		178,836	
Amortization of bond premium		8,929	
Change in deferred outflows of resources - pension		(4,814)	
Change in deferred inflows of resources - pension		(294)	
Change in net pension liability		(4,106)	
Change in accrued interest		574	
Change in OPEB liability		(19,849)	
Change in deferred outflows of resources - OPEB		10,453	
Change in deferred inflows of resources - OPEB		5,368	
Change in accrued compensated absences		<u>1,615</u>	
Total reconciling items		<u>(184,950)</u>	
Change in net position		<u>\$ (5,099)</u>	

WILSON COUNTY, NORTH CAROLINA

**WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Non-operating revenues:			
District revenue	\$ 513,913	\$ 513,913	\$ -
Expenditures:			
Debt service:			
Principal retirement	230,000	230,000	-
Interest	283,913	283,913	-
Total expenditures	<u>513,913</u>	<u>513,913</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, 2020**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Insurance premiums	\$ 7,149,970	\$ 6,765,497	\$ (384,473)
Expenditures:			
Operating expenditures:			
Insurance claims and expenses	<u>7,555,636</u>	<u>8,183,897</u>	<u>(628,261)</u>
Revenues over (under) expenditures	(405,666)	(1,418,400)	(1,012,734)
Other Financing Sources (Uses):			
Fund balance appropriated	<u>405,666</u>	<u>-</u>	<u>(405,666)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,418,400)</u>	<u>\$ (1,418,400)</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, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 289,016	\$ 289,016	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 289,016	\$ 289,016	\$ -
Deed of Trust Fee Fund:				
Assets:				
Cash and cash equivalents	\$ 14,835	\$ 42,512	\$ 42,385	\$ 14,962
Liabilities:				
Intergovernmental payable	\$ 14,835	\$ 42,512	\$ 42,385	\$ 14,962
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 14,505	\$ 70,814	\$ 69,162	\$ 16,157
Liabilities:				
Miscellaneous liabilities	\$ 14,505	\$ 70,814	\$ 69,162	\$ 16,157
Jail Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 39,944	\$ 493,728	\$ 490,454	\$ 43,218
Liabilities:				
Miscellaneous liabilities	\$ 39,944	\$ 493,728	\$ 490,454	\$ 43,218
Sheriff Account Fund:				
Assets:				
Cash and cash equivalents	\$ 5,369	\$ 173,020	\$ 175,615	\$ 2,774
Liabilities:				
Miscellaneous liabilities	\$ 5,369	\$ 173,020	\$ 175,615	\$ 2,774
Tax Collections Held for Municipalities:				
Assets:				
Cash and cash equivalents	\$ 23,987	\$ 27,346,859	\$ 27,348,154	\$ 22,692
Accounts receivable	36,299	28,402	36,299	28,402
Total assets	<u>\$ 60,286</u>	<u>\$ 27,375,261</u>	<u>\$ 27,384,453</u>	<u>\$ 51,094</u>
Liabilities:				
Intergovernmental payable	<u>\$ 60,286</u>	<u>\$ 27,375,261</u>	<u>\$ 27,384,453</u>	<u>\$ 51,094</u>

WILSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 98,640	\$ 28,415,949	\$ 28,414,786	\$ 99,803
Accounts receivable	36,299	28,402	36,299	28,402
Total assets	<u>\$ 134,939</u>	<u>\$ 28,444,351</u>	<u>\$ 28,451,085</u>	<u>\$ 128,205</u>
Liabilities:				
Miscellaneous liabilities	\$ 59,818	\$ 737,562	\$ 735,231	\$ 62,149
Intergovernmental payable	75,121	27,706,789	27,715,854	66,056
Total liabilities	<u>\$ 134,939</u>	<u>\$ 28,444,351</u>	<u>\$ 28,451,085</u>	<u>\$ 128,205</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, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 55,546,557	\$ 54,725,151	\$ 821,406
2018-2019	879,835	-	525,134	354,701
2017-2018	376,084	-	115,854	260,230
2016-2017	226,624	-	39,212	187,412
2015-2016	192,602	-	20,485	172,117
2014-2015	159,174	-	8,142	151,032
2013-2014	160,342	-	7,187	153,155
2012-2013	162,100	-	4,484	157,616
2011-2012	163,929	-	2,236	161,693
2010-2011	94,846	-	2,052	92,794
2009-2010	88,668	-	88,668	-
Total	\$ 2,504,204	\$ 55,546,557	\$ 55,538,605	2,512,156
Less: Allowance for uncollectible accounts:				
General Fund				<u>(954,412)</u>
Ad valorem taxes receivable, net:				
General Fund				<u>\$ 1,557,744</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				<u>\$ 55,185,869</u>
Reconciling items:				
Interest collected				(517,388)
PPC tax value appealed				188,822
Taxes written off				88,668
Miscellaneous				<u>592,634</u>
Total reconciling items				<u>352,736</u>
Total collections and credits				<u>\$ 55,538,605</u>

WILSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 6,968,077,651	\$ 0.73	\$ 50,933,860	\$ 45,252,360	\$ 5,681,500
Discoveries	<u>574,879,735</u>	0.73	<u>5,353,755</u>	<u>5,353,755</u>	<u>-</u>
Abatements:					
At current year's rate	(53,022,280)	0.73	(415,899)	(415,899)	-
At prior year's rate	<u>(30,620,249)</u>	0.73	<u>(325,159)</u>	<u>(325,159)</u>	<u>-</u>
Total abatements	<u>(83,642,529)</u>		<u>(741,058)</u>	<u>(741,058)</u>	<u>-</u>
Total property valuation	<u>\$ 7,459,314,857</u>				
Net Levy			55,546,557	49,865,057	5,681,500
Uncollected taxes at June 30, 2020			<u>(821,406)</u>	<u>(821,406)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 54,725,151</u>	<u>\$ 49,043,651</u>	<u>\$ 5,681,500</u>
Current Levy Collection Percentage			<u>98.52%</u>	<u>98.35%</u>	<u>100.00%</u>

WILSON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Levy	Uncollected Balance June 30, 2020
Bakertown	\$ 43,616	\$ 3,232
Beulah	57,840	2,760
Cross Roads	151,517	7,421
East Nash	249,337	16,674
Green Hornet	22,733	433
Contentnea	469,495	2,586
Lee Woodard	185,383	6,264
Moyton	78,295	3,509
Polly Watson	6,794	662
Rock Ridge	185,630	5,387
Sanoca	90,272	7,156
Sims	98,191	1,313
Silver Lake	102,890	4,587
Tri County	38,833	3,445
Toisnot	102,325	1,135
West Edgecombe	<u>2,459</u>	<u>84</u>
Total original levy	1,885,610	66,648
Less: Allowance for uncollectible accounts:		
Fire districts		<u>(19,411)</u>
Ad valorem taxes receivable, net:		
Fire districts		<u>\$ 47,237</u>
Less uncollected taxes at June 30, 2020		<u>(66,648)</u>
Current Year's Taxes Collected	<u>\$ 1,818,962</u>	
Current Levy Collection Percentage		<u>96.47%</u>

WILSON COUNTY, NORTH CAROLINA

SECONDARY MARKET DISCLOSURE COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2020

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio	<u>100.00%</u>
Real property ¹	\$ 4,795,352,215
Personal property	1,776,190,968
Public service companies ²	109,484,069
Motor vehicles	<u>778,287,605</u>
Assessed valuation at current year rates	<u>\$ 7,459,314,857</u>
Tax rate per \$100	<u>\$ 0.73</u>
Levy (includes discoveries, releases, and abatements)	\$ 54,452,998
Penalties	<u>1,093,559</u>
Net levy (includes discoveries, releases, and abatements) - all rates	<u>\$ 55,546,557</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	\$ 55,546,557
Special fire districts	1,885,609
Solid waste district	<u>1,327,352</u>
Total	<u>\$ 58,759,518</u>

WILSON COUNTY, NORTH CAROLINA

TEN LARGEST TAXPAYERS FOR THE YEAR ENDED JUNE 30, 2020

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Bridgestone	Tire manufacturing	\$ 467,883,124	29.82%
Merck	Pharmaceutical	421,434,396	26.86%
BB&T Centralized Solutions Inc.	Financial	187,829,004	11.97%
Sandoz	Pharmaceutical	84,559,363	5.39%
DLP Wilson Medical Center Inc.	Medical	83,938,488	5.35%
Linamar Forgings Inc.	Manufacturing	66,594,907	4.24%
Purdue Pharmaceuticals LP	Pharmaceutical	66,275,663	4.22%
Alliance One International Inc	Processing	65,251,402	4.16%
Fresenius Kabi USA LLC	Pharmaceutical	64,068,808	4.08%
Ardagh Glass Inc	Manufacturing	61,352,521	3.91%
Total		<u>\$ 1,569,187,676</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 24,421,556
Restricted	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	19,709,106
Unrestricted	(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)	(40,779,223)
Total Governmental Activities Net Position	\$ 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	\$ 3,351,439
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 16,575,503
Unrestricted	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	17,005,983
Total Business-Type Activities Net Position	\$ 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	\$ 33,581,486
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 40,997,059
Restricted	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	19,709,106
Unrestricted	(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)	(23,773,240)
Total Primary Government Net Position	\$ 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	\$ 36,932,925

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General government	\$ 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	\$ 10,587,262
Public safety	19,196,921	19,815,892	20,830,220	22,263,611	21,366,326	23,383,365	23,523,954	24,135,018	24,250,799	25,819,930
Transportation	50,724	49,967	50,246	47,857	37,357	50,377	872,603	671,867	521,233	500,225
Environmental protection	300,568	284,161	290,665	524,329	479,357	604,412	276,226	238,805	347,522	649,335
Economic and physical development	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	3,620,033
Human services	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	31,953,761
Cultural and recreational	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	2,592,768
Education	18,596,063	18,847,287	18,795,853	20,610,068	21,736,297	22,712,089	24,883,817	28,790,580	24,807,827	25,955,838
Interest on long-term debt	1,439,974	1,539,092	1,430,380	1,216,232	1,026,307	641,444	588,088	407,239	348,930	288,550
Total government activities expenses	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	101,967,702
Business-Type Activities:										
Landfill	\$ 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	\$ 3,281,589
Water	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	2,334,265
Total business-type activities expenses	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	5,615,854
Total primary government expenses	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	107,583,556
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	775,757	779,845	807,579	502,902	519,520	842,806	587,171	1,136,734	628,716	677,223
Public safety	4,585,775	4,779,443	5,125,848	5,263,315	3,842,377	3,930,346	4,064,089	4,263,272	4,610,258	4,439,624
Transportation	51,861	213,920	205,362	226,852	170,271	162,321	205,274	134,564	87,237	20,981
Environmental protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	23,953	-	-	-	-	-	-	-
Human services	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	3,435,615
Cultural and recreational	34,332	59,828	57,037	-	-	-	-	-	-	-
Operating grants and contributions	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	19,008,756
Capital grants and contributions	3,172,685	1,960,955	1,457,437	2,711,121	2,052,455	1,873,739	442,544	112,957	272,352	100,116
Total government activities program revenues	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	27,682,315
Business-Type Activities:										
Charges for services:										
Landfill	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	3,458,796
Water	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	2,393,730
Operating grants and contributions	-	-	-	-	54,400	30,000	613,682	191,492	330,601	36,716
Total business-type program revenues	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	5,889,242
Total primary government program revenues	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	33,571,557
Net (Expense)/Revenue										
Governmental activities	(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)	(74,285,387)
Business-type activities	(379,087)	(223,402)	(461,275)	(552,412)	242,804	212,980	431,245	893,604	584,857	273,388
Total primary government net expense	\$ (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)	\$ (74,011,999)

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 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	\$ 57,164,778
Local option sales tax	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	16,455,461
Other taxes and licenses	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795	764,557	801,466
Grants and contributions not restricted to specific programs	225,000	250,345	243,750	243,750	365,625	121,875	262,500	262,500	262,500	600,000
Investment earnings, unrestricted	73,441	68,897	89,810	47,280	39,376	106,848	207,783	552,198	947,970	884,971
Miscellaneous, unrestricted	259,932	156,371	108,558	239,841	128,209	214,860	142,429	57,243	226,408	594,334
Transfers	20,600	-	-	-	-	-	-	-	-	-
Total governmental activities	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	76,501,010
Business-Type Activities:										
Investment earnings, unrestricted	38,538	30,207	27,352	345,483	14,758	38,119	68,490	178,233	356,230	55,132
Miscellaneous, unrestricted	-	-	-	33,216	208,568	34,540	22,223	66,747	24,220	51,062
Transfers	(20,600)	-	-	-	-	-	-	-	-	-
Total business-type activities	17,938	30,207	27,352	378,699	223,346	72,659	90,713	244,980	380,450	106,194
Total primary government	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	76,607,204
Change in Net Position										
Governmental activities	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	2,215,623
Business-type activities	(361,149)	(193,195)	(433,923)	(173,713)	466,150	285,639	521,958	1,138,584	965,307	379,582
Total primary government	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	2,595,205

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
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	\$ 14,864,909
Committed	2,729,890	3,262,228	1,025,855	644,054	254,787	110,648	168,450	306,458	449,815	586,493
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	12,112,952
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	22,691,256
Total general fund	\$ 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	\$ 50,255,610
All Other Governmental Funds										
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	\$ 4,754,696
Assigned	426,262	435,618	340,196	975,023	328,323	468,429	528,829	788,933	1,346,127	1,997,067
Non-spendable	-	-	-	-	-	500,000	-	-	-	-
Unassigned	75,359	-	-	(6,506)	(6,955)	(20,000)	(20,000)	(20,000)	(19,088)	(137,950)
Total all other governmental funds	\$ 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	\$ 6,613,813

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Ad valorem taxes	\$ 48,337,108	\$ 48,486,720	\$ 49,482,035	\$ 52,982,608	\$ 51,937,667	\$ 51,887,117	\$ 50,745,671	\$ 51,996,530	\$ 53,096,774	\$ 57,338,877
Local option sales tax	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	16,455,461
Other taxes and licenses	687,322	499,644	530,176	699,995	625,189	628,459	753,925	738,795	764,557	801,466
Unrestricted intergovernmental revenues	225,000	250,345	243,750	254,149	386,087	271,450	271,760	271,760	266,722	604,766
Restricted intergovernmental revenues	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	18,692,676
Permits and fees	384,117	400,205	447,437	1,293,039	1,247,286	865,616	1,434,931	1,463,654	1,779,228	1,779,228
Sales and services	11,884,218	12,608,346	12,311,405	12,171,537	11,903,335	12,035,838	11,060,811	10,080,004	7,871,695	7,279,933
Investment earnings	73,441	68,897	62,458	47,280	39,376	106,848	207,783	552,198	947,970	884,971
Miscellaneous	213,499	344,420	427,439	282,065	83,741	178,696	153,630	21,638	222,186	589,568
Total revenues	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	104,426,946
Expenditures:										
General government	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	9,570,201
Public safety	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	23,991,828
Transportation	47,857	47,857	47,857	47,857	47,857	47,857	870,083	669,347	642,639	579,843
Environmental protection	281,693	269,781	279,338	281,859	274,118	265,817	262,994	227,463	316,249	553,819
Economic and physical development	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	3,579,874
Human services	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	29,724,321
Cultural and recreational	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	2,391,540
Intergovernmental:										
Education	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	25,955,838
Capital projects	421,594	991,388	472,641	1,168,920	1,313,220	4,188	-	1,175,551	-	-
Debt service:										
Principal retirement	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	2,828,277
Interest and fees	1,568,512	1,439,994	1,484,592	1,250,373	1,061,244	773,812	546,109	418,538	360,404	299,389
Bond issuance cost	144,909	-	-	-	-	-	-	-	-	-
Total expenditures	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	99,474,930
Excess of revenues over (under) expenditures	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	4,952,016
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	5,526,944
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)	(5,526,944)
Installment purchase obligations issued	-	5,235,125	300,000	603,134	-	-	-	-	-	-
Capital lease obligation issued	-	46,475	36,813	58,822	-	955,570	190,587	42,838	-	184,533
Refunding issued	-	(2,617,562)	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	56,064	46,944	47,954	31,485	2,034,293	37,131
Total other financing sources (uses)	169,003	2,664,038	336,813	661,956	56,064	1,110,830	6,159,122	948,859	2,034,293	221,664
Net change in fund balances	\$ 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	\$ 5,173,680
Debt service as a percentage of noncapital expenditures	7.98%	7.28%	7.20%	7.63%	6.64%	6.09%	4.89%	3.31%	3.19%	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				
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
2020	4,795,352,215	109,484,069	1,776,190,968		778,287,605	7,459,314,857	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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Wilson County	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300
Municipality Rates:										
Black Creek	0.5500	0.5500	0.5500	0.5500	0.5500	0.6000	0.6000	0.6000	0.6000	0.6000
Elm City	0.6800	0.6800	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300
Kenly	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
Lucama	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Saratoga	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800	0.5800
Sharpsburg	0.5500	0.5500	0.5500	0.5500	0.6500	0.6500	0.6500	0.6500	0.5000	0.5000
Sims	0.5000	0.5000	0.4700	0.4700	0.4700	0.5000	0.5000	0.5000	0.5000	0.5000
Stantonsburg	0.5000	0.5000	0.5000	0.5000	0.5000	0.4600	0.4600	0.4600	0.4300	0.4300
Wilson	0.5750	0.5750	0.5750	0.5550	0.5550	0.5150	0.5150	0.5150	0.5150	0.5150
Wilson-Municipal	0.7550	0.7550	0.7550	0.7350	0.7350	0.6850	0.6850	0.6850	0.6850	0.6850
Fire Districts:										
Bakertown	0.0600	0.0600	0.0600	0.0600	0.0600	0.0850	0.0850	0.0850	0.0850	0.0850
Beulah	0.0800	0.0800	0.0800	0.0800	0.0800	0.1125	0.1125	0.1125	0.1125	0.1125
Black Creek	0.1050	0.1050	0.1050	0.1050	0.1050	0.0500	0.0500	0.0500	0.0500	0.0500
Contentnea	0.0832	0.0832	0.0832	0.0832	0.0625	0.0950	0.0950	0.0950	0.0600	0.0600
Cross Roads	0.1010	0.1010	0.0670	0.0670	0.0650	0.0975	0.0975	0.0975	0.0975	0.0975
East Nash	0.1025	0.1025	0.1025	0.1025	0.1025	0.1350	0.1350	0.1350	0.1350	0.1350
Green Hornet	0.0700	0.0700	0.0700	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825
Lee Woodard	0.1120	0.1120	0.1120	0.1990	0.1120	0.0825	0.0825	0.0825	0.0825	0.0725
Moyton	0.1500	0.1500	0.1500	0.1070	0.1070	0.1300	0.1300	0.1300	0.1300	0.1300
Polly Watson	0.0750	0.0750	0.0750	0.0750	0.0750	0.1075	0.1075	0.1075	0.1075	0.0875
Rock Ridge	0.0675	0.0675	0.0675	0.0675	0.0675	0.1000	0.1000	0.1000	0.1000	0.1000
Sanoca	0.1150	0.1150	0.1090	0.1090	0.0925	0.1250	0.1250	0.1250	0.1250	0.1250
Silver Lake	0.0945	0.0945	0.0945	0.0945	0.0945	0.1225	0.1225	0.1225	0.1225	0.1225
Sims	0.0740	0.0740	0.0740	0.0740	0.0400	0.0725	0.0725	0.0725	0.0725	0.0725
Toisnot	0.0150	0.0150	0.0150	0.0150	0.0150	0.0475	0.0475	0.0475	0.0475	0.0475
Tri County	0.1000	0.1000	0.1000	0.1000	0.1000	0.1125	0.1125	0.1125	0.1125	0.1125
West Edgewcombe	0.0500	0.0500	0.0500	0.0500	0.0500	0.0825	0.0825	0.0825	0.0825	0.0825

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	2020			2011		
		2019 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2010 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Bridgestone Americas Tire	Tire manufacturing	\$ 467,883,124	1	6.27 %	354,994,694	1	5.57 %
Merck Sharp & Dohme Corp.	Pharmaceutical	421,434,396	2	5.65	100,535,294	3	1.58
Branch Banking & Trust AKA Truist Bank	Financial	187,829,004	3	2.52	153,738,747	2	2.41
Sandoz, Inc	Pharmaceutical	84,559,363	4	1.13	37,838,083	6	0.59
DLP Wilson Medical Center	Medical	83,938,488	5	1.13	n/a	n/a	n/a
Linamar Forgings Inc	Manufacturing	66,594,907	6	0.89	n/a	n/a	n/a
Purdue Pharmaceuticals	Pharmaceutical	66,275,663	7	0.89	48,499,412	4	0.76
Alliance One International	Tobacco	65,251,402	8	0.87	45,830,534	5	0.72
Fresenius Kabi USA LLC	Pharmaceutical	64,068,808	9	0.86	n/a	n/a	n/a
Ardagh Glass	Manufacturing	61,352,521	10	0.82	n/a	n/a	n/a
Total		\$ 1,569,187,676		22.68%	\$ 741,436,764		11.63%

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
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%
2020	49,865,057	49,043,651	98.35%	755,833	49,799,484	99.87%

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
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
2020	55,480,984	16,607,601	123,702	54,658	63,121	559,985	0	72,890,050

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				
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
2020	-	15,339,862	255,056	476,206	7,727,996		23,799,120	0.72%	290.41

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General bonded debt outstanding										
General obligation bonds	\$ 14,760,000	\$ 12,975,000	\$ 10,095,000	\$ 7,270,000	\$ 4,855,000	\$ 2,450,000	\$ 400,000	\$ -	\$ -	\$ -
Assessed Value	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	7,459,314,857
Percentage of estimated actual property value	0.23%	0.20%	0.15%	0.11%	0.07%	0.04%	0.01%	0.00%	0.00%	0.00%
Per capita	184.49	158.92	124.05	88.64	59.65	30.09	4.90	0.00	0.00	0.00
Legal debt limit - eight percent (8%) of assessed valuation	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	596,745,189
Total Net Debt Applicable to Debt Limit	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	23,799,120
Legal debt margin	\$ 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	\$ 572,946,069
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	10.10%	9.93%	8.66%	7.42%	6.53%	5.69%	6.09%	5.45%	4.78%	3.99%

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
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%
2020	81,949 (7)	3,299,039	40,501	41.00	12,766	80.30%	8.5%

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BB&T	2,200	1	6.41 %	2,000	1	9.51 %
Bridgestone Americas Tire Operations, LLC	2,100	2	6.12	2,000	2	9.51
Wilson County Schools	1,500	3	4.37	1,500	3	7.13
Wilson Medical Center	900	4	2.62	1,400	4	6.66
UTC Aerospace Systems	1,120	6	3.26	900	5	4.28
City of Wilson	760	5	2.21	670	7	3.19
County of Wilson	721	7	1.89	700	6	3.33
Smithfield Packing Company	649	8	2.10	650	9	3.09
Alliance One International	620	9	1.81	655	8	3.11
Sandoz	462	10	1.35	350	10	1.66
Total	11,032		32.14 %	10,825		51.46 %
Balance of employment	23,290		67.86 %	10,210		48.54 %
Total employment	34,322		100.00 %	21,035		100.00 %

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

Table 14
Wilson County, North Carolina
Full-Time County Government Employees by Function/Program
Full-Time-Equivalent County Government Employees by Function/Program FY2019
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
County Manager	4	4	4	3	4	3	3	3	4	4
Tax administration	17	17	16	17	17	17	17	17	16	13
Board of Elections	3	3	3	3	3	3	3	3	3	3
Register of Deeds	6	6	6	6	6	6	6	6	6	5
Human resources	2	2	2	3	3	3	3	3	3	3
IT Department	5	5	5	4	5	5	6	6	9	9
Finance	6	6	6	6	6	7	7	7	7	8
Public buildings	6	6	10	14	14	12	13	13	12	12
Cultural and recreational										
Library	19	19	27	27	26	26	22	22	22	19
Public safety										
Sheriff	83	83	92	93	99	89	92	92	85	88
Detention center	43	43	45	45	47	44	50	51	49	44
Animal control	8	8	9	9	9	9	9	9	9	8
Emergency communications	31	31	31	34	38	38	36	36	33	31
Emergency management	2	2	2	2	2	2	2	2	2	2
Emergency medical services	49	49	69	72	69	72	65	65	64	64
Transportation										
Transportation	1	1	1	1	1	2	2	2	2	2
Economic and physical development										
Economic and physical development	9	9	11	11	11	11	3	3	2	2
Cooperative extension										
Environmental protection										
Environmental protection	9	9	9	9	9	6	9	9	6	7
Planning	4	4	3	3	3	3	3	3	2	2
Soil and water conservation										
Human services										
Human services	136	136	136	131	140	110	122	122	78	72
Health										
Health	1	1	2	2	2	2	2	2	3	3
Senior Center	214	214	218	213	237	228	254	256	249	231
Social services	1	1	1	1	1	1	1	1	1	1
Veterans affairs										
Utilities										
Utilities	4	4	5	5	5	5	5	5	5	5
Water										
Water	10	10	38	38	38	38	13	15	13	13
Solid waste										
Solid waste	673	673	751	752	795	742	748	753	685	651
Total										

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	98	87	182	175	155	124	222	176	291	267
Building inspections conducted	2,850	177	2,969	2,758	1,746	2,473	2,821	3,300	3,418	3,503
Sheriff										
Arrests	2,806	2,723	2,274	2,226	2,377	2,201	2,253	2,118	2,194	1,716
Citations	1,088	1,455	958	650	1,483	750	804	920	1,227	1,312
Fire										
Inspections	82	76	81	53	181	40	46	39	20	41
EMS										
Calls	13,014	12,924	13,730	13,719	13,523	14,495	15,907	15,944	16,052	15,973
Solid Waste										
MSW (tons)	6,311	6,447	6,334	6,287	6,282	5,720	6,758	6,893	8,139	7,718
C&D (tons)	14,009	15,154	13,477	11,674	14,231	36,240	18,755	35,984	35,475	26,153
Recycle (tons)	1,085	1,112	1,111	1,387	2,215	3,003	3,005	2,706	2,634	1,638
Tires (tons)	1,912	2,285	1,347	1,285	1,466	1,511	1,814	1,765	1,863	1,939
Oil (gallons)	3,095	2,376	2,246	1,627	4,123	5,415	4,507	6,238	6,074	7,126
Batteries (count)*	83	84	123	*4,320	n/a	2,956	5,256	3,301	7,416	4,438
Jail										
Inmates admitted (average)	5,200	5,353	6,039	6,695	5,783	5,870	5,534	5,410	5,668	6,033
Inmates (daily average)	173	176	198	220	190	189	182	178	189	198
Department of Social Services (Mo. Avg.)										
Adult Medicaid (active cases)	5,606	5,757	5,841	5,730	8,466	8,590	8,794	8,698	8,479	8,762
Family and children's Medicaid (active cases)	7,655	8,042	8,220	8,403	**20,010	10,924	11,035	12,875	14,443	10,840
Food stamps (active cases)	8,125	8,255	8,338	8,959	9,090	9,024	8,379	7,602	7,524	8,149
Children in foster care	63	60	58	60	73	68	43	42	37	33
Children in DSS custody	63	60	58	60	73	68	43	42	37	33
Day care (children served)	800	852	703	771	732	731	730	767	860	950
Child support (collections)	\$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	\$9,204,249
Work First (active cases)	2,925	235	249	233	249	275	229	199	169	14
Reception services (clients seen)	59,917	60,292	58,310	50,612	48,915	60,583	41,059	47,786	50,515	44,423
Health Department										
TB (clients seen)	2,210	2,325	2,589	2,735	2,805	2,896	3,364	3,622	3,066	2,811
Communicable disease/STD (client visits)	2,669	3,425	3,456	3,567	3,787	1,942	1,666	2,080	3,440	3,125
Pharmacy (prescriptions filled)	6,095	5,722	5,923	6,025	6,155	41,988	5,170	5,528	5,687	10,511
BCCOP (clients visits)	54	49	76	77	80	76	85	77	101	86
HIV/AIDS (tests)	4,418	3,725	3,872	3,942	4,102	3,209	2,842	2,946	3,037	2,859
Immunizations (administered)	10,133	10,125	11,280	11,569	12,589	4,827	3,794	4,262	4,465	4,895
Lab (tests)	27,304	28,294	29,854	40,953	41,872	37,950	30,694	27,522	44,859	55,621
Environmental health (onsite inspections)		472	515	1,268	1,299	1,228	1,544	1,896	2,244	1,858
Environmental health (restaurant inspections)		547	902	1,720	1,864	1,659	968	1,236	1,962	2,049
WIC (caseloads)		3,255	37,251	2,863	2,963	2,948	2,639	2,600	2,399	2,662
Cultural and Recreational										
Libraries - circulation of youth services	122,218	128,538	118,558	129,149	127,899	111,452	92,537	127,018	102,876	89,245
Libraries - circulation of adult services	154,082	150,340	133,204	170,703	158,998	156,372	153,464	102,977	84,838	85,773
Education										
ADM	12,177	12,043	12,307	13,099	13,469	12,084	12,211	11,526	10,921	10,859

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	99	98	98	97	99	98	98	95	98	103
Canine units	0	4	4	4	4	4	4	4	4	5
EMS										
Stations	1	1	1	1	2	2	2	2	2	2
Ambulances/QRVs	17	17	17	18	18	18	18	18	21	19
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.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of County Commissioners
Wilson County
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, 2020, 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 11, 2020. 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*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Wilson County ABC Board.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilson County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilson County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wilson County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-001 that we consider to be a material weakness.

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 financial statements. 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 Response to Finding

Wilson County's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. Wilson County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County'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 11, 2020

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

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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, 2020. 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, 2020.

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 11, 2020

MARTIN STARNES

& ASSOCIATES, CPAs, P.A.

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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, 2020. 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, 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, 2020.

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 2020-002. Our opinion on each major State program is not modified with respect to this matter.

Wilson County's response to the non-compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Wilson 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 each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wilson County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2020-002, that we consider to be a significant deficiency.

Wilson County's response to the internal control over compliance finding identified in our audit is described in the accompanying Corrective Action Plan. Wilson County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 11, 2020

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WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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
SNAP Cluster	10.561
Social Services Block Grant	93.667

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

Auditee qualified as low-risk auditee? No

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

State Awards

Internal control over major state programs:

- Material weakness (es) identified? No
- 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
- ROAP Cluster
- Stream Debris Removal Program
- School Nursing Funding Initiative
- Aid to Counties
- Rural Building Reuse Program

WILSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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

Material Weakness

Finding 2020-001

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 may 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.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2019-001, modified.

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: 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, 2020

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

N.C. Department of Transportation

Program Name: ROAP Cluster

Finding: 2020-002

Significant Deficiency

Non-material, Non-Compliance – Reporting

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

Condition: The final annual ROAP report had data provided that did not agree to data from the transportation billing system used to track rides.

Context: The final annual ROAP report completed was inaccurate. The report conveys important program details such as the number of rides made, and cost of services provided during the year. The report filed for the period ended June 30, 2020 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 billing system. Funding provided to the County is based on the data from the ROAP reports, so it is important that the data agrees and reflects the actual activity.

Cause: Lack of controls and review over reporting.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit, 2019-004, modified.

Questioned Costs: The report was corrected and resubmitted with the correct data; therefore, no questioned costs are applicable.

Recommendation: Implement stronger controls over the reporting process to detect possible errors in reporting before submission to the NC DOT.

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, 2020**

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

Finding 2020-001

Name of Contact Person: Angel Landrau, Finance Director

Corrective Action/Management's Response: The Finance Department currently has processes and procedures in place that have proven to be effective for many years in the past. The department is providing ongoing training to new employees. Although full potential has not been achieved, progress has been made. The learning curve continued to be a challenge. In addition, COVID has played a significant contributor to making this year extremely difficult for the staff in completing assignments on-time.

The Finance Director will be seeking recommendations from professionals in the field to put a plan in place that will assist the department in eliminating future audit findings. 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 in 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, 2020

4. State Award Findings and Questioned Costs

N.C. Department of Transportation

Program Name: ROAP Cluster

Finding 2020-002

Name of Contact Person: Mark M. Johnson, Development Services Director

Corrective Action/Management's Response: Wilson County Transportation Division believes this finding in part can be attributed to the CTS software (referred to in the audit as "transportation billing system") calculations changes overtime for the same time period being queried. In light of this discovery staff run reports more frequently in order to ensure that the reports and billing statements matches.

The Transportation Coordinator and Administrative Assistant will work closer, reviewing the billing statements and reports in order to reconcile any discrepancies before submission to NCDOT.

Proposed Completion Date: Immediately and ongoing.

WILSON COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

2019-001: Modified and repeated as 2020-001.

2019-002: Corrected.

2019-003: Corrected.

2019-004: Modified and repeated as 2020-002.

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COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS:					
<u>U. S. Department of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>					
<u>Food and Nutrition Services Cluster (Note 3):</u>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Admin	10.561	205NC406S2514	\$ 1,639,317	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Fraud Admin	10.561	205NC406S2514	257,972	-	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Food Stamp E&T & Depend C	10.561	205NC406S2514	87,571	-	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - Food Stamp E&T	10.561	205NC406S2514	35,000	-	-
Total SNAP / Food and Nutrition Services Cluster (Note 3)			<u>2,019,860</u>	<u>-</u>	<u>-</u>
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	13A25403GA	527,324	-	-
Total U.S. Department of Agriculture			<u>2,547,184</u>	<u>-</u>	<u>-</u>
<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	71,721	4,219	-
Special Programs for the Aging, Title III, Part C Nutrition Services	93.045	DAAS-735	263,372	15,493	-
Special Programs for the Aging, Title III, Part C Nutrition Services - families first	93.045	DAAS-735	74,700	-	-
Nutrition Services Incentive Program	93.053	DAAS-735	36,035	-	-
State appropriations:					
Access		DAAS-735	-	7,309	-
In Home Service		DAAS-735	-	267,198	-
Home Delivered Meals		DAAS-735	-	50,930	-
Total Aging Cluster			<u>445,828</u>	<u>345,149</u>	<u>-</u>
Social Services Block Grant	93.667	DAAS-735	30,741	878	-
Total Administration for Community Living			<u>476,569</u>	<u>346,027</u>	<u>-</u>
<u>Administration for Children and Families</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Social Services:					
Temporary Assistance for Needy Families:					
Work First Admin	93.558	2001NCTANF	418,331	-	-
Work First Service	93.558	2001NCTANF	1,719,501	-	-
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	13325150T2/13A15151T2	88,415	-	-
<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	G2001NCCCDF	272,907	-	-
Total Subsidized Child Care Cluster (Note 3) / Child Care Development Fund Cluster			<u>272,907</u>	<u>-</u>	<u>-</u>
<u>Foster Care and Adoption Cluster (Note 3)</u>					
Adoption Assistance	93.659	2001NCADPT	31,598	-	-
Foster Care Title IV-E	93.658	2001NCFOST	454,222	56,568	-
COVID-19 - Foster Care Title IV-E	93.658	2001NCFOST	5,086	324	-
Foster Care Title IV-E - Direct Benefit Payments	93.658	2001NCFOST	71,635	20,786	-
COVID-19 - Foster Care Title IV-E - Direct Benefit Payments - supplemental	93.658	2001NCFOST	7,208	2,092	-
Total Foster Care and Adoption Cluster (Note 3)			<u>569,749</u>	<u>79,770</u>	<u>-</u>

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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	G2001NCSOSR	523,320	-	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G2001NCCWSS	17,303	-	-
Low Income Home Energy Assistance - Crisis Intervention Payments	93.568	G20B1NCLIEA	409,281	-	-
Low Income Home Energy Assistance - Admin	93.568	G20B1NCLIEA	94,454	-	-
Low Income Home Energy Assistance	93.568	G20B1NCLIEA	444,292	-	-
Child Support Enforcement:					
Title IV-D Administration	93.563	2001NCCES	1,204,901	-	-
IV-D Offset Fees - ESC	93.563	2001NCCES	45	-	-
IV-D Offset Fees - ESC Admin	93.563	2001NCCES	16	-	-
IV-D Offset Fees - Federal	93.563	2001NCCES	13,405	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Administration	93.674	2001NCC1LP	14,088	3,522	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood - Direct Benefit Payments	93.674	2001NCC1LP	13,637	-	-
<u>Special Children Adoption Fund Cluster (Note 3)</u>					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G2001NCFPSS	108,348	-	-
Total Special Children Adoption Fund Cluster (Note 3)			108,348	-	-
Total Administration for Children and Families			5,911,993	83,292	-
<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-MAP20	53,577	-	-
Adult Care Home Case Management	93.778	XIX-MAP20	49,552	7,677	-
MA Expansion	93.778	XIX-MAP20	253,031	-	-
Medical Assistance Administration	93.778	XIX-MAP20	3,301,434	-	-
Medical Transportation Admin	93.778	XIX-MAP20	188,696	-	-
Total Medicaid Cluster			3,846,290	7,677	-
Children's Health Insurance Program:					
NC Health Choice - Admin	93.767	CHIP20	128,895	3,356	-
Total Centers for Medicare and Medicaid Services			3,975,185	11,033	-
<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	1331631AEJ	24,578	-	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680EN	34,651	-	-
COVID-19 - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	12642680CP	88,439	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ANF/1460272ENF	27,433	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310CD7	10,400	-	-
Preventative Health & Health Services Block Grant	93.991	12615503PH	30,921	-	-
<u>HIV Cluster (Note 3):</u>					
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1311462BNB	42	-	-
Total HIV Cluster (Note 3)			42	-	-
Total Centers for Disease Control and Prevention			216,464	-	76,849
<u>Health Resources and Services 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	92,402	23,951	-
<u>Office of Assistant Secretary for Health</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Family Planning Services	93.217	13A1592AFP98/13A1592CFP98	67,881	-	-
Total U.S. Department of Health and Human Services			10,740,494	464,303	76,849
<u>U.S. Department of Treasury</u>					
Passed through the Office of State Budget and Management					
NC Pandemic Recovery Office					
COVID-19 - Coronavirus Relief Fund (Note 5)	21.019		375,950	-	255,831
Total U.S. Department of Treasury			375,950	-	255,831

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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>Office of Justice</u>					
Direct Program:					
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0140	33,508	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	G:2018DJBX0041	24,488	-	-
Total U.S. Department of Justice			57,996	-	-
<u>U. S. Department of Transportation</u>					
<u>Federal Transit Administration</u>					
Passed-Through the N.C. Department of Transportation					
Passed-Through City of Wilson					
Formula Grants for Rural Areas and Tribal Transit Program - Capital 20-CT-001	20.509	36233.26.21.3	88,903	11,213	-
Formula Grants for Rural Areas and Tribal Transit Program - Admin 20-CT-001	20.509	36233.26.21.1	37,618	2,351	-
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program - Section 5311 CARES ACT Grant	20.509	36233.26.21.1	53,054	-	-
Total U.S. Department of Transportation			179,575	13,564	-
<u>National Endowment for the Humanities</u>					
Passed-Through State Library of North Carolina					
Grants to States - LSTA EZ Grants	45.310	2020	93,732	-	-
Total National Endowment for the Humanities			93,732	-	-
Total Federal Awards			13,994,931	477,867	332,680
STATE AWARDS:					
<u>N.C. Department of Administration</u>					
Division of Veterans Affairs:					
County Veterans Service Program		XXXXX	-	2,182	-
<u>N.C. Department of Cultural and Natural Resources</u>					
Division of State Library:					
State Aid to Public Libraries		XXXXX	-	128,295	-
<u>N.C. Department of Agriculture and Consumer Services</u>					
Visit NC Farms App		19-060-4005	-	3,000	2,750
Division of Soil and Water Conservation:					
Stream Debris Removal Program		17-175-4062	-	310,187	-
District Matching and Technical Assistance Agreement		18-024-4066	-	27,030	-
Total Division of Soil and Water Conservation			-	340,217	2,750
<u>N.C. Department of Environmental Quality</u>					
Division of Water Infrastructure:					
Water System Asset Inventory Assessment Grant		H-AIA-D-18-0142	-	17,414	-
Water System Asset Inventory Assessment Grant		H-AIA-D-18-0122	-	19,302	-
Total Division of Water Infrastructure			-	36,716	-
<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:					
Senior Center Outreach		DAAS-735	-	7,050	-
Division of Public Health:					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees		11534752SZ	-	25,112	-
Public Health Nursing		1161430100	-	400	-
Aid to Counties		1161411000	-	138,713	-
Healthy Community Activities		1261550300	-	3,785	-
General Communicable Disease Control		1175451000	-	8,294	-
Breast and Cervical Cancer Control		1320335504/1320559900	-	15,775	-
School Health Center		1332535700	-	88,880	-
Child Health		1271574500	-	9,930	-
TB Control		1460455100/1460455400	-	63,051	-
Family Planning - State		13A1573500	-	16,011	-
School Nursing Funding Initiative		1332535800	-	149,103	-
Maternal Health		13A1574000	-	75,542	-

COUNTY OF WILSON, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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
Women Health Service Fund		13A16020FR	-	11,157	-
HIV/STD State		13114536BN/13114536RR	-	9,722	-
Gonorrhea Partner Services		13114601BN	-	695	-
Total Division of Public Health			-	616,170	-
Division of Social Services:					
ST Child Welfare/CPS/CS LD		XXXXX	-	71,233	-
Energy Assist Private Grant		XXXXX	-	1,089	-
AFDC Incent/Prog Integrity		XXXXX	-	45	-
Direct Benefit Payments-					
Extended FC/Max Non IV-E		XXXXX	-	46,213	-
F/C At Risk Maximization		XXXXX	-	2,608	-
SFHF Maximization		XXXXX	-	69,752	-
State Foster Home		XXXXX	-	34,523	-
Total Division of Social Services			-	225,463	-
Total N. C. Department of Health and Human Services			-	848,683	-
<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	-	286,138	286,138
<u>N.C. Department of Transportation:</u>					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.9.1	-	89,448	-
ROAP Rural General Public Program		36228.22.9.1	-	137,297	-
Total ROAP Cluster			-	226,745	-
East Nash VFD - paving		72.1060	-	25,000	25,000
Total N.C. Department of Transportation			-	251,745	25,000
<u>N.C. Department of Commerce</u>					
Building Reuse Program		Project Cleopatra	-	500,000	500,000
Total State Awards			-	2,393,976	813,888
Total Federal and State Awards			\$ 13,994,931	\$ 2,871,843	\$ 1,146,568

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, 2020. 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 the 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: Food and Nutrition Services, Subsidized Child Care, Special Children Adoption 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.

Note 5:

Wilson County received \$1,580,929 of funding from the Coronavirus Relief Fund (21.019) in accordance with HB 1043 and is scheduled to receive \$1,587,589 appropriated from HB 1023. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Wilson County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the state for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the state's pass-through agency, municipalities are considered subrecipients of the Counties; however, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.