

CITY OF WILSON

North Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year Ending
June 30, 2018

www.wilsonnc.org

**CITY OF WILSON
NORTH CAROLINA**

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ANNUAL FINANCIAL
REPORT**

**FISCAL YEAR ENDED
JUNE 30, 2018**

**FINANCIAL SERVICES
KIM A. HANDS
CHIEF FINANCIAL OFFICER**

CITY OF WILSON, NORTH CAROLINA

TABLE OF CONTENTS

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	i-xiv
Certificate of Achievement	xv
Organizational Chart	xvi
List of Principal Officers	xvii
FINANCIAL SECTION	
Report of Independent Auditors	1-3
Management Discussion and Analysis (required supplementary information)	4-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	17
Reconciliation of the Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	21-22
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds	23-24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	25-26
Statement of Cash Flows–Proprietary Funds	27-28
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30
Notes to Basic Financial Statements	31-66

CITY OF WILSON, NORTH CAROLINA

	Page(s)
Required Supplementary Information	
Law Enforcement Officers' Special Separation Allowance Required Supplementary Information – Schedule of Changes in Total Pension Liability	67
Law Enforcement Officers' Special Separation Allowance Required Supplementary Information – Schedule of Changes in Total Pension Liability as a Percentage of Covered Payroll	68
Other Post Employment Benefits – Retiree Health Plan Required Supplemental Information – Schedule of Changes in Total OPEB Liability and Related Ratios	69
Local Government Employees' Retirement System Required Supplementary Information – Proportionate Share of Net Pension Liability (Asset)	70
Local Government Employees' Retirement System Required Supplementary Information – Schedule of Contributions	71
Supplemental Financial Information	
Combining and Individual Fund Statements and Schedules	
General Fund:	
Supplemental Balance Sheets	72
Supplemental Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	73
Supplemental Schedule of Revenues and Other Financing Sources – Budget and Actual	74-75
Supplemental Schedule of Expenditures and Other Uses - Budget and Actual	76-81
Nonmajor Governmental Funds: 82-83	
Supplemental Combining Balance Sheet – Nonmajor Governmental Funds	84
Supplemental Combining Balance Sheet – Nonmajor Special Revenue Funds	85
Supplemental Combining Balance Sheet – Nonmajor Capital Project Funds	86
Supplemental Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	87
Supplemental Combining Statements of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	88
Supplemental Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	89
Special Revenue Funds:	
Supplemental Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Community Development	90
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – NC Small Cities Community Development Block Grant (CDBG) Program Economic Development Grant	91
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – New Home Loan Pool and System Vision Grant	92
Supplemental Combining Balance Sheet – Community Development Urgent Repair Program Grant Projects	93
Supplemental Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Urgent Repair Program Grant Projects	94

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – 2017 Urgent Repair Program Grant	95
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – 2016 Urgent Repair Program Grant	96
Supplemental Combining Balance Sheets – Brownfields Assessment and Cleanup Grants	97
Supplemental Combining Schedule of Revenues and Expenditures and Changes in Fund Balance Brownfields Assessment and Cleanup Grants	98
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Brownfields Cleanup Revolving Loan Fund Grant Project	99
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Brownfields Assessment and Cleanup- Hazardous Grant Project	100
Supplemental Combining Balance Sheets – Single Family Rehabilitation Loan Pool Grant Projects	101
Supplemental Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Single Family Rehabilitation Loan Pool Grant Projects	102
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Essential Single-Family Rehabilitation Loan Pool Grant Project	103
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Essential Single-Family Rehabilitation Loan Pool – Disaster Recovery Grant Project	104
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Rural Economic Development (Building Reuse Program “217 Brew Works”) Grant Project	105
 Capital Projects Funds:	
Supplemental Combining Balance Sheets – Whirligig Park Fund	106
Supplemental Combining Schedule of Revenues and Expenditures and Changes in Fund Balance Whirligig Park Fund	107
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Whirligig South & Douglas Streets Infrastructure Capital Project Fund	108
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Whirligig Park Farmers’ Market Shelter Capital Project Fund	109
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Economic Community Investment – Whirligig Park Capital Project Fund	110
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Rail Station Canopy Replacement Capital Project Fund	111
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – J Burt Gillette Athletic Complex Stadium/Soccer Fields/ Site Improvements Capital Project Fund	112
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Recreation Revitalization Capital Project Fund	113
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Economic Community Investment Downtown Building Revitalization Project Fund	114
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Economic Community Investment – TIGER Capital Project Fund	115
Supplemental Combining Balance Sheets – Lake Wilson Park Capital Projects	116

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Supplemental Combining Schedule of Revenues and Expenditures and Changes in Fund Balance	
Lake Wilson Park Capital Projects	117
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Lake Wilson Park Improvements Capital Project Fund	118
Supplemental Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Lake Wilson Walking Trail and Bridge Capital Project Fund	119
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Public Street Maintenance and Construction Capital Project Fund	120
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Hominy Creek Greenway (Phase One) Capital Project Fund	121
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Cavalier Terrace Park Renovations Capital Project Fund	122
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Wiggins Mill Park Improvements Capital Project Fund	123
Supplemental Schedule of Revenues and Expenditures – Budget and Actual – Economic Development Shell Building Project Fund	124
 Proprietary Funds:	
Enterprise Funds	125
Electric Fund:	
Supplemental Statement of Fund Net Position	126-127
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	128
Supplemental Statements of Cash Flows	129-130
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	131-132
Electric Rate Stabilization Fund – Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	133
Substation No. 14 & No. 15 Distribution System Improvements Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	134
Advanced Metering Infrastructure AMI Pilot Project Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	135
Interconnection Lines to Substations No. 2, 3, 4, 5, 8, 10, 14, RW (Mt. Olive, LLC) Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	136
301 Infrastructure/Corridor Improvements Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	137
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	138

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Gas Fund:	
Supplemental Statement of Net Position	139-140
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	141
Supplemental Statements of Cash Flows	142
 Gas Operating Fund	
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	143
 Gas Peak Shaving Facility Capital Project Fund	
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	144
 Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	145
 Water Resources Fund:	
Supplemental Statement of Net Position	146-147
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	148
Supplemental Statements of Cash Flows	149-150
 Water Resources Operating Fund –	
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	151-152
 Water Resources Revolving Loan Fund –	
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	153
 Water Resources Capital Reserve Fund –	
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	154
 Buckhorn Reservoir Wetlands Fund –	
Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	155
 Steel Main Replacements Capital Project Fund –	
Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	156
 Longview Pump Station Upgrade Capital Project Fund –	
Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	157
 New Blower and Aeration Controls Capital Project Fund	
Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	158

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Woodard Parkway Infrastructure Capital Project Fund – Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	159
Basin Renovation, Filter Rebuild Wiggins Mill and Toisnot Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	160
Wiggins Mill Dam and Pump Station Restoration Capital Project Fund Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	161
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	162
Mass Transit Fund: Supplemental Statement of Net Fund Position	163
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	164
Supplemental Statements of Cash Flows	165
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	166
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	167
Industrial Air Center Fund: Supplemental Statement of Net Position	168
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	169
Supplemental Statements of Cash Flows	170
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	171
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	172
Broadband Fund: Supplemental Statement of Net Position	173-174
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	175
Supplemental Statements of Cash Flows	176
Supplemental Schedule of Revenues and Expenditures – Budget and Actual (NON-GAAP)	177-178
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	179

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Stormwater Management Fund:	
Supplemental Statement of Net Position	180
Supplemental Statement of Revenues, Expenses and Changes in Fund Net Position	181
Supplemental Statements of Cash Flows	182
Stormwater Management Operating Fund	
Supplemental Schedules of Revenues and Expenditures- Budget and Actual (NON-GAAP)	183
Merrimont Park Drainage Capital Project Fund	
Supplemental Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)	184
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	185
Internal Service Funds:	186
Supplemental Combining Statement of Net Position	187
Supplemental Combining Statements of Revenues, Expenses and Changes in Fund Net Position	188
Supplemental Combining Statements of Cash Flows	189
Risk Management Fund:	
Supplemental Statement of Fund Net Position	190
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	191
Supplemental Statement of Cash Flows	192
Supplemental Schedule of Revenues and Expenditures – Financial Plan and Actual (NON-GAAP)	193
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	194
Group Insurance Benefits Fund:	
Supplemental Statement of Net Position	195
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	196
Supplemental Statement of Cash Flows	197
Supplemental Schedule of Revenues and Expenditures – Financial Plan and Actual (NON-GAAP)	198
Operation Center Fund:	
Supplemental Statement of Net Fund Position	199
Supplemental Statements of Revenues, Expenses and Changes in Fund Net Position	200
Supplemental Statement of Cash Flows	201
Supplemental Schedule of Revenues and Expenditures – Financial Plan and Actual (NON-GAAP)	202
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis	203

CITY OF WILSON, NORTH CAROLINA

	Pages(s)
Component Units:	204
Supplemental Balance Sheets - Discretely Presented Component Unit – Downtown Development Corporation	205
Reconciliation of the Balance Sheet to the Statement of Net Position – Discretely Presented Component Unit – Downtown Development Corporation	206
Supplemental Statements of Revenues, Expenditures, and Changes in Fund Balances – Discretely Presented Component Unit – Downtown Development Corporation	207
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Discretely Presented Component Unit – Downtown Development Corporation	208
Supplemental Schedule of Revenues and Expenditures and Changes in Fund Balances – Budget and Actual – Discretely Presented Component Unit – Downtown Development Corporation	209
Supplemental Statement of Net Position – Discretely Presented Component Unit – Cemetery Commission	210
Supplemental Statements of Revenues, Expenses, and Changes in Fund Net Position - Discretely Presented Component Unit – Cemetery Commission	211
Supplemental Statement of Cash Flows – Discretely Presented Component Unit – Cemetery Commission	212
Supplemental Statements of Revenue and Expenditures – Budget and Actual (NON-GAAP) Discretely Presented Component Unit – Cemetery Commission	213
Supplemental Schedule of Revenues and Expenditures – Reconciliation of Modified Accrual Basis to Full Accrual Basis – Discretely Presented Component Unit – Cemetery Commission	214
Other Financial Information	
Supplemental Schedule of Analysis of Current Tax Levy – City-wide Levy	215
Supplemental Schedule of Taxes Receivable	216
Supplemental Schedule of Annual Requirements to Amortize Long-Term Debt by Fund	217
Supplemental Schedule of Capital Assets – Proprietary Funds	218-223
Report of Independent Auditors on Revenue Bond Covenant Compliance	224
Revenue Bond Statement of Revenues, Expense, Debt Service and Debt Service Coverage – Combined Enterprise System	225-226
STATISTICAL SECTION	Table
Net Position by Component – Last Ten Fiscal Years	1 228
Changes in Net Position Last Ten Fiscal Years	2 229-231
Fund Balances, Governmental Funds Last Ten Fiscal Years	3 232

CITY OF WILSON, NORTH CAROLINA

		Pages(s)
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years	4	233-234
Electric Consumption Per KWH Sold Last Ten Fiscal Years	5	235
Electric Rates Per KWH Sold Last Ten Fiscal Years	6	236
Electric Sales by Customer Type Current Year and Nine Years Ago	7	237
Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years	8	238
Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	9	239
Principal Taxpayers Current Year and Nine Years Ago	10	240
Property Tax Levies and Collections Last Ten Fiscal Years	11	241
Ratios of Outstanding Debt by Type Last Ten Fiscal Years	12	242
Ratios of General Debt Obligation Outstanding Debt Last Ten Fiscal Years	13	243
Computation of Legal Debt Margin Last Ten Fiscal Years	14	244
Computation of Direct and Overlapping Bonded Debt	15	245
Pledged Revenue Coverage Last Ten Fiscal Years	16	246
Demographic Statistics Last Ten Fiscal Years	17	247
Principal Employers Current Year and Nine Years Ago	18	248
Fulltime Equivalent City Government Employees by Function Last Ten Fiscal Years	19	249
Operating Indicators by Function Last Ten Fiscal Years	20	250-251

CITY OF WILSON, NORTH CAROLINA

		Pages(s)
Capital Asset Statistics by Function Last Ten Fiscal Years	21	252
Revenue Bond Historical Operating Results (NON-GAAP) Last Ten Fiscal Years	22	253
2002 Revenue Bond Continuing Disclosure Obligation – Combined Enterprise System	23	254-257
SINGLE AUDIT SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		258-259
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act		260-261
Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act		262-263
Schedule of Findings, Responses, and Questioned Costs		264-266
Summary Schedule of Prior Year Audit Findings		267
Schedule of Expenditures of Federal and State Awards		268-270



CITY OF WILSON

North Carolina

INCORPORATED 1849

27894-0010

October 12, 2018

The Honorable Mayor,
Members of City Council, and Citizens of the
City of Wilson, North Carolina

The Comprehensive Annual Financial Report (CAFR) of the City of Wilson, North Carolina (“the City”) for the fiscal year ended June 30, 2018 is hereby submitted for your review. The City’s Financial Services Department staff prepared this report and it is the inclusive publication of the City’s financial position and operational results as of and for the fiscal year ended June 30, 2018. The City of Wilson, like all other units of local government in the state of North Carolina is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The City is also required by the OMB Uniform Guidance and the State Single Audit Implementation Act to have a compliance audit on federal and state financial assistance programs. This report meets these requirements.

Management assumes full responsibility for the accuracy, completeness, and reliability of the data presented in the report. To provide a reasonable basis for making these representations, management of the City has designed and implemented a comprehensive internal control framework to safeguard the City’s assets from loss, theft, or misuse and to compile reliable information for the preparation of the City of Wilson’s financial statements in conformity with generally accepted accounting principles (GAAP). The cost of internal controls should not outweigh their benefits. For this reason, the City’s internal controls framework is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the information contained in this financial report is accurate and complete in all material respects.

Martin Starnes and Associates, CPAs, P.A., a firm of certified public accountants, have audited the City’s financial statements. It is the responsibility of the independent auditors to issue a report expressing their opinion on the basic financial statements of the City based on their audit. The independent auditors’ report is presented in the financial section of this report. The audit was designed to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018 are free of material misstatement. The auditors examined, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessed the accounting principles used and significant estimates made by management; and evaluated the overall basic financial statement presentation. The independent auditors concluded, based upon their audit, the City of Wilson’s financial statements for the fiscal year ended June 30, 2018 are presented fairly in conformity with GAAP.

In addition, the auditors’ reports required as a part of the single audit are located in the Single Audit Section of this report. These reports focus not only on the fair presentation of the financial statements, but also on the City’s internal controls and compliance with legal requirements involving the administration of state and federal financial awards.

The management’s discussion and analysis (MD&A) required by GAAP and included in the Financial Section of the report provides a narrative introduction, overview, and analysis provided by management to accompany the basic financial statements. The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Wilson’s MD&A is located immediately following the independent auditors’ report.

Profile of the City

The City of Wilson, incorporated in 1849, and located on the eastern seaboard along Interstate 95, is the largest municipality in Wilson County and serves as the county seat. The City has a population of almost 50,000 and covers a land area of nearly 30 square miles.

The City levies a property tax on the appraised value of real property and certain tangible personal property located within its boundaries as authorized by state statute. The County also levies a property tax on property within the City's corporate limits and is the only other entity empowered to do so. The City is permitted by state statute to broaden its corporate boundaries by annexation.



The City of Wilson operates under the Council-Manager form of government. The Council is the policy-making and legislative body of City government and consists of a Mayor and seven Council members. City Council members are elected from districts while the Mayor is elected at-large.

The Mayor and Council members serve four-year staggered terms. The Mayor is the presiding officer of the Council and votes only in case of a tie. A Mayor Pro-Tempore is selected by the Council from its members.

The Council appoints the City Manager and the City Attorney. The City Manager is the Chief Executive Officer of the City and is accountable for carrying out the policies and ordinances of the Council and for administering the day-to-day operations of the City through appointed department directors and staff members.

The City provides a full range of services to its citizens including police and fire protection, transportation, sanitation, cultural and recreational activities, housing and community development programs, water, wastewater, and storm water utilities, and land use and development services. In addition, the City owns and operates electric and natural gas distribution systems and broadband services.

Excellence in Action

The \$1.2 billion sale of minority interest in several power plants reduced NCEMPA's debt by more than 70 percent two years ago. The remaining debt of \$492 million is scheduled to be paid off in 10 years. This debt reduction resulted in the City Council passing the largest electric rate decrease in Wilson's history, decreasing residential rates by 17.6 percent, commercial rates by 15.4 percent, industrial rates by an average of 7.2 percent and wholesale rates by 12.3 percent. The City continues to expand efficiencies to keep these lower rates in effect.

Greenlight is the City's state-of-the-art, fiber-to-the-premise system providing customers with data, voice, and video services. Since its inception in 2008, Greenlight has grown to provide services to about 9,700 customers and continues to grow enrollment. Greenlight was the first service provider in the state to offer Gigabit Fiber-to-the-Home service making Wilson North Carolina's Gigabit City. Former President Obama recognized Greenlight as one of the nation's fastest broadband networks and Wilson was credited as having "inspired leadership and community mobilization."

Wilson continues to expand its focus on innovation and economic development following participation in InnovateNC. The outcome of this workgroup is a concentration on developing an inclusive entrepreneurial economy. At the same time, retaining a rich community character and building on local assets, including the community owned Greenlight gigabit network.

Choosing Wilson

Location

The City is strategically situated with access to all major regional, national, as well as, international markets. It is conveniently located along Interstate 95, halfway between New York and Florida, approximately 475 miles from New York City and 240 miles from Washington, D.C. The City is served by U.S. highways 264 and 301 and North Carolina highways 42 and 58. Interstate 795 connects Wilson to the City of Goldsboro and on to I-40 south, enhancing access to the seaports at Wilmington and Morehead City, North Carolina. U.S. 264 provides the City with an interstate grade highway connecting Greenville and the Research Triangle Park.

Education

Wilson students are served by Wilson County Schools, a public school district that encompasses fourteen elementary schools, six middle schools, three traditional high schools, a learning center and an early college program affiliated with Wilson Community College. Students are enrolled in a five-year program that culminates with both high school diplomas and associate degrees. The district is part of a countywide system that is a shared responsibility between the County and the State; therefore, the City has no financial responsibility for the public education system. There are several private schools in the area providing basic education similar to the public school system. The City of Wilson has two charter schools funded by the County and State; the Sallie B. Howard School for the Arts is approved to serve K-8 and Wilson Preparatory Academy is approved as a K-12 school.

The City is home to two colleges serving thousands of students of all ages and stages of their careers. Chartered in 1958, Wilson Community College is part of the North Carolina Community College System and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The College offers more than 20 Associate Degrees, 8 diploma and 34 certificate curricula, Adult High School Diploma, NC High School Equivalency Diploma Programs and a wide variety of continuing education classes. Enrollment for the 2017-2018 academic year exceeded 9,500 full and part-time students. Wilson Community College also operates a state-funded technical assistance program known as the Small Business Center. The Center offers potential small business owners free counseling and seminars. Access to resources, such as the Small Business Center, a good business environment and low business cost were three components that led Wallethub, an internet research company that provides information on and reviews of financial companies, products and services, to name Wilson as one of the top twelve small cities in the U.S. for businesses.

Work has begun on the expansion of the Lee campus, the former site of Lee Motor Company, which donated the land. This campus adds 11 acres of land and 58,000 square feet of existing facilities to Wilson Community College. Lee Campus will eventually house the Advanced Automotive Technology, Applied Engineering Technology, HVAC, and Advanced Manufacturing programs. In addition to the \$2 million renovation budget already set aside by Wilson County and the federal government, the college has also been awarded \$95,000 from the Cannon Foundation and \$6.5 million from the state as part of the Connect NC bond.



Founded in 1902 as Atlantic Christian College, Barton College is a four-year, private, liberal arts college that is fully accredited by the Southern Association of Colleges and Schools. Barton offers 32 undergraduate majors leading to six different baccalaureate degrees, six pre-professional programs for undergraduates and four graduate Master degree programs. The academic community includes 887 undergraduate and 73 graduate students and more than 177 faculty and staff. Barton continues to be ranked by U.S. News & World Report as one of the top ten Best Regional Colleges in the South, Best Colleges for Veterans and Best

Value Schools. Barton currently supports 22 athletic teams in NCAA Division II and is part of the Conference Carolinas. In January 2018, the school announced plans to add a football program.

Also located in Wilson is the Eastern North Carolina School for the Deaf (ENCSD), which provides specialized instruction to students ages 5-21 who are deaf, hard of hearing and deaf-blind. ENCSD, established in 1964 to serve students from North Carolina's 53 eastern counties, now operates on a 54-acre campus. The school is a day/residential facility operated by the Office of Educational Services in the N.C. Department of Health and Human Services, and all services provided are free of charge to students and their families. The high school has an emphasis on independent living skills, career awareness and preparedness training, but many students follow college prep and tech prep tracks. ENCSD is dually accredited by the Conference of Educational Administrators Serving the Deaf and by the Southern Association of Colleges and Schools.

As part of the school's 50th anniversary, students, community members and leaders banded together to revitalize the school's 10-acre low ropes course and biking trails. State budget cuts over the last few years had left the school with no way to maintain the once renowned course. Thanks to a \$16,000 donation from BB&T to renovate the course, it is now the largest of its kind in the state with 22 initiatives and obstacles. The course is designed to be used for team building and personal growth by helping individuals develop leadership skills, problem solving and self-esteem. One of the 10 certified and trained course facilitators must guide those utilizing the course. There are also two miles of tight and challenging biking trails that encircle the property. The bike trails are open to the public.

Health Care

Extensive medical services are available throughout the City. Several health care providers including DLP Wilson Medical Center, the Wilson County Health Department, the Wilson Community Health Center, Eastpointe, and the Longleaf Neuro-Medical Treatment Center serve the City and County residents. In addition, numerous physicians, dentists and other professional practitioners have offices in Wilson.

Established in 1964, DLP Wilson Medical Center, a private, not-for-profit organization, serves a five-county region with over 125,000 people. Driven with organizational values including respect, integrity, great teamwork, honesty, and trust, DLP Wilson Medical Center offers a continuum of services through a 294 licensed-bed hospital, a 90-bed nursing care and rehabilitation center, home care and hospice care company, childcare center and healthcare foundation. It also offers a wound healing center designed to assist people with diabetic or other conditions. The hospital is also a member of the Duke Cancer Network, which is among the top four percent of US cancer centers.



An \$82-million-dollar renovation project is underway that will reduce the number of beds to 178 to make way for larger patient rooms, larger and more accessible bathrooms and areas near patient rooms for staff to sit and work closer with the patients. These plans include the reinstatement of an inpatient behavioral or mental health unit with at least 24 beds. With an average patient population of 85 to 100, administrators feel the 154 medical /surgical rooms will be more than enough to support the area needs. More than 100 active physicians serve on the hospital's medical staff, over 95 percent of who are board-certified, representing 28 specialties. The medical center employs more than 800 full time staff members.

The Wilson County Health Department and Eastpointe provide service to those who struggle with substance abuse, mental health, and intellectual and developmental disabilities with a full range of health and mental health services. These include a comprehensive home health nursing program and specialized clinical services offered through the County health department. Eastpointe, a local management entity, works with people needing services and their families, as well as other healthcare professionals to find solutions for the prevention and treatment of behavioral health disorders. Eastpointe staff links individuals and families to services and supports, helping them to live

successfully in their communities through a provider network, offering a full range of counseling, education, diagnosis and treatment services.

Carolina Family Health Centers, Inc. of Wilson operates the Wilson Community Health Center. Services are open to all Wilson County residents and include Internal Medicine, Pediatrics, Family Practice, Oral Health, and Behavioral Health care and treatment. Wilson Community Health Center also operates a dispensing Pharmacy, available to all registered patients. The Center accepts Medicaid, Medicare and most Commercial Insurance Plans. Charges are income-based for those who are uninsured. Carolina Family Health Centers, Inc. also operates CFHC Dental Center and Harvest Family Health Center in nearby Elm City, both of which serve Wilson residents.

The Longleaf Neuro-Medical Treatment Center (formerly the North Carolina Special Care Center) is a State-owned multi-purpose facility situated on 40 acres within the City. The center is a 233-bed long-term care facility that includes a 40-bed unit for the treatment of individuals with Alzheimer's. The center employs more than 250 staff that provides both intermediate and skilled level of care to patients who cannot be placed in traditional nursing care facilities, due to psychiatric diagnosis and/or atypical physical circumstances.

Another opportunity for healthcare services is happening. Vidant Health is constructing a \$14 million health-plex in Wilson. The 30,000-square-foot facility will employ about 50 people, including 15 doctors and is scheduled to begin providing an array of healthcare services later in 2018.

Transportation

The City, along with other area local governments, is a co-owner of the Rocky Mount-Wilson Airport, a regional airport centrally located between the two cities. The airport has a 7,100-foot-long runway and serves thousands of general aviation aircraft operations each year.

Additionally, the City owns and operates the Wilson Industrial Air Center located within the City's boundaries. Constructed as a World War II training facility, this airport provides all services usually associated with a general aviation airport. It has three 4,500-foot runways used extensively by industrial, commercial, governmental, medical, law enforcement, military and recreational aircraft. The airport often serves blimps enroute to or from major sporting events on the East Coast. The airport provides a courtesy vehicle to enable those flying into the airport easy access in carrying out their business needs.

The Raleigh-Durham International Airport (RDU), a major commercial airport, sits on 5,000 acres of land in Wake County, approximately 55 miles west of the City. RDU is home to ten major air carriers and their regional partners. Combined, they fly customers to 49 destinations on an average of 400 flights daily, including direct flights to more than 30 cities, including London, Toronto, and Paris. The airport served more than 11 million people and moved nearly 100,000 tons of cargo in 2017.

The CSX Railroad and Carolina Coastal Railway provide rail freight service for the City and surrounding area. Wilson is located along CSX's main north-south corridor on the East Coast; as many as 40 trains pass through the city on a daily basis. Amtrak's Carolinian and Palmetto lines provide passenger service for Wilson. During the calendar year that ended December 31, 2017, Amtrak reported annual revenue of more than \$3.2 million dollars with an annual ridership exceeding 55,500.

A comprehensive network of local public transportation is provided by a City-owned and operated bus system, subsidized by the North Carolina Department of Transportation. The Greyhound bus company and a cab company operating about 20 taxis also serve the City.

Economic Evolution

Industrial Growth and Development

Once widely known as the World's Greatest Tobacco Market, Wilson enjoys a diverse economy today, including a healthy mix of agriculture, manufacturing, commercial, and service businesses.



Wilson is the birthplace of Branch Banking and Trust Corporation (BB&T), which is among the nation's top financial-holding companies with more than \$221 billion in assets as of December 2017. BB&T operates more than 2,100 financial centers in 15 states and Washington D.C. and offers a full range of consumer and commercial banking, security brokerage, asset management, mortgage and insurance products and services. Currently based in Winston-Salem, BB&T remains among Wilson County's top employers with approximately 2,300 people working in various areas of the financial service industry.

Bridgestone Americas operates a plant in Wilson that employs around 2,100 people making more than 32,000 radial tires for cars and light trucks each day. It is the largest passenger tire facility in the Americas. The Wilson plant is a recipient of a 2015 Project of the Year award from the "Environmental Leader", a publication that informs business leaders about environmental and sustainability news. The award was given to the plant for developing a comprehensive program to achieve zero waste to the landfill. It is the first plant in the world to be recognized by Underwriters Laboratories for its Zero Waste to Landfill validation. It is also the first tire plant and the first plant in North Carolina to be awarded an ISO 50001 certification. The site has also received the Rising Star safety award from the NC Department of Labor. The 2016 announcement of a five-year, \$164 million investment in the Wilson facility has been increased to a 10-year, \$344 million investment. The continued expansion will allow Bridgestone to meet market demands and invest in newer more efficient technology. In addition to the 167,000 square feet of manufacturing space and new tire assembly machines, material handling systems, curing presses and other equipment already announced, this latest expansion would also add an additional 50,000 square-feet and a new rubber mixer to the facility. Total tire production is expected to grow to 35,000 per day and sixteen new jobs will be added once the expansion is completed in the fall of 2018.



The Sandoz plant in Wilson was awarded the Carolina Star, the highest safety award given by the NC Department of Labor. Sandoz, which manufactures generic drugs and employs more than 460 workers, is only one of 103 sites in the state to receive the award and the first site in Wilson County. Carolina Star work-sites are recognized for being self-sufficient in their ability to control hazards on the job. The Star program is an ongoing partnership between a company's managers and employees and the state Occupational Safety and Health division. It received the Rising Star award in 2013 for having good safety and health programs. Sandoz will continue to be audited each year to confirm it continues the high safety standard required to maintain the certification needed for the Carolina Star distinction.

Other large employers include Wilson County, City of Wilson, Smithfield Packing Co. (pork products), UTC Aerospace Systems (aircraft fire protection systems), Merck Manufacturing Division (pharmaceutical drugs), and Wilson Community College.

Absolute Plastics announced a layoff of more than half of its 150-employee work force, due to a loss of product demand and a need to consolidate operations.

Fresenius Kabi has announced plans for an expansion to its current facility as well as the construction of another facility in Wilson. The five-year, \$150 million investment is expected to bring 445 new jobs with an average salary of \$60,000. The company, which specializes in medicines and technologies for infusion, transfusions and clinical nutrition currently employs more than 100 people in its existing facility.

Wind River Tobacco Company has announced plans to open a manufacturing facility in Wilson. The company has purchased an existing facility and will invest \$18.5 million in equipment and upgrades to the property. The company is expected to employ 53 people with an average salary of more than \$35,000.

United Tobacco Company continues to grow and has added 10 full-time jobs to its permanent work force.

Ontario-based Linamar Corporation, a leading supplier of engine, transmission, driveline and mobile aerial work programs. Linamar has announced plans to invest \$40 million, as it creates 125 new jobs and expands its current facility by 2019.

Peak Demand, a manufacturer of transmission and distribution electrical products, has opened a new factory in the downtown district that will make products for distribution throughout the Americas. The 50,000 square foot facility is a renovated tobacco process warehouse and is expected to employ 37 people within three years.

Available industrial space in Wilson County will soon be increased, due to a private initiative to construct several shell buildings in the Hackney Industrial Park. The buildings will be marketed to small and medium-sized industries that will be able to utilize sites from 20,000 to 50,000 square feet. A new 100,000-square-foot shell building in the Wilson Corporate Park, the seventh, is complete and the Wilson Economic Development Council is marketing the building. Infrastructure in the Wilson Corporate Park is largely complete. Water, Sewer, Natural Gas, Electric, Fiber and Stormwater Management Systems are available to all remaining sites in the Park. Where practical, all systems have been looped, making it one of the more attractive parks in North Carolina. As a result, ElectriCities of North Carolina has designated the park as a Smart Site for being shovel-ready for new development. ElectriCities will market the location internationally at trade shows and industry events.

The City's investments in infrastructure have made the community very competitive on a national scale. The industrial park was recently chosen by the North Carolina Railroad as one of the best industrial sites in the state in terms of rail access. The Wilson Economic Development Council, with considerable input from the City and County, continues to actively market Wilson throughout North and South America and Europe.

The City and County are participating in the development of an 830-acre mega industrial site, which is located around the interchange of U.S. 264 and N.C. 58. This will provide a mixture of residential, industrial, commercial and office spaces that will expand development toward the Greenville, N.C., area. While the master plan and development of the property is being completed, the property continues to be leased for farming. The Golden LEAF Foundation awarded a grant of \$1 million to the park. This was added to a \$1.38 million grant, awarded by the NC Industrial Development Fund Utility Account to fund about 80 percent of the park's water and sewer infrastructure costs. Wilson City Council approved \$250,000 in funding for the project and the County approved matching funds. Wilson County Properties provided an additional \$90,000 contingency fund.

There are eight solar farms located throughout the City and County. These farms are part of a growing trend toward renewable energy that will reduce our dependence on petroleum and coal reserves. They generate income for landowners from properties that had previously been underdeveloped. Wilson Energy will benefit from this new technology. GCL New Energy, the builder of the solar sites, paid for \$1.4 million in upgrades to the electric grid. Six of the solar farms are designed to produce up to 10 megawatts of power and the remaining two will produce up to 5 megawatts of power. The farms are expected to generate an estimated \$400,000 in revenue for Wilson energy.

Wilson County was included in the expansion of Foreign Trade Zone 214. This will provide money saving benefits for companies in the county that import and export goods to and from other countries. Inclusion in a foreign trade zone means that companies are not required to pay customs duties until the product leaves the zone; increasing their cash flow.

The county unemployment rate for 2017 averaged 7.91%. As with seasonal employment, unemployment percentages typically increase during the summer and then fall at year-end.

Retail/Restaurant Growth and Development

Heritage Crossing Shopping Center, a 100-acre shopping hub is the largest active retail development within the City. It includes major tenants such as Target, Belk, Marshalls, Ross, Bed Bath and Beyond, PetSmart, Best Buy, Five Below, Harris Teeter Grocery, Olive Garden, Sleepy's and Panera Bread.

Other new businesses to Wilson include a second regional Arkham Comix location, as well as, Sweet Southern Snowballs, To Go Chicken, Farmers Home Furniture, Wild Thangz Southern Style Catering & Grill, Jimmy Johns Subs, Mason's Restaurant, R&R Oyster Bar at Silver Lake, Jimmy Jazz, Smart Choice Café and Market, and Marty's BBQ. Hardee's Restaurant opened a second Wilson location, which employs 55 people. A second Domino's Pizza has also opened and employs 30 people. Smithfield's Chicken 'N Bar-B-Q has added a Wilson location to its chain. The new store employs 40 people. Construction is nearing completion on a Discount Tire store, which will open in September. The 7,000 square foot location will join nearly 1,000 others in 34 states.

Throughout 2017, there were closings of a few long-standing Wilson businesses: Blue Star Cab Company, Golden Corral, JC Harris Cadillac, The Antique Barn and Hobby Shop. Other closures included Payless Shoe Source, Rue 21, Hamilton Funeral Chapel, Big Harold's Diner, Rugged Warehouse, It's A Girl Thing, and Southeast Medical Oncology.

Construction is continuing on a new senior living apartment complex, the Ravenswood Reserve, providing sixty one-and two-bedroom units for those 55-and-older.

The Wilson Downtown Development Corporation (WDDC), funded by a tax district, works to promote the City's core as a walkable district with scenic and historic buildings, state-of-the-art businesses, and in close proximity to a top-notch educational area. Downtown revitalization now includes an 1888 era Victorian house that will serve as the City's administrative offices. WDDC offers a Downtown Alive concert series, which now attracts thousands of people to hear a variety of bands on Wednesday evenings. WDDC supports a downtown farmers' market, which opened in 2010 and now attracts hundreds of shoppers on Wednesday and Saturday mornings from the late spring and throughout the summer months. The holiday season continues to draw visitors to the downtown area to see the new LED lighting in the trees that line the streets. Visits to Santa's village, carriage rides, and ice skating have also proven to be popular attractions.



Plans for a \$12 million redevelopment project of the Hi Dollar warehouse into Whirligig Station are underway. Waukeshaw Development of Petersburg, Virginia initiated the yearlong transformation of the 64,000-square-foot former tobacco warehouse, the largest redevelopment project in downtown history. The finished site will provide a combination of 90 loft apartments, commercial spaces for a restaurant, retail and offices as well as the Whirligig Park welcome center. The planned renovations include adding an upper level to the interior of the warehouse, which will expand the property to 85,000-square feet. The developer cited the City's progressive plans for the Whirligig Park project and the Innovation Zone, which is currently being developed, as a major factor in their decision to redevelop the property. The City has invested \$1.29 million to complete the park. Concrete pavers, a seating wall, lighting, whirligig base work, landscaping, irrigation, signage and other accessories have all been added to supplement the park.

Renovations continue at South Street properties, another area adjacent to the Whirligig Park. Wilson Downtown Properties will help market the completed project. Emphasis will be placed on finding tenants to compliment the park and the Hi Dollar development. The first business to open at the property is 217 Brew Works, a craft beer brewery and beer garden, has been enjoyed by many and continues to grow.

Wilson is one of several NC cities that received a \$96,107 state grant geared toward downtown revitalization. The city plans to use the grant to support existing projects such as the conversion of the Hi Dollar warehouse and the Vollis Simpson Whirligig Park, as well as supporting other private investments in the area.

Four electric vehicle-charging stations have been added to parking lots in the downtown area. A fifth will be installed on the main campus of Wilson Community College. Duke Energy provided the stations and the City has provided the parking spaces and free use of the machines as an incentive for electric vehicle drivers to come to the downtown area.

North State Consulting, a Raleigh-based technology company, has announced plans to locate a second office in downtown Wilson. The software company does consulting, sales and recruiting, is expected to hire 50 people by the time it opens at the end of the year. Other new downtown businesses include Tails of the City Pet Spa, Tig's Courtyard Restaurant, Schmidt Law, Tate Design Group, Krueger's Candies, Da Bayou, Dior's House of Weave, and Downtown Public House.

Planning / Business Development

The City is home to the Upper Coastal Plains Council of Governments (UCPCOG). The UCPCOG is one of seventeen multi-county planning and development regions in the State. The UCPCOG includes a small business incubator, which targets the counties within the UCPCOG, and is housed in the downtown business district.

The City is a major participant in a countywide strategic planning process known as Wilson 20/20 Vision. Wilson 20/20 brought together local leaders in government, business, industry, education, and health care, as well as citizens to assist in projecting where the City and Wilson County will be in the year 2020. The purpose of this process was to develop a plan and set goals with clear approaches to achieving those goals. The key, as with all strategic plans will be in implementing the strategies outlined in the plan.

The Wilson 20/20 work helped shape the City's creation of "Wilson Growing Together: The 2030 Comprehensive Plan." City staff worked with hundreds of citizens, business and educational leaders, and others from November 2008 through April 2010 to develop ideas for how the Wilson community should develop over the next 20 years. The comprehensive plan sets out 51 goals for Wilson, including a revitalized downtown; stronger neighborhoods; an enhanced transportation system; and improved partnerships between the City and Wilson County, Barton College, Wilson Community College and Wilson 20/20. The City Council unanimously approved the 2030 Comprehensive Plan in April 2010. Discussions during the 2030 plan's development directly led to the development of the Vollis Simpson Whirligig Park, the City's brownfields program, traffic improvements around Barton College and other initiatives.

Wilson 20/20 has received multiple grants from its corporate sponsors such as Bridgestone Americas, Merck and DLP Wilson Medical Center. Recent grants include \$200,000 from the Healthcare Foundation of Wilson to address adolescent pregnancy, alcohol and drug abuse, obesity and STDs. The sponsorship, as well as continued leadership and participation of these corporations are important as Wilson 20/20 looks to expand upon their three initiatives: the Youth Master Plan, Beyond 21 and the Impact initiative. The Youth Master Plan is a partnership with Wilson County Schools that seeks to improve the future of our youth as they address safety, wellness, workforce development, K-12 education and out-of-school time. Beyond 21 will address the needs of adults. Groups have been formed to study unemployment and underemployment, talent retention and attraction, community leadership and civic engagement, health and wellness, elderly and aging population and entrepreneurship in the Wilson area. The Impact Initiative is a collaborative effort with the Wilson Chamber of Commerce and Wilson Economic Development Council to offer leadership training and is designed to identify, train and deploy people with an interest in area leadership roles, including political office and service on boards or committees.

The EPA Brownfields Program, which aids in the redevelopment of property that is abandoned, idle, or underused with actual or perceived environmental contamination, awarded Wilson and its coalition partner, Greenville, an additional \$1,000,000 in revolving loan fund grants. \$600,000 will go toward hazardous substances and \$400,000 for petroleum cleanup. The grants will fund loans and sub grants to support cleanup activities, market the revolving loan fund, conduct cleanup planning and oversight, and perform community outreach activities.

City leaders and residents joined to formulate a plan to revive the US 301 corridor with improvements to intersections, landscaping, crosswalks, sidewalks, drainage and walking paths. The improvements will be funded by a \$10 million Federal Transportation Investment Generation Economic Recovery or TIGER grant that has been awarded to the City. The NC Department of Transportation allocated \$6.5 million, to go along with an additional \$3 million provided by the City, and an agreement for the City to perform some of the work, which will provide for transportation-related needs, environmental, quality-of-life and economic improvements for the area to encourage new investment and development. The planned improvements will stretch along US 301 from Lipscomb Road to Black Creek Road and has an expected completion date of 2022. The bulk of the money will be used on roadway, shoulder, curb, and gutter infrastructure improvements.

Recreation and Tourism



The City offers various recreational and cultural opportunities for its citizens. Two large community centers and two smaller neighborhood centers are owned and operated by the City. These centers target recreation for all ages and feature both outdoor and indoor athletic areas as well as areas for social events, fitness programs and instructional and various arts and crafts activities. The two larger centers have swimming facilities, including one pool that can be covered and enjoyed year-round.

The J. Burt Gillette Athletic Complex regularly attracts regional, state and even national sports events to the City. The complex includes eight lighted, regulation soccer fields, six with natural grass and two artificial turf fields. A pavilion area with a shade structure, improved drainage and irrigation systems, sponsorship signage and new lighting have also been added to the soccer complex which plays host to several large events each year, bringing in

nearly 500 teams, 8,000 players and 15,000 spectators. In addition to soccer, the complex is also home to a Little League facility that has gained the standing as a superior, well-run facility for hosting various tournaments. It has four lighted fields, including a showcase field that features a stadium that seats over 450 people. Funding for these upgrades was made possible by an increased occupancy tax of rental accommodations approved for Wilson County. The City will receive 1% of the quarterly proceeds from the tax increase to continue these improvements.

The complex is also home to the BB&T Noah's Arc All Children's Playground, which is one of the few playgrounds in eastern North Carolina that is designed to be used by children of all abilities, including those who use wheelchairs or other aids. Tourism plays a fundamental role in economic growth. Wilson County consistently experiences significant growth in travel and tourism as the City's recreation sports programs, Whirligig Festival and events such as Eyes on Main Street continue to bring people to the area. Wilson not only garners visitors from North Carolina, but also from other states in the US, as well as from other countries.

The City owns and operates 29 various park and picnic areas. Other facilities include four lakes and reservoirs, a rose garden, tennis courts, an 18-hole golf course, and nine miles of walking/nature trails. It features a long-time favorite; the miniature train at the Recreation Center now draws riders as the Christmas Train of Lights. Decorations, music, Christmas cookies and hot chocolate promote the holiday spirit. The nonprofit program is funded by donations from the community and area businesses.

The City Parks and Recreation Department was awarded a \$374,170 grant from the NC Parks & Recreation Trust Fund, which will be added to other contributions and City funds to upgrade Cavalier Terrace Park. Plans include an upgrade of the walking trail, playground and parking lot, as well as adding a picnic shelter and a pickle ball court.

A new 2-mile walking trail around Lake Wilson is currently under construction, with work on a bridge to connect the two sides expected to be completed in June. The trail and bridge, which will cost \$250,000, will be funded in part by a \$50,000 grant from the Merck Foundation. Merck employees are also volunteering their time to the project to help with some of the park upgrades.

The City of Wilson's Human Relations department hosts 1st Fridays on the Lawn through the months of July-October. The first Friday of each month consists of a free community concert, family entertainment, and educational opportunities using music and festivities to bring a diverse community together on the beautiful library lawn.

Fleming Stadium, a historic baseball stadium, which once hosted baseball greats such as Ted Williams, Richie Ashburn, and Karl Yastremski, now serves as the home of the Wilson Tobs, a member of a summer college baseball league. The North Carolina Baseball Museum operates year-round at Fleming Stadium. The museum includes memorabilia from many of North Carolina's minor league baseball teams, both past and present, and items from native North Carolinians who have been inducted into the Baseball Hall of Fame.

The City leases two buildings in its downtown area to the Wilson Arts Council, a private non-profit agency. Both buildings are of historical significance and have been renovated with a combination of public and private funds. One building houses the administrative offices of the Wilson Arts Council and is used for various art exhibits and special events. BB&T continues to support the Arts Council and has committed \$500,000 for renovations and restoration of the site. The other building is the Boykin Center for Performing Arts, a restored Vaudeville theater, which seats 650 and is the site of numerous plays and concerts each year.



International photographer, Jerome Perlinghi of Wilson, annually presents Eyes on Main Street, a photo festival that reflects “main streets” from around the world. It features 100 large-scale photographs displayed along Nash Street from BB&T to Pender Street. Several of the exhibiting photographers attend the festival and offer workshops. There is live music and free workshops for children. The festival runs from early May to Labor Day. For their work, Jerome and Rosa De Perlinghi received a Gertrud S. Caraway Award of Merit from Preservation of North Carolina. The award is given in recognition to individuals or organizations that have demonstrated a commitment to historic preservation.

Imagination Station is a non-profit children’s interactive science museum located in the downtown area. The mission of the museum is to create, develop, and operate an exciting and fun science-learning center for eastern North Carolina. The museum is housed in the historic Wilson Federal Courthouse and U.S. Post Office building that was constructed in 1928. It provides visitors with a quality science experience and offers over 200 hands-on exhibits. One floor of the museum houses the N.C. Museum of the Coastal Plain.



The Oliver Nestus Freeman Round House Museum features artifacts that depict the culture and contributions of African-Americans in the Wilson community. Freeman, a stonemason, built the house in 1946. The house was restored and relocated to its current location in 2001. A \$100,000 allocation from the City will be added to \$239,000 that has already been raised by museum volunteers for a 2,000 square-foot expansion of exhibit space. The new space will allow for exhibits on education, medicine, athletics, government, arts and an area dedicated to local organizations and churches.

The North Carolina Whirligig Festival is Wilson’s award winning tribute to the work of local folk artist Vollis Simpson and his whirligigs, the State’s official folk art. The festival, which began in 2004, is held in the downtown area adjacent to the Vollis Simpson Whirligig Park that opened in November 2017 and displays 30 of the artist’s colossal, wind-powered, kinetic creations. The Whirligig Festival is a two-day event that attracts an average of 35,000 people to the downtown area. It features music, dance, contests, a Whirli-Kidz Zone, the 5K Whirli-Run, and vendor spaces for local artists, food vendors and non-profit organizations. It also supports arts and culture in the Wilson area and provides scholarships for children to attend the Wilson Whirligig Festival Summer Camp.

The whirligigs were already considered the region’s top tourist attraction when they were on display in a farm field outside the city limits; now the park is expected to become an important cultural attraction for visitors on a both a statewide and national level. Whirligigs have been placed at the Welcome Centers of both the north and southbound entrances of North Carolina along Interstate 95. Signage at the structures advises travelers of the Wilson connection.

The revitalization of the downtown area and the restoration of the whirligigs and the 25 jobs created by the work, have been included as a case study in a book by the National Endowment for the Arts, “How to Do Creative Placemaking.”

The City of Wilson has a dynamic group of future leaders that are a part of the Wilson Youth Council (WYC), one of 30 youth councils in the state that focuses on leadership development through community service. This group of more than 150 teens learns decision-making skills and teamwork as they volunteer in their communities. Teen members represent almost every high school in Wilson including public, private and home schooled. Over the past nine years, WYC has received a state level award every year, including the “NC Most Outstanding Youth Council of the Year” for 2015, 2014, 2012 and 2008, the “NC Member of the Year” for 2015 and 2012 and the “Most Diverse Council” for 2012. In 2015, they were also recognized with the “Service Project of the Year” for their work with the Young Athletes program at Special Olympics.

Long-Term Financial Planning and Major Initiatives

The potential for future residential and commercial development in and around the City has increased in recent years, particularly with the increased accessibility to Raleigh and the Research Triangle Park. Long-term strategic planning has been a key focus of the City’s leaders, resulting in the City’s insightful involvement in providing a state-of-the-art infrastructure and utility services, which are essential for long-term growth.

A significant element in the planning process is the preparation of a five-year Capital Improvement Plan (CIP), which is reviewed and updated annually.

Water supply, as well as wastewater treatment capabilities, is essential for a growing community. The City completed the expansion of its main reservoir in 1999, positioning Wilson to have an adequate supply of raw water for at least the next 40 years. A substantial investment has also been made in the wastewater treatment and discharge facilities over the last several years, including the initial stages of a reclaimed water system. All told, the City has invested more than \$124,522,319 in its water resources infrastructure over the past 20 years and additional investments are projected for the future. The current CIP for FY 2019-2023 includes approximately \$26.4 million for water and wastewater improvements during the five-year period. The timing of these expansions will change annually during the planning process, and are dependent upon economic factors, such as the degree of growth in the City, throughout this period. Most of the projects, once approved, are expected to be funded by debt issuances.

In addition to water resources, the City owns and operates an electric and gas distribution system serving not only the City, but also Wilson County. The system reaches into five other surrounding counties as well. The City continues to review efficiencies presented by the broadband infrastructure and is strategically replacing end-of-life electric, gas, and water meters with advanced metering infrastructure (AMI) compatible meters. AMI is an architecture allowing for automated, two-way communication between a smart utility meter with an IP address and a utility billing software. The goal of an AMI is to provide these utility systems with real-time data about utility consumption and allow customers to make informed choices about energy usage. This is another continuous improvement toward service excellence the City is committed in providing our customers. This meter replacement is identified in the CIP.

In addition to the aforementioned utility enterprise funds initiatives, the City’s Parks and Recreation is working to finalize an update to their Master Plan. While there is nothing slated for development for this area, the updated Master Plan provides decision makers with prospective areas for development including quality-of-life amenities.

The City received the results of an actuarial study on the City’s retiree health care obligations. The City implemented Governmental Accounting Standards Board (GASB) No. Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in the fiscal year ending June 30, 2018. The implementation of the statement required the City to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the City related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$38,669,249 and \$13,587,605 for the business-type activities. While GASB 75 does not require any change in the way OPEB are funded, the City annually reviews the options available in dealing with this unfunded liability. Our fiscal standpoint is to contribute at a level that the City will be able to consistently sustain. The City proactively eliminated retiree health care benefits for employees hired July 1, 1993, and thereafter.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilson for its CAFR for the fiscal year ended June 30, 2017. This was the thirty-first consecutive year that the City received this prestigious award. The award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, the City had to publish an easily readable and efficient CAFR that satisfied both GAAP and applicable legal requirements. The award is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City has also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the FY 2017-18. To receive this award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device. This is the twenty-eighth consecutive year the City has received this award.

The preparation of this report would not have been possible without the support and dedication of the staff of the Accounting Division of the Financial Services Department. We would like to convey our appreciation to all personnel who contributed to, and assisted with, the preparation of this report.

In conclusion, we would like to convey our thanks to the Mayor and City Council for their continued interest and support in planning and conducting the financial activities for the City in a responsible and professional manner. We wish to thank the citizens of the City of Wilson for providing the opportunity to continue to improve the professionalism of financial reporting for the City of Wilson.



Respectfully submitted,

Grant W. Goings
City Manager

Kim A. Hands
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Wilson
North Carolina**

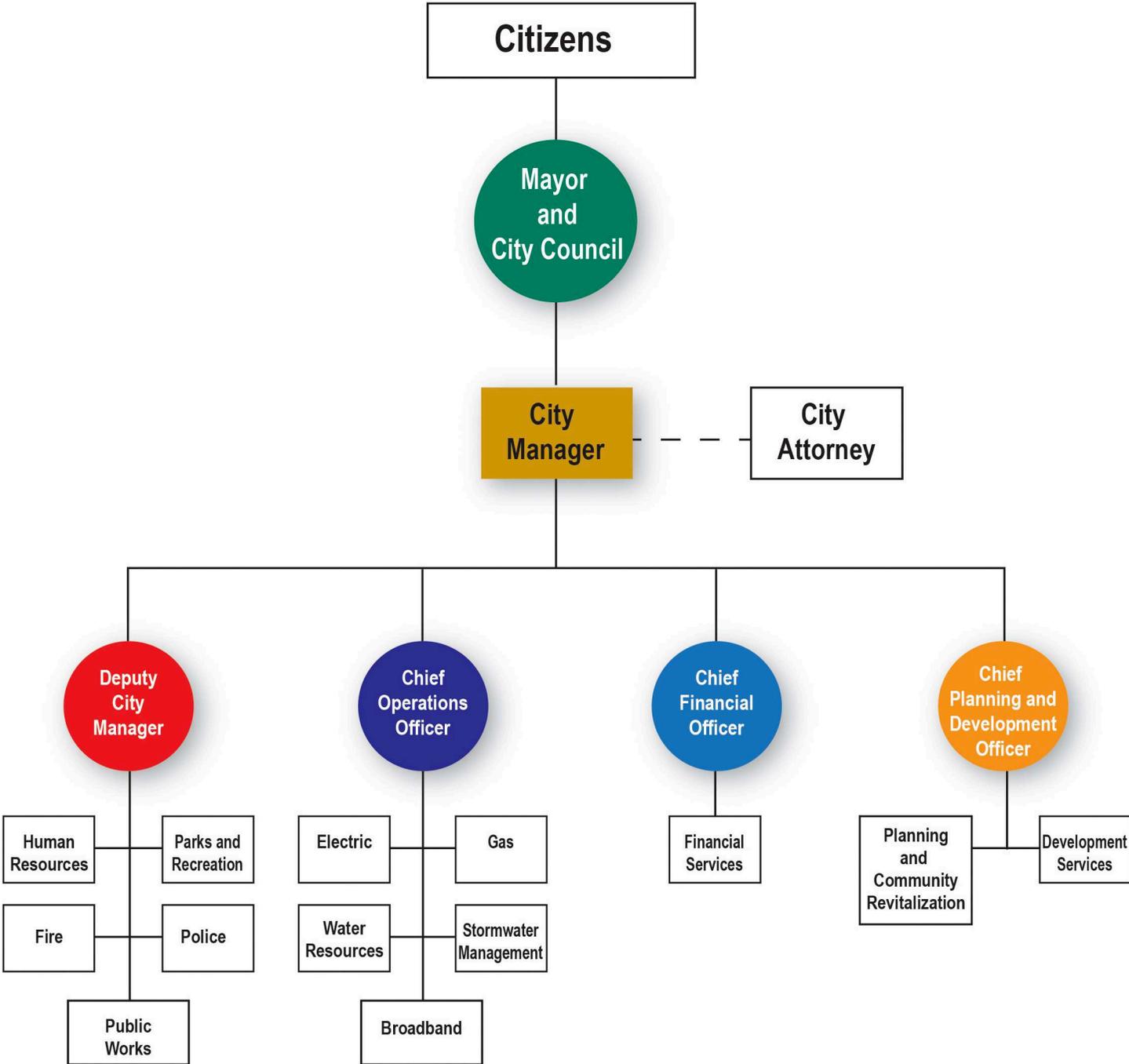
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Wilson



CITY OF WILSON, NORTH CAROLINA

CITY COUNCIL

**MAYOR
C. BRUCE ROSE**

**MAYOR PRO TEM
JAMES M. JOHNSON, III
District 4**

**A. P. COLEMAN
District 1**

**MICHAEL S. BELL
District 2**

**WILLIAM T. FYLE
District 3**

**DONALD I. EVANS
District 5**

**LOGAN T. LILES
District 6**

**DERRICK D. CREECH
District 7**

**CITY MANAGER
GRANT W. GOINGS**

**CHIEF FINANCIAL OFFICER
KIM A. HANDS**

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Wilson
Wilson, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilson, North Carolina, as of and for the year ended June 30, 2018, and the related Notes to the Financial Statements, which collectively comprise the City'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 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.

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, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilson, North Carolina, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 20 to the financial statements, for fiscal year ending June 30, 2018 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liabilities and related ratios, and the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions 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 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 assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wilson's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary 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 Requirements, 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 fund financial statements, budgetary 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. In our opinion, the combining and individual fund financial statements, budgetary 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 section 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 October 12, 2018 on our consideration of the City of Wilson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City'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 the City of Wilson's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 12, 2018

CITY OF WILSON, NORTH CAROLINA

Management's Discussion and Analysis

As management of the City of Wilson (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with the transmittal letter located at the front of this report, and the City's financial statements which follow this narrative that provide more specific detail.

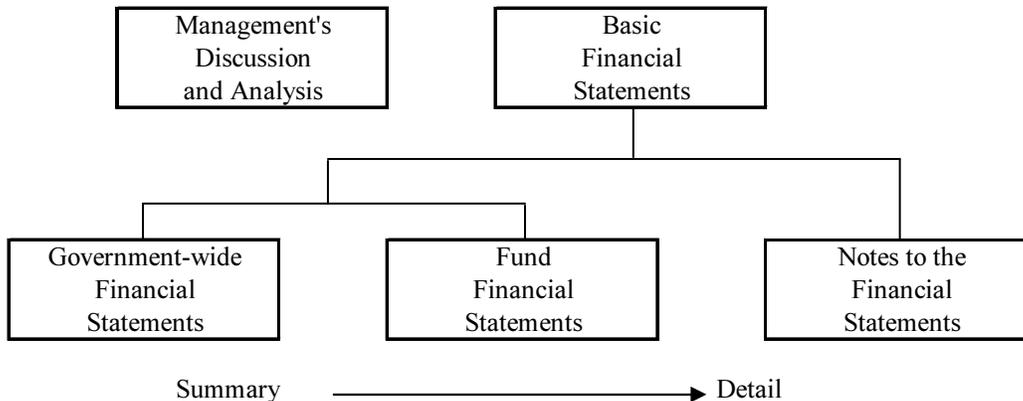
Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$330,091,447 (*net position*). Of this amount, \$46,316,489 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$22,698,637, consisting of a \$ 4,130,151 increase in net position of governmental activities and a \$18,568,486 increase in net position of business-type activities. The governmental increase is primarily due to the current year reduction in the post employment benefit liability. The increase in business-type activities was driven by operations of four of the City's utilities; electric, gas, water resources, and broadband.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,552,675, a decrease of \$2,018,531 in comparison with the prior year. Approximately 23.9 percent of this total amount, or \$6,592,598, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,128,962, or 26.3 percent of total general fund expenditures for the fiscal year.
- The City's total debt decreased by \$15,363,621 (9.4 percent) during the current fiscal year. The key factors in this decrease is a \$7,352,291 reduction in the net pension liability for the LGERS plan and OPEB, and reductions related to regularly scheduled principal reduction on existing outstanding debt. Also, during the year the City refunded its certificates of participation (Series 2007 and Series 2008).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These 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 City 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 financial condition of the City.

Required Components of Annual Financial Report
Figure 1



CITY OF WILSON, NORTH CAROLINA

Basic Financial Statements

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the City's financial status.

The next statements are fund financial statements. These statements focus on the activities of the various funds and provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary 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. In addition, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements. Also, following the notes is the required supplementary information. This section contains funding information about the City's pension plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City'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 City's financial status as a whole.

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

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

Both of 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 City's basic services such as general administration, public safety, parks and recreation, and sanitation services. Property taxes, sales taxes, state-collected revenues and charges for services finance most of these activities. The business-type activities are those that the City charges a fee for the service provided. These include electric, gas, water and wastewater, mass transit, industrial air center, broadband, and stormwater management. The final category consists of the component units, whose financial information is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15 and 16 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City'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. The City, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the state statutes or the City's budget ordinance. All of the funds of the City 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 City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a

CITY OF WILSON, NORTH CAROLINA

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 City's programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison to governmental activities in the government-wide financial statements.

The City maintains twenty-six individual governmental funds (23 of these are capital or grant project related). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City 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, management, and the City Council of the City about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance. 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 related to the General Fund: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater utilities, stormwater activities and its electric, gas, mass transit, broadband, and municipal airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for risk management activities, group insurance benefits, and costs of the City's operations center. The services of the Risk Management and Group Insurance Benefits Funds predominately benefit governmental rather than business-type activities, and have been included with governmental activities in the government-wide financial statements. The services of the Operations Center Fund predominately benefits business-type activities and has been included with business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 23-28 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

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 are on pages 31-66 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and other post employment benefits. Required supplementary information can be found on pages 67-71.

CITY OF WILSON, NORTH CAROLINA

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 72-214 of this report.

Interdependence with Other Entities: The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$330,091,447 as of June 30, 2018.

By far the largest portion of the City's net position (84.3 percent) reflects its net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table # 1
Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 53,043,182	\$ 54,140,655	\$ 94,980,759	\$ 92,003,510	\$ 148,023,941	\$ 146,144,165
Capital assets	61,513,397	59,316,973	281,542,009	275,508,746	343,055,406	334,825,719
Total assets	114,556,579	113,457,628	376,522,768	367,512,256	491,079,347	480,969,884
Deferred outflows of resources	7,671,295	8,335,428	3,794,830	3,995,500	11,466,125	12,330,928
Current and other liabilities	8,967,821	8,433,551	25,245,169	22,835,029	34,212,990	31,268,580
Long-term liabilities outstanding	60,737,838	26,177,545	76,107,421	75,078,881	136,845,259	101,256,426
Total liabilities	69,705,659	34,611,096	101,352,590	97,913,910	171,058,249	132,525,006
Deferred inflows of resources	570,938	691,585	824,838	434,557	1,395,776	1,126,142
Net position:						
Net investment in capital assets	60,967,475	58,052,520	217,310,729	201,123,545	278,278,204	259,176,065
Restricted	5,496,754	8,150,714			5,496,754	8,150,714
Unrestricted	(14,512,952)	20,287,141	60,829,441	72,035,744	46,316,489	92,322,885
Total net position	<u>\$ 51,951,277</u>	<u>\$ 86,490,375</u>	<u>\$ 278,140,170</u>	<u>\$ 273,159,289</u>	<u>\$ 330,091,447</u>	<u>\$ 359,649,664</u>

A portion of the City's net position (1.67 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$46,316,489 may be used to meet the government's ongoing obligations to citizens and creditors.

There was a net decrease of \$2,653,960 in restricted net position reported. The amount for governmental-type activities decreased primarily due to changes in the stabilization reserve (\$2,392,719).

CITY OF WILSON, NORTH CAROLINA

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 7,489,676	\$ 7,361,937	\$ 191,456,234	\$ 184,331,957	\$ 198,945,910	\$ 191,693,894
Operating grants and contributions	2,469,319	1,719,861	1,039,949	978,982	3,509,268	2,698,843
Capital grants and contributions	280,143	777,396	2,487,366	3,659,901	2,767,509	4,437,297
General revenues:						
Property taxes	23,522,710	22,949,347			23,522,710	22,949,347
Other taxes	14,310,862	13,615,651			14,310,862	13,615,651
Grants and contributions not restricted to specific programs	217,176	770,014	19,900	285,375	237,076	1,055,389
Investment income	75,557	28,886	89,929	14,332	165,486	43,218
Other general revenues	1,125,609	271,787	747,988	273,886	1,873,597	545,673
Total revenues	49,491,052	47,494,879	195,841,366	189,544,433	245,332,418	237,039,312
Expenses						
Program Activities						
Governmental Activities:						
General government	4,702,497	6,134,474			4,702,497	6,134,474
Public safety	22,614,881	23,222,455			22,614,881	23,222,455
Public services	6,049,078	6,167,534			6,049,078	6,167,534
Environmental services	5,386,525	5,654,752			5,386,525	5,654,752
Planning and development	3,256,759	3,678,604			3,256,759	3,678,604
Human services	220,468	250,003			220,468	250,003
Culture and recreation	7,101,965	6,195,136			7,101,965	6,195,136
Interest on long-term debt	29,708	38,942			29,708	38,942
Business-type Activities:						
Electric			117,967,225	116,998,496	117,967,225	116,998,496
Gas			15,324,883	14,264,237	15,324,883	14,264,237
Water Resources			21,462,054	21,585,549	21,462,054	21,585,549
Mass Transit			1,485,812	1,304,691	1,485,812	1,304,691
Industrial Air Center			157,915	148,704	157,915	148,704
Broadband			14,068,151	13,901,264	14,068,151	13,901,264
Stormwater Management			2,805,860	2,754,466	2,805,860	2,754,466
Total expenses	49,361,881	51,341,900	173,271,900	170,957,407	222,633,781	222,299,307
Increase (Decrease) in Net Position before transfers	129,171	(3,847,021)	22,569,466	18,587,026	22,698,637	14,740,005
Transfers	4,000,980	4,693,999	(4,000,980)	(4,693,999)		
Increase (Decrease) in Net Position	4,130,151	846,978	18,568,486	13,893,027	22,698,637	14,740,005
Net Position-Beg., as previously reported	86,490,375	90,700,968	273,159,289	259,266,262	359,649,664	349,967,230
Restatement	(38,669,249)	(5,057,571)	(13,587,605)		(52,256,854)	(5,057,571)
Net Position-Beginning, as restated	47,821,126	85,643,397	259,571,684	259,266,262	307,392,810	344,909,659
Net Position-Ending	\$ 51,951,277	\$ 86,490,375	\$ 278,140,170	\$ 273,159,289	\$ 330,091,447	\$ 359,649,664

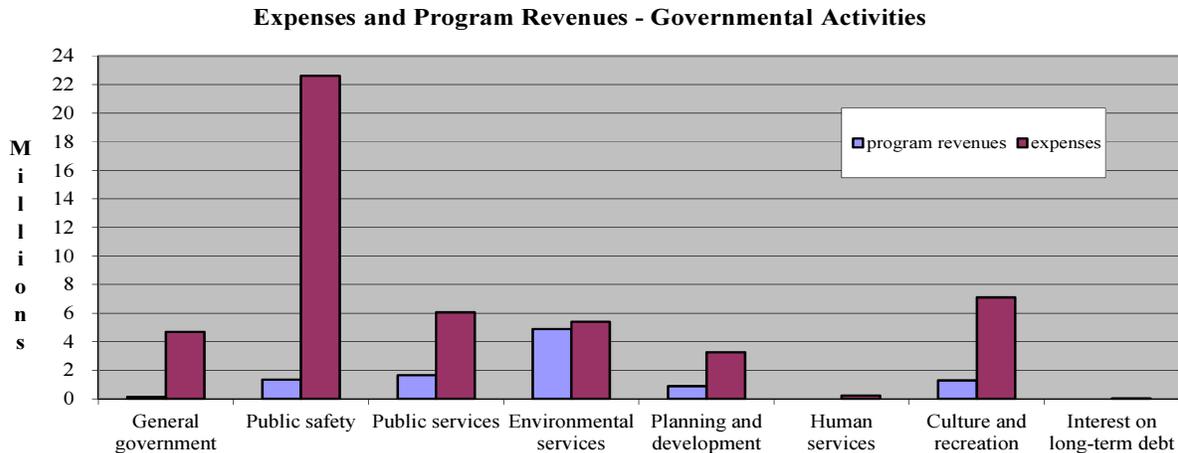
Overall, the City's net position increased by \$22,698,637 during the current fiscal year. There are various factors that influenced this increase, both positively and negatively. *(Note: The City implemented Governmental Accounting Standards Board (GASB) Statement 75 in the fiscal year ending June 30, 2018. The implementation required the City to restate the beginning liability for other post employment benefits, which in turn required a restatement of beginning net position. As a result of this new standard, net position for the governmental and business-type activities decreased by \$52,256,854).* For FY 2018, weather conditions returned to a more normal pattern, as opposed to the warm winters experienced the last couple of years. Our utilities are sensitive to several factors, with weather conditions being a significant influence. There was an increase in electricity sales volume of 1.5 percent, an increase in gas sales volume of 20.9 percent, and an increase of 0.9 percent in water volume sales. Adjustments were made to increase base rates for services (gas, water, and sewer), along with a decrease in electric rates and increase in the stormwater fee. Broadband subscribers increased during the year by 9.9 percent. The overall effect was an increase in net position for electric of \$5,291,308, gas of \$1,995,624, water resources of \$7,979,143, stormwater of \$796,160 and broadband of \$2,056,092.

CITY OF WILSON, NORTH CAROLINA

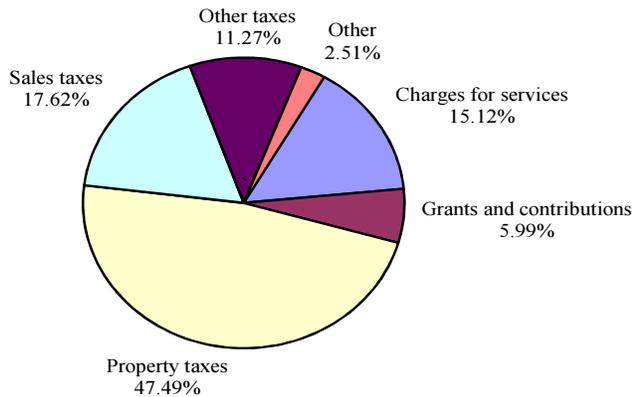
Governmental Activities. Governmental activities increased the City’s net position by \$4,130,151 due to a number of factors, both positive and negative, during the current fiscal year. Key elements of this increase are as follows:

- Property tax revenues increased by \$573,363 (2.5 percent) over the prior year.
- Capital grants and contributions decreased \$497,253 compared to the prior year, while operating grant and contributions increased by \$749,458.
- The City experienced a liability reduction of \$3,931,083 related to governmental activities for other post employment benefits (OPEB) during the year.
- Charges for services increased approximately \$127,739, or 1.7 percent, due to increased revenues in public safety of \$90,695 and public services of \$85,599, while recreation revenue declined \$69,055.

Figure 2



Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities increased the City’s net position by \$18,568,486. Key elements of this increase are as follows:

- The City experienced a liability reduction of \$1,381,191 related to business-type activities for other post employment benefits (OPEB) during the year.
- For Electric, sales volume increased by 1.5 percent, and considering the City lowered residential and commercial rates by 4 percent for FY 2018, operating revenues increased by \$776,232 or 0.62 percent. The rate decrease was made possible by a reduction in the wholesale cost of electricity purchased from NCEMPA. Electric power purchase costs decreased by \$1,762,536 or 2.0 percent compared to the previous

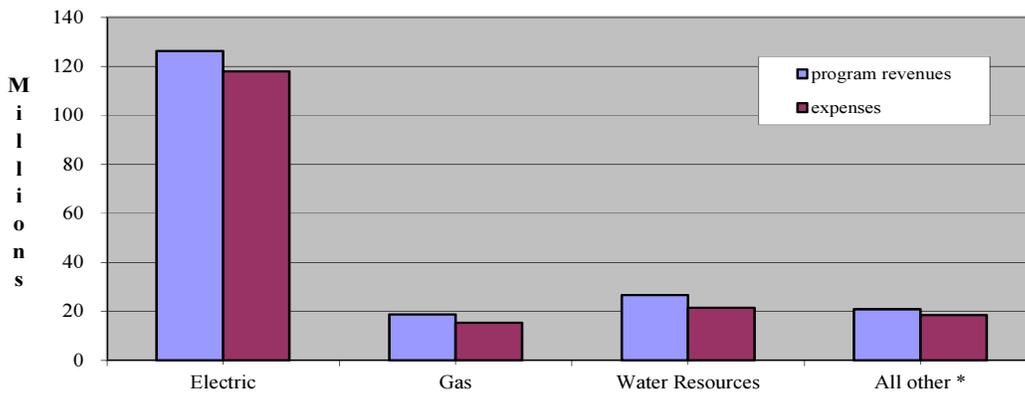
CITY OF WILSON, NORTH CAROLINA

year. Other operating cost were up \$2,567,546 or 8.9 percent over the prior year as we continue to move toward installation of advanced metering infrastructure and better load management.

- Operating revenues for gas increased \$3,854,729 or 25.9 percent, driven by a 20.9 percent volume sales increase and a \$4 base rate increase implemented in FY 2018. With the return of colder weather this winter, increased sales in turn led to increased gas purchase cost of \$967,047 or 11.7 percent over the prior year.
- For Water Resources, metered water sales to consumer and sewer services revenues increased \$293,626 or 1.2 percent, spurred partly by a 0.9 percent increase in volume sales and base rate increases for both water and sewer. Additionally, other operating revenues were up \$1,209,793 as a contractual payment was received from a wholesale customer. Conversely, operating expenditures were lower by \$308,010 or 1.5 percent compared to the prior year.
- During 2018, operating revenues for Broadband increased \$614,100, or 3.9 percent over the prior year offset with an increase in operating costs of \$384,554 or 2.9 percent increase over prior year. Internet service revenue has increased 10.3 percent in the past year through subscriber growth.

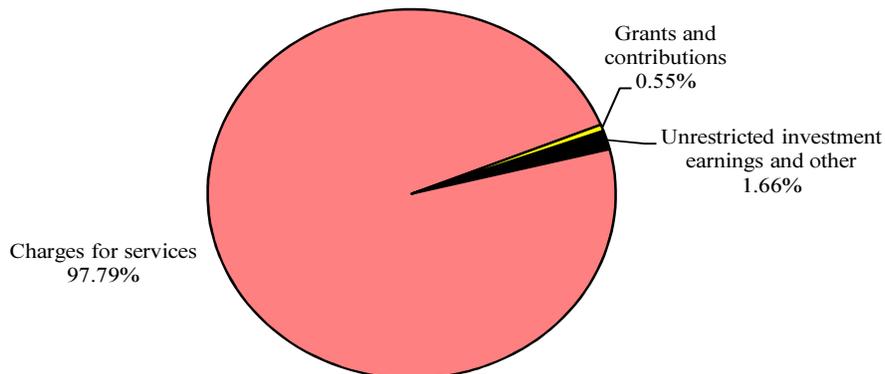
Figure 3

Expenses and Program Revenues - Business-type Activities



* All other includes (Mass Transit, Industrial Air Center, Broadband and Stormwater Management)

Revenues by Source - Business-type Activities



CITY OF WILSON, NORTH CAROLINA

Financial Analysis of the City's Funds

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

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

The General Fund is one of the major operating funds of the City. At the end of the current fiscal year, available fund balance in the General Fund was \$20,279,690, while total fund balance was \$24,612,475. Wilson's City Council has determined that the City should maintain an available fund balance of 25% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the City. The City currently has an available fund balance of 40.6 percent of general fund expenditures, while total fund balance represents 49.2 percent of the same amount. Due to uncertainties in the fluctuations of the economy from year to year, Council and management recognize that sustaining this level during uncertain times may be difficult. Steps have been taken to mitigate the draw on this resource and future corrective actions are anticipated should the economy worsen.

At June 30, 2018 the governmental funds of the City reported a combined fund balance of \$27,552,675, a 6.83 percent decrease from last year. Included in this change in fund balances is an increase in the General Fund and decreases in both the Special Revenue Funds and Capital Project Funds.

The net change in fund balance of the General Fund was an increase of \$1,047,016 due to a number of factors, some of which have been previously discussed. Fluctuations in the economy can affect the City's revenue from year to year and such occurrences can be found in privilege licenses, investment income and sales tax revenues. Sales and occupancy tax revenues increased by \$597,277, or 7.0 percent, as taxable sales in Wilson County increased slightly by 0.4 percent. Motor Vehicle licenses revenue increased by \$150,340 or 20.7 percent over the prior year. Expenditures overall for the year were up by \$1,828,018 or 3.8 percent compared to the prior year. In an effort to competitively recruit qualified candidates, salaries were increased for police officers, and a concentrated effort to improve our street infrastructure primarily account for the majority of this increase.

The decrease in fund balance for the capital project funds is due to the progression of projects towards completion utilizing funds received in prior years, while the decrease in special revenue funds is due to Urgent Repair Program funds expended for program expenditures.

General Fund Budgetary Highlights: During the year, the city revised the budget on five occasions. Generally, budget amendments fall into one of 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.

Amendments were made to increase appropriations for street resurfacing, equipment and vehicles, maintenance of vehicles, and maintenance of buildings and land purchases. Also, appropriations using forfeiture proceeds, grants and transfers to fund capital projects were made. The above changes accounted for \$4,310,720 of the \$4,618,650 added to the General Fund budget. Encumbrances totaling \$762,167 were automatically added at the outset of the fiscal year as authorized in the original budget ordinance.

Of the aforementioned items, appropriations increased in relation to: general government expenditures for video system upgrade (\$60,000), land and property purchases (\$660,130); police expenditures for drone (\$17,220), vehicle replacement (\$25,280), and forfeiture funded purchase of police equipment (\$91,310); fire expenditures for fire truck replacements (\$1,289,770), and asbestos abatement (\$9,700); parks and recreation expenditures for maintenance of buildings, vehicles, grounds, and walking trail (\$163,000), parks equipment (\$66,700), and expanded programs and events (\$212,700); public services and engineering expenditures for street resurfacing (\$231,000), sidewalk replacement (\$175,000), replacement of garbage truck (\$190,000), and recycling equipment

CITY OF WILSON, NORTH CAROLINA

(\$300,000); and transfers to Industrial Air Center (\$120,000), Recreation Revitalization project (\$100,000), Cavalier Terrace Project (\$274,180), Hominy Creek Greenway-Phase I Project (\$50,000), Wiggins Mill Park Improvements Project (\$100,000), Lake Wilson Park Improvements Project (\$150,000), Urgent Repair Program Projects (\$15,730).

Overall, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates. Some of the more significant variances between budget and actual results were the following:

- Sales tax revenue is highly sensitive to fluctuations in the economy and taxable sales increased slightly compared to 2017; and sales tax revenues were above the budget estimate for 2018 by approximately \$2,502,352.
- Intergovernmental revenues are well beyond the budget projection estimates overall by \$885,962 due to utility sales taxes exceeding budget expectations for 2018.
- Police department experienced significant savings overall of \$522,710, compared to the budget due to lapse salaries and benefits for vacancies the past year, (\$360,000), planned capital purchases which were delayed and others still encumbered at yearend of \$142,000.
- Street maintenance experienced significant savings overall of \$554,203 compared to the amended budget due to lapse salaries and benefits for vacancies the past year of (\$180,000), planned contractual street improvements costs being lower than expected (\$231,000), and pending capital outlay expenditures with encumbrance commitments for work yet to be completed (\$43,400).

Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of each fund is as follows: Electric at \$36,815,387; Gas at \$7,732,597; Water Resources at \$10,711,329; Mass Transit at \$5,946; Industrial Air Center at \$261,852 Broadband at \$1,948,042 and Stormwater Management at \$2,864,092. The total increase or decrease in net position for each fund was as follows: Electric increased \$5,291,308; Gas increased \$1,995,624; Water Resources increased \$7,979,143; Mass Transit increased \$70,512; Industrial Air Center increased \$48,327; Broadband increased \$2,056,092 and Stormwater Management increased \$796,160. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$343,055,406 (net of accumulated depreciation). These assets include buildings, streets and sidewalks, land, machinery and equipment, and vehicles. The total increase in the City's investment in capital assets for the current fiscal year was 2.46 percent (a 3.70 percent increase for governmental activities and a 2.19 percent increase for business-type activities).

Major capital asset transactions during the year include the following additions:

- Various electric distribution system improvements were made during the year at a cost of \$4,709,195 and improvements of \$1,082,213 were also made to the gas distribution system.
- Another phase has been completed in the Electric, Gas, and Water utilities as they upgrade to more advanced metering infrastructure technology. Current year costs total \$1,161,946.
- Construction continues on the fiber to the premise system which provides broadband services for residents, business, governmental and other institutions. Costs for the current year total \$737,019.
- There have been continual improvements made at the J. Burt Gillette Athletic Complex. In the current year, stadium, soccer field, and other site improvements totaled \$2,352,737.
- The Wiggins Mill Dam Restoration project is almost complete with \$1,032,805 spent for reparations in the current year. Another Water Resource project in process is the upgrade of blower and aeration controls, which had current year costs of \$1,117,629.
- Construction of water (\$633,317) and sewer (\$691,740) infrastructure at the Woodard Parkway Industrial Site was completed in the current year.
- The City purchased a new fire aerial ladder truck during the current year at a cost of \$1,289,768 to replace a damaged fire aerial ladder truck, which was sold for \$350,000.
- Environmental Services purchased a recycling truck for \$255,983 to complete final phase of the City's rollout recycle cart program.

CITY OF WILSON, NORTH CAROLINA

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 20,512,033	\$ 20,392,115	\$ 27,585,908	\$ 28,776,711	\$ 48,097,941	\$ 49,168,826
Land improvements	5,327,206	5,589,873	3,686,481	3,578,369	9,013,687	9,168,242
Buildings	13,265,113	10,407,969	14,201,468	11,927,948	27,466,581	22,335,917
Distribution system			212,925,920	211,950,171	212,925,920	211,950,171
Rolling stock	5,487,095	5,196,272	7,350,741	4,429,595	12,837,836	9,625,867
Furniture, Fixtures, and equipment	3,993,416	4,092,629	15,791,491	14,845,952	19,784,907	18,938,581
Infrastructure	12,909,854	13,638,115			12,909,854	13,638,115
Construction in progress	18,680				18,680	
Total	<u>\$ 61,513,397</u>	<u>\$ 59,316,973</u>	<u>\$ 281,542,009</u>	<u>\$ 275,508,746</u>	<u>\$ 343,055,406</u>	<u>\$ 334,825,719</u>

Additional information on the City's capital assets can be found in Note 5 on pages 44-46 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2018 the City had total debt outstanding of \$147,829,658. Of this amount, \$52,216,000 represents bonded debt. The City has \$4,915,000 in debt backed by the full faith and credit of the City and \$9,794,000 in bonds secured solely by revenues of the Combined Enterprise System (water, wastewater, and natural gas). In addition, the City has \$37,507,000 of certificates of participation outstanding. The remainder of the City's long-term obligations comprises pension related debt and compensated absences.

Table 4
Outstanding Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$	\$	\$ 4,915,000	\$ 6,120,000	\$ 4,915,000	\$ 6,120,000
Revenue bonds			9,794,000	10,533,000	9,794,000	10,533,000
Certificates of participation			37,507,000	42,820,000	37,507,000	42,820,000
State Revolving Loans			10,206,558	11,880,133	10,206,558	11,880,133
Notes payable	1,285,927	1,264,453	1,619,098	2,071,510	2,905,025	3,335,963
Compensated absences	2,637,951	2,511,982	1,219,527	1,182,755	3,857,478	3,694,737
OPEB	46,905,914	48,645,281	16,480,457	17,091,585	63,386,371	65,736,866
Pension related debt (LGERS)	6,959,223	9,855,129	3,235,151	4,604,779	10,194,374	14,459,908
Pension related debt (LEOSSA)	5,063,852	4,612,672			5,063,852	4,612,672
Total	<u>\$ 62,852,867</u>	<u>\$ 66,889,517</u>	<u>\$ 84,976,791</u>	<u>\$ 96,303,762</u>	<u>\$ 147,829,658</u>	<u>\$ 163,193,279</u>

Note: The 2017 OPEB liability has been restated by \$52,256,854 as reflected in the table above.

The City of Wilson's total debt decreased by \$ 15,363,621, or (9.4 percent). The key factors in this decrease is a \$6,616,029 reduction in the net pension liability for the LGERS plan and OPEB, and reductions related to regularly scheduled principal reduction on existing outstanding debt.

CITY OF WILSON, NORTH CAROLINA

The City maintains, an “Aa2” rating from Moody’s Investor Services, an “AA” rating from Standard and Poor’s Rating Service, and an “AA+” rating from Fitch Ratings on its general obligation debt (*current long term debt rating*).

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The City is currently at 1.2 percent. The legal debt margin for the City is \$274,779,174.

During the year, the City refunded its Series 2007 and Series 2008 Certificates of Participation. The City also paid off an installment contract balance of \$536,515 for an aerial ladder truck that was damaged, and subsequently entered into a new installment purchase contract for \$740,000 for another aerial ladder truck.

Additional information regarding the City’s long-term debt can be found in note 7 on pages 46-51 of this report.

Economic Factors

The average unemployment rate for Wilson County is currently 6.88 percent. The statewide and the national average unemployment rates for fiscal year 2018 are 4.34 percent and 4.12 percent respectively. Taxable sales within Wilson County increased by 0.4 percent from \$995,644,509 in 2017 to \$999,411,501 in 2018.

Budget Highlights for the Fiscal Year Ending June 30, 2019

For the City as a whole, the adopted budget for FY 2019 is 3.2 percent higher than the FY 2018 budget. The budget includes a property tax increase of .02 cents per \$100 of assessed valuation. The budget also includes the net addition of nine positions. The positions include four in public safety, two in community revitalization and development services, and three in public works. Also, the costs of health care benefits for employees increased 2.0 percent and will be absorbed by the City.

Governmental Activities: During the current fiscal year, unassigned fund balance in the General Fund increased to \$13,128,962. The City has appropriated \$5,857,910 for spending in the 2019 fiscal year budget. Sales tax revenues are projected to increase 7.8 percent over the 2018 budget but are still lower than the 2017 levels. Permitting fees were also adjusted by 3 percent to help support growing operating and capital needs surrounding technology in this area.

Business-type Activities: For the City’s utilities, weather conditions are expected in FY 2019 to be similar to FY 2018. Thus, water and sewer volume is projected to remain relatively steady for FY 2019, along with electric and gas volume expected to have a similar demand pattern with more traditional winter weather conditions. The City will implement base rate increases for both water and sewer on July 1, 2018. Also, effective for 2019, the stormwater fee will increase from \$4.20 to \$4.50 per equivalent unit to support infrastructure improvements.

Requests for Information

This report is designed to provide an overview of the City’s finances. Questions concerning any of the information found in this report or requests for additional financial information should be directed to the Chief Financial Officer, City of Wilson, P.O. Box 10, Wilson, NC 27894, khands@wilsonnc.org.

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business Type Activities	Total Primary Government	Component Units		Total Reporting Unit
				Downtown Development	Cemetery Commission	
ASSETS						
Current assets:						
Cash and cash equivalents/investments	\$ 42,206,442	\$ 66,564,412	\$ 108,770,854	\$ 173,020	\$ 211,216	\$ 109,155,090
Receivables (net of allowance for uncollectibles):						
Property taxes	659,809		659,809	4,938		664,747
Motor vehicle licenses taxes	8,855		8,855			8,855
Sales tax distribution	1,469,609		1,469,609			1,469,609
Video programming tax	92,000		92,000			92,000
Utility sales tax	1,010,000		1,010,000			1,010,000
PEG channel tax	20,000		20,000			20,000
Telecommunications tax	84,000		84,000			84,000
Customer accounts		19,972,517	19,972,517			19,972,517
Assessments:						
Paving and clearance of property	916,027		916,027			916,027
Water and sewer		498	498			498
Accrued interest	51,106	85,147	136,253	210	257	136,720
Refundable sales and use tax		1,642,612	1,642,612			1,642,612
Other receivables	745,931	1,285,708	2,031,639	350		2,031,989
Notes receivable	60,155		60,155			60,155
Internal balances	1,314,305	(1,314,305)				
Due from other agencies and other governments	614,926	326,279	941,205	8,331		949,536
Inventories	355,839	3,891,960	4,247,799			4,247,799
Prepaid expenses	21,009	61,729	82,738	1,383	1,474	85,595
Restricted cash and cash equivalents	1,354,377	2,464,202	3,818,579			3,818,579
Total current assets	50,984,390	94,980,759	145,965,149	188,232	212,947	146,366,328
Non-current assets:						
Investment in joint venture - RMT/Wilson Airport	2,058,792		2,058,792			2,058,792
Capital assets (net of accumulated depreciation):						
Land	20,512,033	27,585,908	48,097,941		25,754	48,123,695
Land improvements	5,327,206	3,686,481	9,013,687		362,372	9,376,059
Buildings	13,265,113	14,201,468	27,466,581		5,223	27,471,804
Distribution system		212,925,920	212,925,920			212,925,920
Rolling stock	5,487,095	7,350,741	12,837,836		1,844	12,839,680
Furniture, fixtures, and equipment	3,993,416	15,791,491	19,784,907		61,679	19,846,586
Infrastructure	12,909,854		12,909,854			12,909,854
Construction in progress	18,680		18,680			18,680
Total capital assets	61,513,397	281,542,009	343,055,406		456,872	343,512,278
Total assets	114,556,579	376,522,768	491,079,347	188,232	669,819	491,937,398
DEFERRED OUTFLOW OF RESOURCES						
Deferred outflow of resources on refunding		552,760	552,760			552,760
Pension deferrals - LGERS	3,070,789	1,452,339	4,523,128	15,431	24,451	4,563,010
Contributions subsequent to measurement - LGERS	2,065,306	1,019,668	3,084,974	19,105	13,463	3,117,542
Pension deferrals - LEOSSA	248,839		248,839			248,839
Benefit payments subsequent to measurement - LEOSSA	94,645		94,645			94,645
OPEB deferrals	2,191,716	770,063	2,961,779			2,961,779
Total deferred outflows of resources	7,671,295	3,794,830	11,466,125	34,536	37,914	11,538,575
LIABILITIES						
Current Liabilities:						
Accounts payable	1,865,075	12,609,687	14,474,762	10,467	5,489	14,490,718
Insurance claims payable	2,682,798		2,682,798			2,682,798
Accrued wages and amounts withheld	1,413,855	742,264	2,156,119	11,621	5,092	2,172,832
Other liabilities	231,664		231,664			231,664
Accrued interest	3,228	254,524	257,752			257,752
Payable from restricted assets	614,372	2,464,202	3,078,574			3,078,574
Compensated absences - current	1,792,019	846,505	2,638,524	11,494		2,650,018
Notes payable - current	323,010	2,125,987	2,448,997			2,448,997
Certificate of participation - current		4,243,000	4,243,000			4,243,000
General obligation bonds - current		1,205,000	1,205,000			1,205,000
Revenue bonds - current		754,000	754,000			754,000
Advanced grant funds	41,800		41,800			41,800
Total current liabilities	8,967,821	25,245,169	34,212,990	33,582	10,581	34,257,153
Long-term liabilities:						
Compensated absences	845,932	373,022	1,218,954	10,956	10,100	1,240,010
Total OPEB liability	46,905,914	16,480,457	63,386,371			63,386,371
Net pension liability - LGERS	6,959,223	3,235,151	10,194,374	45,495	48,276	10,288,145
Total pension liability - LEOSSA	5,063,852		5,063,852			5,063,852
Notes payable	962,917	9,699,669	10,662,586			10,662,586
Certificate of participation - payable		33,264,000	33,264,000			33,264,000
General obligation bonds payable		4,006,823	4,006,823			4,006,823
Revenue bonds payable		9,048,299	9,048,299			9,048,299
Total long-term liabilities	60,737,838	76,107,421	136,845,259	56,451	58,376	136,960,086
Total liabilities	69,705,659	101,352,590	171,058,249	90,033	68,957	171,217,239
DEFERRED INFLOWS OF RESOURCES						
Retiree insurance premium prepayments	1,060		1,060			1,060
Pension deferrals - LGERS	492,196	387,576	879,772	8,766	7,781	896,319
Pension deferrals - LEOSSA	77,682		77,682			77,682
Deferred inflow of resources on refunding		437,262	437,262			437,262
Total deferred inflows of resources	570,938	824,838	1,395,776	8,766	7,781	1,412,323
NET POSITION						
Net investment in capital assets	60,967,475	217,310,729	278,278,204		456,872	278,735,076
Restricted for:						
Stabilization by State Statute	5,108,971		5,108,971	23,541		5,132,512
Public safety	222,966		222,966			222,966
Planning and development	10,172		10,172			10,172
General government	154,645		154,645			154,645
Unrestricted	(14,512,952)	60,829,441	46,316,489	100,428	174,123	46,591,040
Total net position	\$ 51,951,277	\$ 278,140,170	\$ 330,091,447	\$ 123,969	\$ 630,995	\$ 330,846,411

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Downtown Development	Cemetery Commission	
Primary government:										
Governmental activities:										
General government	\$ 4,702,497	\$	\$	\$ 155,033	\$ (4,547,464)	\$	\$ (4,547,464)	\$	\$	\$ (4,547,464)
Public safety	22,614,881	1,185,056	162,608		(21,267,217)		(21,267,217)			(21,267,217)
Public services	6,049,078	224,268	1,356,307	75,110	(4,393,393)		(4,393,393)			(4,393,393)
Environmental services	5,386,525	4,867,174	34,050		(485,301)		(485,301)			(485,301)
Planning and development	3,256,759	64,944	821,354		(2,370,461)		(2,370,461)			(2,370,461)
Human services	220,468				(220,468)		(220,468)			(220,468)
Culture and recreation	7,101,965	1,148,234	95,000	50,000	(5,808,731)		(5,808,731)			(5,808,731)
Interest on long-term debt	29,708				(29,708)		(29,708)			(29,708)
Total governmental activities	<u>49,361,881</u>	<u>7,489,676</u>	<u>2,469,319</u>	<u>280,143</u>	<u>(39,122,743)</u>		<u>(39,122,743)</u>			<u>(39,122,743)</u>
Business-type activities:										
Electric	117,967,225	126,336,420				8,369,195	8,369,195			8,369,195
Gas	15,324,883	18,729,187				3,404,304	3,404,304			3,404,304
Water and Sewer	21,462,054	26,566,818	31,316	2,471,654		7,607,734	7,607,734			7,607,734
Mass Transit	1,485,812	74,859	1,008,633	11,916		(390,404)	(390,404)			(390,404)
Industrial Air Center	157,915	25,258				(132,657)	(132,657)			(132,657)
BroadBand	14,068,151	16,120,342				2,052,191	2,052,191			2,052,191
Stormwater Management	2,805,860	3,603,350		3,796		801,286	801,286			801,286
Total business-type activities	<u>173,271,900</u>	<u>191,456,234</u>	<u>1,039,949</u>	<u>2,487,366</u>		<u>21,711,649</u>	<u>21,711,649</u>			<u>21,711,649</u>
Total primary government	<u>\$ 222,633,781</u>	<u>\$ 198,945,910</u>	<u>\$ 3,509,268</u>	<u>\$ 2,767,509</u>	<u>(39,122,743)</u>	<u>21,711,649</u>	<u>(17,411,094)</u>			<u>(17,411,094)</u>
Component units:										
Downtown Development	\$ 326,347	\$ 47,622	\$ 15,750	\$				(262,975)		(262,975)
Cemetery Commission	502,623	497,642							(4,981)	(4,981)
Total component units	<u>\$ 828,970</u>	<u>\$ 545,264</u>	<u>\$ 15,750</u>	<u>\$</u>				<u>(262,975)</u>	<u>(4,981)</u>	<u>(267,956)</u>
General revenues:										
Property taxes					23,522,710		23,522,710	67,388		23,590,098
Sales taxes					8,728,492		8,728,492			8,728,492
Occupancy tax					397,426		397,426			397,426
Utility sales taxes					5,184,944		5,184,944			5,184,944
Grants and contributions not restricted to specific programs					217,176	19,900	237,076			237,076
Privilege License Tax					2,905		2,905			2,905
Miscellaneous					574,507	364,633	939,140	268,203	20,000	1,227,343
Alcoholic beverage taxes					87,500		87,500			87,500
Gain on sale of capital assets					460,697	383,355	844,052			844,052
Unrestricted investment earnings					75,557	89,929	165,486	525	134	166,145
Total general revenues not including transfers					<u>39,251,914</u>	<u>857,817</u>	<u>40,109,731</u>	<u>336,116</u>	<u>20,134</u>	<u>40,465,981</u>
Transfers					4,000,980	(4,000,980)				
Total general revenues and transfers					<u>43,252,894</u>	<u>(3,143,163)</u>	<u>40,109,731</u>	<u>336,116</u>	<u>20,134</u>	<u>40,465,981</u>
Change in net position					4,130,151	18,568,486	22,698,637	73,141	15,153	22,786,931
Net position - beginning, as previously reported					86,490,375	273,159,289	359,649,664	50,828	615,842	360,316,334
Restatement					(38,669,249)	(13,587,605)	(52,256,854)			(52,256,854)
Net Position - beginning, as restated					<u>47,821,126</u>	<u>259,571,684</u>	<u>307,392,810</u>	<u>50,828</u>	<u>615,842</u>	<u>308,059,480</u>
Net position - ending					<u>\$ 51,951,277</u>	<u>\$ 278,140,170</u>	<u>\$ 330,091,447</u>	<u>\$ 123,969</u>	<u>\$ 630,995</u>	<u>\$ 330,846,411</u>

CITY OF WILSON, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 23,649,094	\$ 2,972,681	\$ 26,621,775
Receivables (net of allowance for uncollectibles):			
Property taxes	659,809		659,809
Motor vehicle license taxes	8,855		8,855
Sales tax distribution	1,469,609		1,469,609
Video programming	92,000		92,000
Utility sales tax	1,010,000		1,010,000
PEG Channel tax	20,000		20,000
Telecommunications tax	84,000		84,000
Assessments - paving/clearing	916,027		916,027
Accrued interest	30,593	821	31,414
Other receivables	438,665		438,665
Notes receivable		60,155	60,155
Interfund receivables	57,748		57,748
Due from other agencies and governments	499,618	115,308	614,926
Inventories	355,839		355,839
Restricted cash and cash equivalents	1,347,627	6,750	1,354,377
Total assets	<u>\$ 30,639,484</u>	<u>\$ 3,155,715</u>	<u>\$ 33,795,199</u>
LIABILITIES			
Accounts payable	\$ 1,755,858	\$ 109,217	\$ 1,865,075
Interfund payable		57,748	57,748
Advanced grant funds		41,800	41,800
Accrued wages and amounts withheld	1,408,509		1,408,509
Payable from restricted assets	607,622	6,750	614,372
Other liabilities	231,664		231,664
Total liabilities	<u>4,003,653</u>	<u>215,515</u>	<u>4,219,168</u>
DEFERRED INFLOWS OF RESOURCES			
Uncollected property taxes, assessments and miscellaneous receivables	2,023,356		2,023,356
Total deferred inflows of resources	<u>2,023,356</u>		<u>2,023,356</u>
FUND BALANCES			
Non Spendable			
Inventories	355,839		355,839
Restricted			
Stabilization by State Statute	3,976,946	1,132,025	5,108,971
General government	154,645		154,645
Public safety	962,971		962,971
Planning and development		10,172	10,172
Committed			
Public services	12,600	289,698	302,298
Planning and development		1,171,040	1,171,040
Culture and recreation	4,900	630,754	635,654
Assigned			
Subsequent year's expenditures	5,857,910	121,450	5,979,360
Planning and development	157,702	94,178	251,880
Unassigned	13,128,962	(509,117)	12,619,845
Total fund balances	<u>24,612,475</u>	<u>2,940,200</u>	<u>27,552,675</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,639,484</u>	<u>\$ 3,155,715</u>	<u>\$ 33,795,199</u>

CITY OF WILSON, NORTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 JUNE 30, 2018

Fund Balance Governmental Funds \$ 27,552,675

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 121,249,660	
Internal Service Fund capital assets	359,768	
Less accumulated depreciation	(59,885,019)	
Less accumulated depreciation - Internal Service Fund	<u>(211,012)</u>	61,513,397

The City has an equity interest in a joint venture. This investment is not a current financial resource and therefore is not reported in the funds. 2,058,792

Deferred outflows of resources related to pensions are not reported in the funds 5,479,579

Deferred outflows of resources related to OPEB are not reported in the funds 2,191,716

Deferred revenue in governmental funds is susceptible to full accrual on the government-wide statements.

Uncollected property taxes, assessments, and miscellaneous receivables	2,023,356	
Other receivables - Refuse unbilled accounts receivable	<u>279,716</u>	2,303,072

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Total OPEB Liability	(46,905,914)	
Net Pension Liability - LGERS	(6,959,223)	
Total Net Pension Liability - LEOSSA	(5,063,852)	
Notes payable	(1,285,927)	
Compensated absences	(2,622,466)	
Compensated absences - Internal Service Fund	(15,485)	
Accrued interest payable	<u>(3,228)</u>	(62,856,095)

Deferred inflows of resources related to pensions are not reported in the funds. (569,878)

Internal service funds are used by management to charge the costs of risk management and group insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

14,278,019

Net position of governmental activities \$ 51,951,277

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

CITY OF WILSON, NORTH CAROLINA

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

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 20,421,830	\$	\$ 20,421,830
Motor vehicle property	2,092,751		2,092,751
Motor vehicle license	877,251		877,251
Vehicle rental	52,269		52,269
Sales	8,728,492		8,728,492
Occupancy	397,426		397,426
Privilege license	2,905		2,905
Licenses and permits	653,446		653,446
Intergovernmental revenues	7,186,757	959,887	8,146,644
Assessments	58,833		58,833
Charges for services	6,595,617		6,595,617
Investment income	42,619	15,233	57,852
Loan repayments and related interest		3,094	3,094
Contributions		95,000	95,000
Other	822,541	17,000	839,541
Total revenues	<u>47,932,737</u>	<u>1,090,214</u>	<u>49,022,951</u>
EXPENDITURES			
Current:			
General government	6,540,698		6,540,698
Public safety	24,182,984		24,182,984
Public services	5,176,379	491,016	5,667,395
Environmental services	5,813,511		5,813,511
Planning and development	1,576,375	1,846,006	3,422,381
Human services	260,285		260,285
Culture and recreation	5,710,972	3,895,849	9,606,821
Debt service:			
Principal	718,525		718,525
Interest	30,559		30,559
Total expenditures	<u>50,010,288</u>	<u>6,232,871</u>	<u>56,243,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,077,551)</u>	<u>(5,142,657)</u>	<u>(7,220,208)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,473,660	2,077,110	5,550,770
Transfers out	(1,549,790)		(1,549,790)
Sales of capital assets	460,697		460,697
Note payable issued	740,000		740,000
Total other financing sources (uses)	<u>3,124,567</u>	<u>2,077,110</u>	<u>5,201,677</u>
Net change in fund balances	<u>1,047,016</u>	<u>(3,065,547)</u>	<u>(2,018,531)</u>
Fund balance - beginning	<u>23,565,459</u>	<u>6,005,747</u>	<u>29,571,206</u>
Fund balance - ending	<u>\$ 24,612,475</u>	<u>\$ 2,940,200</u>	<u>\$ 27,552,675</u>

CITY OF WILSON, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

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

Net change in fund balances - total governmental funds \$ (2,018,531)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$	6,151,084	
Expenditures for capital assets - Internal Service Fund		84,807	
Less current year depreciation		(3,212,963)	
Less current year depreciation - Internal Service Fund		<u>(40,151)</u>	2,982,777

The net effect of various miscellaneous transactions involving capital assets is to increase net position.

Donated capital from governments		75,110	
Gain/(Loss) on Sales of Capital Assets		<u>(861,463)</u>	(786,353)

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities 2,191,716

Benefit payments paid and administrative expenses for the LEOSSA are not included on the Statement of Activities 94,645

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for miscellaneous revenue and assessments		(170,573)	
Unbilled accounts receivable		6,554	
Change in equity interest of joint venture		15,811	
Change in unavailable revenue for tax revenues		<u>78,606</u>	(69,602)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments		718,525	
Proceeds from notes payable		(740,000)	
Accrued interest		<u>851</u>	(20,624)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in long-term compensated absences		(125,363)	
Change in long-term compensated absences - Internal Service Fund		(606)	
Pension expense		(387,250)	
OPEB plan expense		<u>1,739,367</u>	1,226,148

The net revenue of certain activities of the internal service fund is reported with governmental activities. 529,975

Change in net position of governmental activities \$ 4,130,151

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

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

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

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive Negative
REVENUES				
Taxes:				
Property	\$ 20,022,370	\$ 20,022,370	\$ 20,421,830	\$ 399,460
Motor vehicle property	1,903,900	1,903,900	2,092,751	188,851
Motor vehicle license	699,770	699,770	877,251	177,481
Vehicle rental	30,270	30,270	52,269	21,999
Sales	6,226,140	6,226,140	8,728,492	2,502,352
Occupancy	50,000	50,000	397,426	347,426
Privilege licenses	1,000	1,000	2,905	1,905
Licenses and permits	368,820	368,820	653,446	284,626
Intergovernmental revenues	5,896,710	6,300,795	7,186,757	885,962
Assessments	21,500	21,500	58,833	37,333
Charges for services	5,938,250	5,979,250	6,595,617	616,367
Investment income	125,000	125,000	42,619	(82,381)
Other	51,410	651,270	822,541	171,271
Fund balance appropriated	4,404,100	7,999,972		(7,999,972)
Total revenues	<u>45,739,240</u>	<u>50,380,057</u>	<u>47,932,737</u>	<u>(2,447,320)</u>
EXPENDITURES				
Current:				
General government:				
Mayor and council	75,860	76,210	64,819	11,391
City Manager	355,580	355,580	293,666	61,914
City Attorney	115,870	115,870	131,094	(15,224)
Human Resources	365,080	387,311	375,042	12,269
Financial Services	1,228,280	1,260,504	1,215,309	45,195
Information Technology Services	317,830	317,830	317,828	2
General insurance and utilities	3,043,610	3,385,483	3,167,812	217,671
Other general government services & unclassified	1,000,990	1,094,217	975,128	119,089
Total general government	<u>6,503,100</u>	<u>6,993,005</u>	<u>6,540,698</u>	<u>452,307</u>
Public safety				
Police	13,794,920	14,111,709	13,588,999	522,710
Fire	8,490,910	9,794,492	9,518,463	276,029
Construction standards	935,390	997,034	718,816	278,218
Neighborhood improvements	444,850	431,320	356,706	74,614
Total public safety	<u>23,666,070</u>	<u>25,334,555</u>	<u>24,182,984</u>	<u>1,151,571</u>
Public services				
Public services administration	1,158,590	1,108,590	1,113,359	(4,769)
Engineering	649,680	857,303	628,222	229,081
Parking and traffic	593,720	606,656	520,257	86,399
Street maintenance	2,855,340	3,468,744	2,914,541	554,203
Total public services	<u>5,257,330</u>	<u>6,041,293</u>	<u>5,176,379</u>	<u>864,914</u>
Environmental services	5,690,700	6,181,207	5,813,511	367,696
Planning and development	1,513,530	1,541,760	1,576,375	(34,615)
Human services	258,470	258,470	260,285	(1,815)
Culture and recreation	5,267,450	5,892,047	5,710,972	181,075

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

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

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Debt service:				
Principal	\$ 313,060	\$ 718,280	\$ 718,525	\$ (245)
Interest	30,810	30,810	30,559	251
Debt service costs	2,500	2,500		2,500
Total debt service	<u>346,370</u>	<u>751,590</u>	<u>749,084</u>	<u>2,506</u>
Total expenditures	<u>48,503,020</u>	<u>52,993,927</u>	<u>50,010,288</u>	<u>2,983,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,763,780)</u>	<u>(2,613,870)</u>	<u>(2,077,551)</u>	<u>536,319</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,423,660	3,423,660	3,473,660	50,000
Transfers out	(659,880)	(1,549,790)	(1,549,790)	
Note Payable / Installment contracts issued		740,000	740,000	
Sales of capital assets			460,697	460,697
Total other financing sources (uses)	<u>2,763,780</u>	<u>2,613,870</u>	<u>3,124,567</u>	<u>510,697</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	1,047,016	<u>\$ 1,047,016</u>
Fund balances - beginning			<u>23,565,459</u>	
Fund balances - ending			<u>\$ 24,612,475</u>	

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF FUND NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2018

	Business-type Activities-Enterprise Funds								Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management	Totals Current Year	
ASSETS									
Current assets:									
Cash and cash equivalents/investments	\$ 35,866,705	\$ 6,515,783	\$ 16,327,842	\$ 682,830	\$ 263,897	\$ 2,098,447	\$ 2,726,642	\$ 64,482,146	\$ 17,666,933
Receivables (net of allowances for uncollectibles):									
Customer accounts	14,214,073	981,437	3,064,667			1,712,340		19,972,517	
Assessments - water and sewer			498					498	
Accrued interest	46,545	8,294	21,108	812	322	2,664	2,738	82,483	22,356
Refundable sales and use tax	1,642,612							1,642,612	
Other receivables	675,343	933	6,654		1,346	281,613	319,819	1,285,708	27,550
Due from other agencies and governments	39,416	495	227,997	52,020		6,351		326,279	
Inventories	1,897,524	160,377	193,384			1,640,675		3,891,960	
Prepaid expenses									21,009
Prepaid insurance cost on debt issuance		1,216	60,513					61,729	
Total current assets	<u>54,382,218</u>	<u>7,668,535</u>	<u>19,902,663</u>	<u>735,662</u>	<u>265,565</u>	<u>5,742,090</u>	<u>3,049,199</u>	<u>91,745,932</u>	<u>17,737,848</u>
Noncurrent assets:									
Restricted cash - Deposits	1,769,172	195,353	362,593	168		136,916		2,464,202	
Advances to other funds		2,580,000						2,580,000	
Capital assets:									
Land	5,712,240	234,948	20,400,159	77,981	314,867		381,715	27,121,910	463,998
Land improvements	10,651		5,368,385		540,527			5,919,563	1,941,894
Buildings	394,071	20,749	11,469,153	1,116,290	397,574	232,634	94,834	13,725,305	10,215,330
Distribution system	129,974,040	28,734,679	187,661,424			26,293,995	13,171,313	385,835,451	
Rolling stock	12,365,617	1,491,571	4,746,677	1,329,274	46,141	413,148	1,047,141	21,439,569	20,643
Furniture, fixtures and equipment	20,343,711	1,106,465	5,103,367	14,299	20,832	15,742,966	41,181	42,372,821	1,184,368
Less accumulated depreciation	<u>(87,709,245)</u>	<u>(11,412,893)</u>	<u>(92,568,723)</u>	<u>(1,881,868)</u>	<u>(697,846)</u>	<u>(22,846,833)</u>	<u>(5,301,300)</u>	<u>(222,418,708)</u>	<u>(6,131,379)</u>
Total capital assets:	<u>81,091,085</u>	<u>20,175,519</u>	<u>142,180,442</u>	<u>655,976</u>	<u>622,095</u>	<u>19,835,910</u>	<u>9,434,884</u>	<u>273,995,911</u>	<u>7,694,854</u>
Total noncurrent assets:	<u>82,860,257</u>	<u>22,950,872</u>	<u>142,543,035</u>	<u>656,144</u>	<u>622,095</u>	<u>19,972,826</u>	<u>9,434,884</u>	<u>279,040,113</u>	<u>7,694,854</u>
Total assets	<u>\$ 137,242,475</u>	<u>\$ 30,619,407</u>	<u>\$ 162,445,698</u>	<u>\$ 1,391,806</u>	<u>\$ 887,660</u>	<u>\$ 25,714,916</u>	<u>\$ 12,484,083</u>	<u>\$ 370,786,045</u>	<u>\$ 25,432,702</u>
DEFERRED OUTFLOWS OF RESOURCES									
Deferred outflow of resources on refunding	163,368		50,987			338,405		552,760	
Pension deferrals - LGERS	499,242	136,157	590,012	45,386		90,771	90,771	1,452,339	
Contributions subsequent to measurement - LGERS	341,450	93,123	429,892	31,041		62,081	62,081	1,019,668	
OPEB deferrals	<u>325,796</u>	<u>88,853</u>	<u>325,796</u>	<u>29,618</u>				<u>770,063</u>	
Total deferred outflows of resources	<u>1,329,856</u>	<u>318,133</u>	<u>1,396,687</u>	<u>106,045</u>		<u>491,257</u>	<u>152,852</u>	<u>3,794,830</u>	

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-type Activities-Enterprise Funds							Totals Current Year	Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management		
LIABILITIES									
Current liabilities:									
Accounts payable	\$ 9,773,770	\$ 432,795	\$ 1,304,073	\$ 27,913	\$ 3,713	\$ 725,845	\$ 69,609	\$ 12,337,718	\$ 271,969
Accrued wages and amounts withheld	258,100	70,368	241,275	22,475		132,710	17,336	742,264	5,346
Accrued interest	74,321	9,692	101,412			60,639		246,064	8,460
Customer deposits	1,769,172	195,353	362,593	168		136,916		2,464,202	
Insurance claims payable									2,682,798
General obligation bonds - current			1,205,000					1,205,000	
Revenue bonds - current		169,650	584,350					754,000	
Notes payable - current	261,756	190,656	1,673,575					2,125,987	
Certificates of participation - current	945,000					2,980,206		3,925,206	317,794
Compensated absences - current	307,408	85,776	285,433	13,530		140,350	14,008	846,505	8,346
Total current liabilities	13,389,527	1,154,290	5,757,711	64,086	3,713	4,176,666	100,953	24,646,946	3,294,713
Noncurrent liabilities:									
General obligation bonds payable			4,006,823					4,006,823	
Revenue bonds payable		2,035,903	7,012,396					9,048,299	
Notes payable	785,269	381,417	8,532,983					9,699,669	
Certificates of participation payable	17,991,000					14,231,170		32,222,170	1,041,830
Compensated absences - noncurrent	123,095		124,005	26,696		84,788	14,438	373,022	7,139
Total OPEB liability	6,972,501	1,901,591	6,972,501	633,864				16,480,457	
Net pension liability - LGERS	1,126,386	307,195	1,289,578	102,398		204,797	204,797	3,235,151	
Advances from other funds						2,580,000		2,580,000	
Total noncurrent liabilities	26,998,251	4,626,106	27,938,286	762,958	3,713	17,100,755	219,235	77,645,591	1,048,969
Total liabilities	40,387,778	5,780,396	33,695,997	827,044	3,713	21,277,421	320,188	102,292,537	4,343,682
DEFERRED INFLOWS OF RESOURCES									
Retiree insurance premium prepayments									1,060
Pension deferrals - LGERS	97,738	26,654	218,757	8,885		17,771	17,771	387,576	
Deferred inflow of resources on refunding	351,869					71,495		423,364	13,898
Total deferred inflows of resources	449,607	26,654	218,757	8,885		89,266	17,771	810,940	14,958
NET POSITION									
Net investment in capital assets	60,919,559	17,397,893	119,216,302	655,976	622,095	2,891,444	9,434,884	211,138,153	6,321,332
Unrestricted	36,815,387	7,732,597	10,711,329	5,946	261,852	1,948,042	2,864,092	60,339,245	14,752,730
Total net position	\$ 97,734,946	\$ 25,130,490	\$ 129,927,631	\$ 661,922	\$ 883,947	\$ 4,839,486	\$ 12,298,976	271,477,398	\$ 21,074,062
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								6,662,772	
Net position of business-type activities								<u>\$ 278,140,170</u>	

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities-Enterprise Funds							Totals Current Year	Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management		
Operating revenues:									
Metered general consumers	\$ 117,952,171	\$ 18,462,522	\$ 11,680,964	\$	\$	\$	\$	\$ 148,095,657	\$
Sales to other distributors	2,089,987							2,089,987	
Sales to other utilities	1,996,350	190,386	120,281					2,307,017	
Municipal street lights	350,000							350,000	
Rental of area lights	1,957,017							1,957,017	
Municipal hydrants			23,814					23,814	
Sewer services			13,076,265					13,076,265	
Bus fares				68,601				68,601	
Airport rental income					25,258			25,258	
Broadband services						14,916,119		14,916,119	
Stormwater management fee							3,561,890	3,561,890	
Contributions from various funds									15,670,958
Contributions from employees									1,286,206
Contributions from retirees									212,038
Other	1,990,895	76,279	1,665,494	181,211		1,204,223	41,460	5,159,562	247,218
Total operating revenues	126,336,420	18,729,187	26,566,818	249,812	25,258	16,120,342	3,603,350	191,631,187	17,416,420
Operating expenses:									
Cost of purchased electricity	84,697,883							84,697,883	
Cost of purchased gas		9,238,316						9,238,316	
Production and distribution	10,312,682	2,760,590	6,609,063					19,682,335	
Broadband inside plant						1,094,734		1,094,734	
General and administrative	9,843,275	2,463,867	3,043,743	507,827	118,495	1,076,098		17,053,305	
Engineering	2,418,224							2,418,224	
Maintenance				968,525	28,717			997,242	376,895
Marketing & public relations	311,467							311,467	
System control and communications	2,907,637							2,907,637	
Water reclamation			4,880,324					4,880,324	
Wastewater collection			2,066,996					2,066,996	
Stormwater management							2,531,880	2,531,880	
Broadband programming fees						7,142,233		7,142,233	
Technical support services						(44,577)		(44,577)	
Unified Communications Center						99,691		99,691	
Administrative fees									1,066,375
Insurance claims									2,437,317
Benefits claim payments									12,245,833
Broadband operations						2,325,985		2,325,985	
Special projects				6,516				6,516	
Depreciation	5,341,750	810,015	4,209,632	29,658	10,659	1,720,487	284,586	12,406,787	328,461
Total operating expenses	115,832,918	15,272,788	20,809,758	1,512,526	157,871	13,414,651	2,816,466	169,816,978	16,454,881
Operating income (loss)	10,503,502	3,456,399	5,757,060	(1,262,714)	(132,613)	2,705,691	786,884	21,814,209	961,539

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities-Enterprise Funds							Totals Current Year	Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management		
Nonoperating revenue (expense):									
Investment income	\$ 53,368	\$ (2,330)	\$ 25,782	\$ 177	\$ 576	\$ 6,917	\$ 1,495	\$ 85,985	\$ 21,648
Other income	118,794		428,088		5,484	16,684	3,985	573,035	325
Intergovernmental			62,894	1,020,549		19,900		1,103,343	
Other expenses			(43,511)					(43,511)	
Interest expense	(762,483)	(88,499)	(675,876)			(693,100)		(2,219,958)	(78,168)
Contributions to other agencies	(1,492,673)	(9,570)						(1,502,243)	
Prepaid insurance cost on bond issuance		(1,216)	(15,370)					(16,586)	
Total nonoperating revenue (expense)	<u>(2,082,994)</u>	<u>(101,615)</u>	<u>(217,993)</u>	<u>1,020,726</u>	<u>6,060</u>	<u>(649,599)</u>	<u>5,480</u>	<u>(2,019,935)</u>	<u>(56,195)</u>
Income (loss) before contributions and transfers	8,420,508	3,354,784	5,539,067	(241,988)	(126,553)	2,056,092	792,364	19,794,274	905,344
Transfers in				312,500	174,880			487,380	
Transfers out	(3,129,200)	(1,359,160)						(4,488,360)	
Capital contributions			2,440,076				3,796	2,443,872	
Change in net position	5,291,308	1,995,624	7,979,143	70,512	48,327	2,056,092	796,160	18,237,166	905,344
Total net position-beginning, as previously reported	98,175,947	24,715,952	127,732,909	1,081,199	835,620	2,783,394	11,502,816		20,168,718
Restatement	<u>(5,732,309)</u>	<u>(1,581,086)</u>	<u>(5,784,421)</u>	<u>(489,789)</u>					
Total net position - beginning as restated	<u>92,443,638</u>	<u>23,134,866</u>	<u>121,948,488</u>	<u>591,410</u>	<u>835,620</u>	<u>2,783,394</u>	<u>11,502,816</u>		<u>20,168,718</u>
Total net position - ending	<u>\$ 97,734,946</u>	<u>\$ 25,130,490</u>	<u>\$ 129,927,631</u>	<u>\$ 661,922</u>	<u>\$ 883,947</u>	<u>\$ 4,839,486</u>	<u>\$ 12,298,976</u>		<u>\$ 21,074,062</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								<u>331,320</u>	
Change in net position of business-type activities								<u>\$ 18,568,486</u>	

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities-Enterprise Funds							Totals Current Year	Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management		
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers and users	\$ 125,209,979	\$ 18,716,321	\$ 26,374,587	\$ 249,846	\$ 26,262	\$ 15,897,182	\$ 3,573,294	\$ 190,047,471	\$
Cash received from interfund services provided									17,167,073
Insurance claim reimbursements									247,218
Cash paid to suppliers	(101,561,945)	(12,397,161)	(9,411,120)	(885,122)	(114,414)	(8,653,157)	(2,248,580)	(135,271,499)	(15,068,988)
Cash paid to employees	(8,122,392)	(2,306,843)	(6,920,607)	(640,762)	(29,085)	(2,700,736)	(586,739)	(21,307,164)	(232,565)
Net cash provided by (used in) operating activities	<u>15,525,642</u>	<u>4,012,317</u>	<u>10,042,860</u>	<u>(1,276,038)</u>	<u>(117,237)</u>	<u>4,543,289</u>	<u>737,975</u>	<u>33,468,808</u>	<u>2,112,738</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfer from other funds				312,500	174,880			487,380	
Transfer to other funds	(3,129,200)	(1,359,160)						(4,488,360)	
Grant funds received	118,247	1,486	12,560	1,039,136		84,488		1,255,917	
Contributions to other agencies	(1,492,673)	(9,570)						(1,502,243)	
Insurance refund			189,581					189,581	
Interfund payable to other funds						(200,000)		(200,000)	
Interfund receivable from other funds		200,000						200,000	
Contributions					101			101	
Net cash provided (used) by noncapital financing activities	<u>(4,503,626)</u>	<u>(1,167,244)</u>	<u>202,141</u>	<u>1,351,636</u>	<u>174,981</u>	<u>(115,512)</u>		<u>(4,057,624)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Proceeds from debt refunding	19,761,000					20,085,008		39,846,008	1,661,992
Acquisition and construction of capital assets	(8,445,057)	(1,119,804)	(4,970,685)		(92,082)	(747,253)	(421,562)	(15,796,443)	(622,544)
Principal paid on capital debt	(1,086,756)	(356,931)	(3,451,300)			(2,873,633)		(7,768,620)	(311,077)
Interest paid on capital debt	(900,529)	(89,453)	(732,488)			(760,948)		(2,483,418)	(78,460)
Proceeds from sales of capital assets	122,778		238,509		5,384	18,877	3,985	389,533	
Payment to refunding agent	(21,646,196)					(19,982,522)		(41,628,718)	(1,653,328)
Net cash provided (used) by capital and related financing activities	<u>(12,194,760)</u>	<u>(1,566,188)</u>	<u>(8,915,964)</u>		<u>(86,698)</u>	<u>(4,260,471)</u>	<u>(417,577)</u>	<u>(27,441,658)</u>	<u>(1,003,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and dividends received	46,229	(5,291)	20,542	(48)	549	6,461	870	69,312	16,136
Net cash provided (used) in investing activities	<u>46,229</u>	<u>(5,291)</u>	<u>20,542</u>	<u>(48)</u>	<u>549</u>	<u>6,461</u>	<u>870</u>	<u>69,312</u>	<u>16,136</u>
Net increase (decrease) in cash and cash equivalents/investments	(1,126,515)	1,273,594	1,349,579	75,550	(28,405)	173,767	321,268	2,038,838	1,125,457
Cash and cash equivalents/investments, (including restricted cash) - July 1	<u>38,762,392</u>	<u>5,437,542</u>	<u>15,340,856</u>	<u>607,448</u>	<u>292,302</u>	<u>2,061,596</u>	<u>2,405,374</u>	<u>64,907,510</u>	<u>16,541,476</u>
Cash and cash equivalents/investments, (including restricted cash) - June 30	<u>\$ 37,635,877</u>	<u>\$ 6,711,136</u>	<u>\$ 16,690,435</u>	<u>\$ 682,998</u>	<u>\$ 263,897</u>	<u>\$ 2,235,363</u>	<u>\$ 2,726,642</u>	<u>\$ 66,946,348</u>	<u>\$ 17,666,933</u>

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities-Enterprise Funds							Totals Current Year	Internal Service Funds
	Electric	Gas	Water Resources	Mass Transit	Industrial Air Center	Broadband	Stormwater Management		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities									
Operating income (loss)	\$ 10,503,502	\$ 3,456,399	\$ 5,757,060	\$ (1,262,714)	\$ (132,613)	\$ 2,705,691	\$ 786,884	\$ 21,814,209	\$ 961,539
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation expense	5,341,750	810,015	4,209,632	29,658	10,659	1,720,487	284,586	12,406,787	328,461
Insurance refunds									325
Change in assets and liabilities									
(Increase) decrease in accounts receivable	(1,219,370)	(12,866)	(205,475)		1,004	(216,577)	(30,056)	(1,683,340)	
(Increase) decrease in inventory	147,393	16,929	(11,954)			195,473		347,841	
(Increase) decrease in prepaid items									(2,208)
(Increase) decrease in OPEB liability	(258,554)	(70,515)	(258,554)	(23,505)				(611,128)	
(Increase) decrease in deferred outflows of resources - OPEB	(325,796)	(88,853)	(325,796)	(29,618)				(770,063)	
Increase (decrease) in retiree insurance premium prepayments									(2,129)
Increase (decrease) in insurance claims payable									577,366
Increase (decrease) in customer deposits	92,929	(1,584)	13,244	34		(6,583)		98,040	
Increase (decrease) in accounts payable	1,206,249	(82,690)	832,201	(74)	3,713	115,605	(300,904)	1,774,100	248,629
Increase (decrease) in accrued wages and amounts withheld	21,830	(18,801)	13,936	8,753		26,336	(5,392)	46,662	755
(Increase) decrease in deferred outflows of resources for pensions - LGERS	502,668	137,091	594,063	45,697		91,395	91,395	1,462,309	
Increase (decrease) in net pension liability	(470,809)	(128,403)	(556,411)	(42,801)		(85,602)	(85,602)	(1,369,628)	
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(16,150)	(4,405)	(19,086)	(1,468)		(2,936)	(2,936)	(46,981)	
Total adjustments	5,022,140	555,918	4,285,800	(13,324)	15,376	1,837,598	(48,909)	11,654,599	1,151,199
Net cash provided by (used in) operating activities	<u>\$ 15,525,642</u>	<u>\$ 4,012,317</u>	<u>\$ 10,042,860</u>	<u>\$ (1,276,038)</u>	<u>\$ (117,237)</u>	<u>\$ 4,543,289</u>	<u>\$ 737,975</u>	<u>\$ 33,468,808</u>	<u>\$ 2,112,738</u>
Noncash investing, capital, and financing activities:									
Capital assets contributed (to)/from other funds/customers	\$ (229,591)	\$ 9,188	\$ 2,424,923	\$	\$	\$	\$ 3,796	\$ 2,208,316	\$
Capital assets acquired to be paid for in subsequent years	\$ (247,211)	\$ (8,305)	\$ (798,428)	\$	\$ (737,019)	\$	\$ (54,960)	\$ (1,845,923)	\$
Increase (decrease) in fair value of investments	\$ (150,660)	\$ (29,089)	\$ (70,978)	\$ (2,764)	\$ (1,010)	\$ (8,686)	\$ (9,137)	\$ (272,324)	\$ (75,134)

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2018

	Private-purpose Trust
	John Glover Fire Education
ASSETS	
Cash and cash equivalents	\$ 4,096
Accrued interest	12
Investments, at fair value:	
U.S. Government agencies	2,761
Money Market	1,852
Certificate of Deposit	132
North Carolina Cash Management Trust	1,362
Total investments	6,107
Total assets	\$ 10,215
NET POSITION	
Restricted for other purposes	10,215
Total net position	\$ 10,215

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

CITY OF WILSON, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Private-purpose Trust
	John Glover Fire Education
ADDITIONS	
Contributions:	
Private donations	\$
Total contributions	
Investment earnings:	
Interest	58
Net increase (decrease) in the fair value of investments	(41)
Total investment earnings	17
Total additions	\$ 17
DEDUCTIONS	
Benefits	\$
Scholarships	
Total deductions	
Change in net position	17
Net position - beginning	10,198
Net position - ending	\$ 10,215

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

CITY OF WILSON, NORTH CAROLINA

Notes to Basic Financial Statements For the Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies

The City of Wilson, North Carolina, (“the City”) was incorporated in 1849 and operates under a Council-Manager form of government. The City provides the following services: public safety (police and fire), streets, environmental services, water and sewer, stormwater, planning, inspections and zoning, parks and recreation, electric, gas, broadband, and general administration services.

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City’s significant accounting policies are described below.

A - Reporting Entity

The City of Wilson is a municipal corporation that is governed by an elected mayor and a seven-member council. The City’s basic financial statements include all funds over which the City has accountability. As required by generally accepted accounting principles, these financial statements present the financial position and results of the operations of the City and its component units, legally separate entities for which the City is financially accountable. Blended component units are in substance part of the City’s operations and are combined with amounts of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Included within the reporting entity -

City of Wilson Financing Assistance Corporation

The City of Wilson Financing Assistance Corporation (COWFAC) assists the City in acquiring, constructing, financing, selling and/or leasing of real property, improvements, facilities, equipment and other tangible and intangible personal property. The sole purpose of the COWFAC is to provide a funding source for City assets and enter into lease or financing arrangements with the City to repay the debt. The COWFAC governing board is appointed by City Council. The City is required to make payments to the COWFAC in an amount sufficient to pay the scheduled debt service on COWFAC debt. As a blended component unit, with a June 30 year end, the assets and liabilities of the corporation are combined with the assets and liabilities of the primary government.

Downtown Development Corporation

Downtown Development Corporation is a not-for-profit corporation, established to promote economic development in a municipal service district created by the act of City Council. A municipal service district tax is levied under the taxing authority of the City and remitted to the Downtown Development Corporation for use in the downtown district. The Downtown Development Corporation’s budget is subject to the approval of City Council. The Downtown Development Corporation, which has a June 30 year end, is a discretely presented component unit presented in a separate column in the City’s financial statements in order to emphasize that it is legally separate from the city.

Wilson Cemetery Commission

Wilson Cemetery Commission is responsible for maintaining and operating the municipal cemeteries. A five-member board appointed by City Council manages it. The Wilson Cemetery Commission’s operating budget is subject to the approval of the City Council. The City Council sets charges for cemetery services. The City is required to provide sufficient appropriation in the annual budget for the care and maintenance of municipal cemeteries. The Wilson Cemetery Commission, which has a June 30 year end, is a discretely presented component unit presented in a separate column in the City’s financial statements in order to emphasize that it is legally separate from the city.

There are no significant disclosures related to the above entities, which are not already included herein; therefore, no

CITY OF WILSON, NORTH CAROLINA

separate financial statements have been issued for these entities.

B – Basis of Presentation

Government-wide Statements: The entity-wide financial statements (i.e., the statement of net position and the statement of activities) include the financial activities of the overall government (Primary Government and its Component Units). Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities of the City. Governmental activities, defined as activities supported through taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on customer demand-based fees and charges for support services. Inter-fund transactions are eliminated for the most part. Net position may serve over time as a useful indicator of a government's financial condition. The government-wide Statement of Net Position shows all assets and liabilities of the City and the net position, which is the difference between assets and liabilities.

The Statement of Activities presents a comparison between direct expenses (gross and net) and program revenues for the different business-type activities of the City and for each function of the City'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 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 reported as general revenues.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include certain services provided between funds at market or near market rates, which are treated as revenues and expenses, and net residual amounts due between governmental and business-like activities, which are presented as internal balances. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

The City does not currently employ an indirect cost allocation system. An administrative service fee is charged by the General Fund to the other operating funds to address General Fund services provided (e.g., general administration, financial administration, personnel, legal, etc.).

Fund Financial Statements: The fund financial statements provide information about the City's funds. 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 non-major funds.

Proprietary funds distinguish *operating* revenues and expenses from the *non-operating* items. *Operating* revenues and expenses generally result from charges for providing service and producing and delivering goods in relation with a proprietary fund's principal operations. The principal operating revenues of the enterprise funds, charges for services, results 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 and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources with the exception of those funds that are required by law to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and environmental services.

The City reports the following major enterprise funds:

Electric Fund. The Electric Fund accounts for the operation of the City's electric power distribution system.

CITY OF WILSON, NORTH CAROLINA

Gas Fund. The Gas Fund accounts for the operation of the City's gas distribution system.

Water Resources Fund. The Water Resources Fund accounts for the operation of the City's water and sewer system.

Broadband Fund. The Broadband Fund accounts for the operation of the City's broadband services providing video, voice, and data services.

Mass Transit Fund. The Mass Transit Fund accounts for the operation of the City's mass transit system.

Industrial Air Center Fund. The Industrial Air Center Fund accounts for the operation of the City's municipal airport.

Stormwater Management Fund. The Stormwater Management Fund accounts for activities of the stormwater management system of the City.

Additionally, the government reports the following fund types:

Internal Service Funds. Internal Service Funds account for a risk management (insurance) program, limited risk self-insurance health program, and operation center facility operations and maintenance program.

Private Purpose Trust Fund accounts for monies held in trust for a private individual that provides financial assistance to private individuals for their education in fire fighting.

C – Measurement Focus and Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Economic resources measurement focus requires all assets and liabilities are included on the statement of net position or balance sheet. Accrual basis accounting requires revenues to be recognized when earned and expenses to be recognized when a liability is incurred, regardless of the timing of related cash flow. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized as revenues in the fiscal year in which they are levied. Revenue from grants and donations is recognized in the fiscal year for which all eligibility requirements imposed by the provider 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 program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses separately from non-operating transactions. 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 City enterprise funds are charges to customers for sales and services related to electric, gas, water, sanitary sewer, storm water management services and broadband services. The City also recognizes restoration of services, service taps, bus fares, and airport rentals as operating revenues. Operating expenses for enterprise funds include cost of sales and services, production and distribution, administration, and depreciation on capital assets. All revenues and expenses not meeting these criteria (such as investment earnings) are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current

CITY OF WILSON, NORTH CAROLINA

period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for un-matured 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 City recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Non-exchange transactions occur when one government provides (or receives) value to (or from) another party without receiving (or giving) equal value in return. The City regards all revenues as available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Wilson County and then remitted to and distributed by the State. Most 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. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

The City reports deferred inflows of resources on its Governmental Funds Balance Sheet. Deferred inflows arise when potential revenue does not meet the "available" criteria for recognition in the current period. Deferred inflows also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred inflows is removed from the governmental funds balance sheet and revenue is recognized.

D - Budgetary Data

The City's budget is adopted as required by the North Carolina General Statutes. The annual budgetary process entails the preparation of budgetary documents within an established timetable. The timetable is designed to incorporate the amount of time necessary to produce a draft budget document prior to June 1st, when the City Manager submits a proposed operating budget of estimated revenues and expenditures to the City Council for the fiscal year commencing July 1. Public hearings are conducted to obtain taxpayer comments. Prior to July 1st, the budget is legally enacted through passage of an ordinance. Annual appropriated budgets are adopted for the General Fund, Community Development Fund, Economic Development Reserve Fund and Enterprise Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The budget includes all funds with the exception of Trust Funds and the Internal Service Funds.

All annual appropriations lapse at the fiscal year end. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Project ordinances are adopted for Special Revenue Grant Projects, Capital Projects and Enterprise Fund Capital Projects, which are consolidated with the operating funds for reporting purposes.

CITY OF WILSON, NORTH CAROLINA

The City Manager is authorized to transfer budgeted amounts between objects of expenditures within any department without limitation. The City Manager is also authorized to transfer up to \$50,000 in budgeted expenditures between departments within each fund. All amendments must be approved by resolution of the City Council. The financial statement budget columns reflect all budget amendments adopted by the City Council through June 30.

During the year, several supplementary appropriations were necessary; however, individual amendments were not material in relation to the original appropriations.

Also as required by State law, the City's internal service funds (Risk Management, Group Insurance Benefit, and Operation's Center) operate under financial plans that were adopted by the governing board at the time the City's budget ordinance was approved. The financial plans were also entered into the minutes of the governing board.

E – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

The deposits of the City of Wilson and each of its component units are secured as required by North Carolina General Statute ("G.S.") 159-31. Each of these units may establish official depositories with any bank or savings and loan association whose principal office is located in North Carolina. G.S. 159-30(c) authorizes each of these units to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed 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 banker's acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered external investment pool dedicated to serving North Carolina public units.

The City's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices and in accordance with GASB Statement 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools. The securities of the NCCMT Government Portfolio, an SEC-registered (2a-7) government money market fund, are measured at amortized cost, which is the NCCMT's share price.

For the majority of investments, the City has the ability to hold all securities to maturity. However, due to economic conditions and when it is beneficial to the City, the City may elect to sell investments prior to their maturity on the secondary market. In accordance with State law, the City has invested in securities which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

Each of these units may also establish time deposits in the form of NOW, Super NOW and money market accounts, and certificates of deposit. Depositories must collateralize public deposits in excess of federal depository insurance coverage by using one of two methods. Under the *dedicated method*, each depository in the name of each local unit establishes a separate escrow account, and the responsibility of monitoring collateralization rests with the local unit. Under the *pooling method*, which is a collateral pool, each depository establishes an escrow account in the name of the State Treasurer to secure all its public deposits. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in its name. 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 City or its component units or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City or its component units 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 depository. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance.

2. Cash and Cash Equivalents

The City of Wilson and its component units pool money from several funds to facilitate disbursement and investment and to

CITY OF WILSON, NORTH CAROLINA

maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. It is the City’s policy to use unrestricted resources first, and then restricted resources as needed.

3. Restricted Assets

Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

City of Wilson Restricted Cash

Governmental Activities

General Fund

Deposits	\$	607,622
Unexpended note proceeds		740,005

Community Development Fund

Deposits		6,750
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Total Governmental Activities

	\$	<u>1,354,377</u>
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Business-type Activities

Electric Fund

Customer Deposits	\$	1,769,172
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Gas Fund

Customer Deposits		195,353
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Water Resources Fund

Customer Deposits		362,593
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Mass Transit Fund

Customer Deposits		168
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Broadband Fund

Customer Deposits		136,916
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Total Business-type Activities

	\$	<u>2,464,202</u>
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Total Restricted Cash

	\$	<u><u>3,818,579</u></u>
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4. Ad Valorem Taxes Receivable

In accordance with North Carolina General Statutes (GS 105-347 and G.S. 159-13(a)), all ad valorem taxes are levied by the City of Wilson on property other than motor vehicles on July 1st, the beginning of the fiscal year. The Wilson County Tax Administrator acts as agent for the City in listing, assessing and collecting all taxes related to real and personal property located in the City. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017.

By the following June 30, taxes receivable are delinquent and are not considered a resource to finance current year operations. A lien attaches to real property as of the listing date (January 2) and to personal property when the levy or garnishment attachment is made.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible 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. Internal Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and

CITY OF WILSON, NORTH CAROLINA

business-type activities are reported in the government-wide financial statements as internal balances.

7. Inventory and Prepaid Items

The inventories of the City are recorded as an expenditure/expense when consumed rather than when purchased. Inventory is determined by physical count and valued at cost using the average cost method. These inventories are accounted for in the central warehouse, which is managed by the Purchasing Division in the Financial Services Department.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both entity-wide and fund financial statements and are expensed as balances are used.

8. Long Term Receivables

Assessments that can be paid over a ten-year period which only require an annual payment amount that equals 10% of the original amount are considered long-term receivables. Notes receivable for Community Development loans that were incurred to improve substandard properties for rent to low-income people are financed for periods of 10 to 20 years. All of these receivables have a lien against real property for collateral.

9. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements. Fund financial statements of governmental funds do not include capital assets since they are on the current financial measurement focus and the modified accrual accounting basis. Capital assets include individual assets that have a life of longer than one year and a value of \$5,000 or greater, except for infrastructure assets, which must have a value of at least \$50,000.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair market 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. Any interest incurred during the construction phase of proprietary capital assets is reflected in the capitalized value of the asset constructed. 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.

Depreciation has been provided over the estimated useful lives of the capital assets using the straight-line method. The estimated useful lives are as follows:

<u>Capital asset</u>	<u>Useful Life</u>
Equipment	5 - 30 years
Land improvements	25 - 30 years
Buildings	30 - 50 years
Distribution systems	30 - 50 years
Infrastructure	30 - 50 years

10. Long-Term Obligations

Long-term liabilities are reported as liabilities in the government-wide statements and the proprietary fund financial statements. 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 premium or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs on debt issuance are expensed over the life of the debt. Governmental fund types do not show long-term liabilities in the fund financial statements since their measurement focus is on current financial resources and the modified accrual basis of accounting.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service

CITY OF WILSON, NORTH CAROLINA

expenditures.

11. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows 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 that time. The City has a few items that meet this criterion: pension deferrals for LGERS, contributions made to pension plan in the 2018 fiscal year, benefit payments and administrative expenses for LEOSSA, OPEB deferrals, and the difference between the reacquisition price and the net carrying amount of revenue bonds and certificates of participation refunded. In addition to liabilities, the statement of financial position will sometimes 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 City has a few items that meet this criterion: unearned revenue related to taxes receivable, assessments, and miscellaneous receivables, insurance premium prepayment, pension deferrals, and the difference between the reacquisition price and the net carrying amount of revenue bonds and certificates of participation refunded. Fund statement receivables recorded in the governmental funds that have been assessed for improvements are recognized as a receivable on the assessment date and have been reduced by an allowance for doubtful accounts. The receivables are recognized as revenue when collected during the year. Government-wide and proprietary fund statements record revenue from receivables when the transaction occurs and have also been reduced by an allowance for doubtful accounts.

12. Compensated Absences

The vacation policy of the City provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the City, the current portion of the accumulated vacation pay is not considered to be material; therefore no expenditure or liability has been reported in the fund financial statements. The City also has a compensatory time policy that allows employees to accrue leave in lieu of payment for overtime worked. The City's liability for accumulated compensatory time, earned vacation and salary related payments as of June 30, 2018 are not recorded in the fund financial statements for governmental funds financial statements and are a reconciling item to government-wide financials. For the City's proprietary funds financial statements and government-wide financials, an expense and a liability for compensated absences, and the salary related payments, are accrued within those funds when incurred. Vacation leave accrued over the 30 day limit is converted to sick leave annually. The City's liability for compensated absences at June 30, 2018 is \$3,857,478. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policy of the City provides 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 the City does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

13. Net Position/Fund Balances

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

Fund Balances. In the governmental fund financial statements, 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:

Nonspendable 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.

CITY OF WILSON, NORTH CAROLINA

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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

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

Restricted for general government – portion of fund balance restricted by revenue source to be utilized by the public affairs division of the administrative services department for cable television channels maintained by the City for public, educational or governmental use; such as adding additional programming or upgrading equipment.

Restricted for public safety – Police distributed share of Federal DEA, IRS/Customs Border Protection and Judicial forfeitures; State Controlled Substance Tax Assessment restricted by revenue sources to be used for law enforcement to purchase vehicles, equipment, and other approved items; also includes unspent debt proceeds for public safety.

Restricted for planning and development – portion of fund balance that is restricted by the N. C. Housing Finance Agency for energy efficient homes grants, urgent repair grants, and comprehensive rehabilitation needs to be utilized by the planning and development services department.

The amount of restricted fund balance is different from the restricted net position by amount of unspent debt proceeds, in the amount of \$740,005.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes by majority vote by quorum of Wilson’s City Council (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing board. The City Council 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 public services – portion of fund balance committed by City Council for the public services department for public street maintenance (paving and resurfacing of streets) and for a rail station canopy replacement as matching funds for state grant, and for portion received for payment in-lieu of sidewalks.

Committed for planning and development – portion of fund balance committed by City Council for the planning and development services department for the purchase and/or construction of buildings for economic purposes; also, matching City funds for TIGER grant were set aside to fund engineering for substantial improvement along one of the City’s main highway corridors, and matching funds for Brownfields Cleanup Revolving Loan fund program.

Committed for culture and recreation – portion of fund balance committed by City Council for the construction of a whirligig park and adjourning infrastructure; site improvements to the City of Wilson’s main park facility and trail and bridge improvements at one of the lake parks, plus improvements for greenways along Hominy Creek and improvements at Wiggins Mill; and feasibility study for recreation; and portion of park space dedication.

Assigned Fund Balance – the portion of fund balance that the City of Wilson intends to use for specific purposes.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The City Council approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations within funds up to \$50,000.

Assigned for planning and development – portion of fund balance assigned by City Council for community development administration and loan program management; also includes matching portion for Wilson inventory landscape trees grant and wayfinding signs grant application, and Downtown Redevelopment Incentive Grant.

Unassigned Fund balance – the 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. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental

CITY OF WILSON, NORTH CAROLINA

funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City of Wilson follows the guidelines as set forth by the GASB Statement 54, that in the use of unrestricted fund balance amounts, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City of Wilson has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bonds proceeds, federal funds, state funds, local non-city funds, city 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 City.

It is the City's policy to maintain an amount of fund balance available for appropriation in the General Fund no less than twenty-five percent of annual expenditures.

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	\$ 24,612,475
Less Inventories	355,839
Less Stabilization by State Statute	3,976,946
Available Fund Balance	\$ 20,279,690

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	General Fund	Non-Major funds
	\$ 713,378	\$ 955,741

The Downtown Development Corporation has encumbrances in the amount of \$15,000.

14. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

15. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Transfers to other funds" in the General Fund and "Transfers from other funds" in the receiving fund in the fund financial statements.

16. 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 these estimates.

CITY OF WILSON, NORTH CAROLINA

17. Comparative Data/Reclassifications

Comparative data for the prior year has been presented on certain supplemental financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

Note 2. Detail Notes on All Funds

A. Assets

1. Deposits

At June 30, 2018, the carrying amount of the City's deposits, including restricted deposits, was \$45,782,701. The carrying amounts of the Downtown Development Corporation and the Wilson Cemetery Commission deposits were \$69,138 and \$84,879 respectively. The City has balances totaling \$1,452,354 invested in certificates of deposit, of which, \$2,220 and \$9,302 are presented in the Downtown Development Corporation and Wilson Cemetery Commission, respectively. The City has investments in Money Market accounts of \$20,212,241, of which, \$31,045 and \$36,087 are presented in the Downtown Development Corporation and Wilson Cemetery Commission, respectively. The bank balances for the above deposits were \$67,108,493, including all certificates of deposit and Money Market accounts, which consist of \$66,947,755 for the City, \$69,138 for the Downtown Development Corporation and \$91,600 for the Wilson Cemetery Commission. At June 30, 2018, the City's petty cash fund totaled \$8,035. The Downtown Development Commission and the Wilson Cemetery petty cash funds totaled \$1,000 and \$50, respectively. All deposits were maintained with financial institutions which collateralize deposits in excess of FDIC by the pooling method. Of the bank balance above, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

Pooled cash and investments are maintained and used by all funds.

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.

As of June 30, 2018, the City had the following investments and maturities:

Investment Type	Valuation Measurement Method	Investment Maturity (in Years)		
		Fair Value	Less Than 1	1-5
Government Agencies:				
Federal Home Loan Bank	Fair Value Level 1	\$ 1,301,615		\$ 1,301,615
Federal Home Loan Mortgage Corporation	Fair Value Level 1	10,615,114	1,652,511	8,962,603
Federal National Mortgage Association	Fair Value Level 1	18,491,306	569,556	17,921,750
NC Capital Management Trust - Government Portfolio	Amortized Cost	14,814,924	14,814,924	
		<u>\$ 45,222,959</u>	<u>\$ 17,036,991</u>	<u>\$ 28,185,968</u>

CITY OF WILSON, NORTH CAROLINA

As of June 30, 2018, the Wilson Cemetery Commission had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Investment Maturity (in Years)</u>		
		<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>
Government Agencies:				
Federal Home Loan Bank	Fair Value Level 1	\$ 2,327		\$ 2,327
Federal Home Loan Mortgage Corporation	Fair Value Level 1	18,976	2,954	16,022
Federal National Mortgage Association	Fair Value Level 1	33,056	1,018	32,038
NC Capital Management Trust - Government Portfolio	Amortized Cost	26,539	26,539	
		<u>\$ 80,898</u>	<u>\$ 30,511</u>	<u>\$ 50,387</u>

As of June 30, 2018, the Downtown Development had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Investment Maturity (in Years)</u>		
		<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>
Government Agencies:				
Federal Home Loan Bank	Fair Value Level 1	\$ 2,003		\$ 2,003
Federal Home Loan Mortgage Corporation	Fair Value Level 1	16,332	2,543	13,789
Federal National Mortgage Association	Fair Value Level 1	28,451	876	27,575
NC Capital Management Trust - Government Portfolio	Amortized Cost	22,831	22,831	
		<u>\$ 69,617</u>	<u>\$ 26,250</u>	<u>\$ 43,367</u>

Interest rate risk is not managed by a formal investment policy to limit exposure to fair value losses arising from rising interest rates.

The City has no policy on managing credit risk. General Statute 159-30(c) authorizes the City and its component units to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States; certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust, an SEC registered external investment pool. The City complies with these provisions.

The credit risk for the City and its component units are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>
Federal Home Loan Bank	Aaa
Federal Home Loan Mortgage Corporation	Aaa
Federal National Mortgage Association	Aaa
NC Capital Management Trust – Government Portfolio	AAAm

Concentration of credit risk is not managed by a formal investment policy limiting the amount that may be invested in any one issuer.

The concentration of credit risk for the City and its component units are as follows:

<u>Investment Type</u>	<u>% of Total Investments</u>
Federal Home Loan Bank	3%
Federal Home Loan Mortgage Corporation	23%
Federal National Mortgage Association	41%
NC Capital Management Trust – Government Portfolio	33%

Investment income is allocated to the various funds based on their equity in a pooled account. Each fund's equity in pooled cash and investments is set forth in the accompanying financial statements. As required for periods beginning after June 15,

CITY OF WILSON, NORTH CAROLINA

1997 by Statement 31 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the City and its component units are reported at fair value as determined by quoted market prices. The NCCMT Government Portfolio's securities are measured at amortized cost, which is the NCCMT's share price.

During fiscal year ended June 30, 2018, the City, Downtown Development Corporation, and the Wilson Cemetery Commission have realized a net gain of \$135,298, \$291, and \$227, respectively from the sale of investments. The calculation of realized loss is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses in investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net increase/(decrease) in the fair value of the City's, Downtown Development Corporation's and the Wilson Cemetery Commission's investments during fiscal year ended June 30, 2018 were \$(445,810), (\$780), and (\$920) respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during the year. The City's, Downtown Development Corporation's, and the Wilson Cemetery Commission's unrealized gain / (loss) on investments held at June 30, 2018 were (\$478,056), (\$720), and (\$911) respectively.

3. Receivables - Allowance for Uncollectibles

The receivables shown for Governmental and Business-type activities are presented net of the following allowances for doubtful accounts as of June 30, 2018:

Funds		Total
Governmental	\$	3,655,124
Business-type		896,000
Total	\$	4,551,124

Accounts receivable for the Downtown Development Corporation are presented net of a \$780 allowance for doubtful accounts.

4. Due from Other Agencies and Governments

The following summarizes amounts due from other agencies and governments by source as of June 30, 2018.

Funds	Local	State	Federal	Total
Governmental	\$ 407,928	\$ 140,046	\$ 66,952	\$ 614,926
Business-type	4,810	280,175	41,294	326,279
Total	\$ 412,738	\$ 420,221	\$ 108,246	\$ 941,205

The Downtown Development Corporation has a local due from other governments in the amount of \$8,331.

CITY OF WILSON, NORTH CAROLINA

5. Capital Assets

The following summarizes the changes in capital assets for the governmental activities:

Primary Government

	Beginning Balances	Additions	Transfers In/out	Retirements	Ending Balances
Governmental Activities					
Capital Assets, not being depreciated					
Land	20,392,115	119,918			20,512,033
Construction in progress		18,680			18,680
	<u>20,392,115</u>	<u>138,598</u>			<u>20,530,713</u>
Capital assets, being depreciated:					
Land Improvements	10,141,773	63,961			10,205,734
Buildings	18,143,912	3,231,647			21,375,559
Rolling Stock	18,030,507	2,024,484	244,000	(2,319,715)	17,979,276
General Equipment	7,967,821	324,922		(346,854)	7,945,889
Furniture, Fixtures, and equipment	4,249,612	224,325		(6,773)	4,467,164
Infrastructure	37,481,555	61,945			37,543,500
Sidewalks	1,320,474	241,119			1,561,593
Total capital assets, being depreciated	<u>97,335,654</u>	<u>6,172,403</u>	<u>244,000</u>	<u>(2,673,342)</u>	<u>101,078,715</u>
Less accumulated depreciation for:					
Land Improvements	(4,551,900)	(326,628)			(4,878,528)
Buildings	(7,735,943)	(374,503)			(8,110,446)
Rolling Stock	(12,834,235)	(967,301)	(244,000)	1,553,355	(12,492,181)
General Equipment	(4,049,932)	(478,757)		251,751	(4,276,938)
Furniture, Fixtures, and equipment	(4,074,872)	(74,600)		6,773	(4,142,699)
Infrastructure	(24,964,528)	(987,942)			(25,952,470)
Sidewalks	(199,386)	(43,383)			(242,769)
Total Accumulated Depreciation	<u>(58,410,796)</u>	<u>(3,253,114)</u>	<u>(244,000)</u>	<u>1,811,879</u>	<u>(60,096,031)</u>
Total capital assets, being depreciated, net	<u>38,924,858</u>	<u>2,919,289</u>		<u>(861,463)</u>	<u>40,982,684</u>
Governmental activities capital assets, net	<u>\$ 59,316,973</u>	<u>\$ 3,057,887</u>	<u>\$</u>	<u>\$ (861,463)</u>	<u>\$ 61,513,397</u>

CITY OF WILSON, NORTH CAROLINA

The following summarizes the changes in capital assets for the business-type activities:

	Beginning Balances	Additions	Transfers In (out)	Retirements	Ending Balances
Business-type activities					
Capital Assets, not being depreciated					
Land	\$ 28,776,711	\$	\$ (1,190,803)	\$	\$ 27,585,908
Construction in progress					
Total capital assets, not being depreciated	<u>28,776,711</u>		<u>(1,190,803)</u>		<u>\$ 27,585,908</u>
Capital assets, being depreciated:					
Land Improvements	7,603,629	257,827			7,861,456
Buildings	21,241,748	1,512,820	1,190,803	(4,736)	23,940,635
Utility distribution System	343,239,333	9,914,033		(833,887)	352,319,479
Tanks Reservoirs dams Waterways	33,515,973				33,515,973
Rolling Stock and other vehicles	18,677,187	4,085,672	(244,000)	(1,079,292)	21,439,567
Furniture, fixtures, and equipment	40,481,823	3,007,699		(271,459)	43,218,063
Total capital assets, being depreciated	<u>464,759,693</u>	<u>18,778,051</u>	<u>946,803</u>	<u>(2,189,374)</u>	<u>482,295,173</u>
Less accumulated depreciation for:					
Land Improvements	(4,025,260)	(149,715)			(4,174,975)
Buildings	(9,313,800)	(426,203)		836	(9,739,167)
Utility distribution System	(152,315,372)	(8,243,746)		793,782	(159,765,336)
Tanks, reservoirs, dams, waterways	(12,489,763)	(654,433)			(13,144,196)
Rolling Stock and other vehicles	(14,247,592)	(1,162,332)	244,000	1,077,098	(14,088,826)
Furniture, fixtures, and equipment	(25,635,871)	(2,058,668)		267,967	(27,426,572)
Total Accumulated depreciation	<u>(218,027,658)</u>	<u>(12,695,097)</u>	<u>244,000</u>	<u>2,139,683</u>	<u>(228,339,072)</u>
Total capital assets, being depreciated, net	<u>246,732,035</u>	<u>6,082,954</u>	<u>1,190,803</u>	<u>(49,691)</u>	<u>253,956,101</u>
Business-type activities capital assets, net	<u>\$ 275,508,746</u>	<u>\$ 6,082,954</u>	<u>\$</u>	<u>\$ (49,691)</u>	<u>\$ 281,542,009</u>

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

Governmental activities:

General government	\$ 359,466
Public Safety	958,444
Highways and streets, including depreciation of general infrastructure assets	1,101,668
Environmental services	369,002
Culture and recreation	430,924
Planning and development	2,166
Human Services	31,444

Total depreciation expense - governmental activities

\$ 3,253,114

Business-type activities:

Electric	\$ 5,341,750
Gas	810,015
Water	4,209,632
Mass Transit	29,658
Industrial Air Center	10,659
Broadband	1,720,487
Stormwater	284,586
Operations Center	288,310

Total depreciation expense - business-type activities

\$ 12,695,097

CITY OF WILSON, NORTH CAROLINA

A summary of Wilson Cemetery Commission capital assets activity by type at June 30, 2018:

	Beginning Balance June 30, 2017	Additions	Transfers In (Out)	Retirements	Ending Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 25,754	\$	\$	\$	\$ 25,754
Total capital assets, not being depreciated	<u>25,754</u>	<u></u>	<u></u>	<u></u>	<u>25,754</u>
Capital assets, being depreciated:					
Land Improvements	851,073				851,073
Buildings	76,609				76,609
Rolling Stock	139,194				139,194
Furniture, fixtures and equipment	134,172				134,172
Total capital assets, being depreciated	<u>1,201,048</u>	<u></u>	<u></u>	<u></u>	<u>1,201,048</u>
Less accumulated depreciation:					
Land improvements	(470,316)	(18,385)			(488,701)
Buildings	(70,609)	(777)			(71,386)
Rolling stock	(135,326)	(2,024)			(137,350)
Furniture, fixtures and equipment	(59,454)	(13,039)			(72,493)
Total accumulated depreciation	<u>(735,705)</u>	<u>(34,225)</u>	<u></u>	<u></u>	<u>(769,930)</u>
Total capital assets, being depreciated net	<u>465,343</u>	<u>(34,225)</u>	<u></u>	<u></u>	<u>431,118</u>
Total capital assets, net	<u>\$ 491,097</u>	<u>\$ (34,225)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 456,872</u>

6. Operating Leases

The City has committed to various operating leases. Lease expenditures for the year ended June 30, 2018 amounted to \$916,657.

Future minimum lease payments for these leases are as follows:

Year Ending	Amount
2019	\$ 984,140
2020	723,165
2021	559,694
2022	390,605
2023	73,429
2024-2028	<u>2,731,033</u>

7. Long-Term Debt

The City is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the City may have outstanding to eight percent (8%) of the appraised value of property subject to taxation. At June 30, 2018, the statutory legal debt margin for the City was \$274,779,174.

Principal and interest requirements for Governmental Activities debt will be provided by appropriation in the General Fund in the year in which they become due. Principal and interest requirements for Business-type Activities debt will be provided through operating revenues in the respective Business-type Activities Funds and appropriated in the year in which they become due.

Revenue Bonds issued in fiscal year 2003 pledge the income derived from the Combined Utility System for payment of the debt. These Series 2002 Revenue Bonds were subsequently refunded in fiscal years 2012 and 2014. Currently the

CITY OF WILSON, NORTH CAROLINA

Combined Utility System is composed of the Water System, Wastewater System and Gas System. Certain financial covenants are contained in the revenue bond order, among the most restrictive of which provide that the City maintain a long-term revenue bonded debt service coverage ratio of not less than 120%. The overall Combined Utility System debt service coverage ratio must be maintained at a ratio of 100%. The coverage ratio as of June 30, 2018 for revenue bonded debt service is 1,400.87% and 311.34% for all debt. The City is in compliance with the covenants as to rates, fees, rentals and charges as presented in the Report of Independent Auditors on Revenue Bond Covenant Compliance letter that is included in the Other Financial Information tab later in this report.

Refunding. On November 30, 2017, the City issued \$41,508,000 in 2017 Refunding Installment Financing Contract. The proceeds with City contributions of \$2,000,000 were used to refund \$20,845,000 of outstanding Series 2007 Certificates of Participation and \$21,975,000 of outstanding Series 2008 Certificates of Participation. The net proceeds of \$41,282,046 (after payment of \$ 225,954 for cost of issuance) were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the remaining \$ 42,820,000 of the Certificates of Participation (Series 2007 and Series 2008) have been removed from the statement of net position.

A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within 1 year</u>
<u>Governmental Activities</u>					
Notes payable	\$ 1,264,452	\$ 740,000	\$ (718,525)	\$ 1,285,927	\$ 323,010
Total OPEB Liability	48,645,281		(1,739,367)	46,905,914	
Net pension Liability (LGERS)	9,855,129		(2,895,906)	6,959,223	
Total pension Liability (LEOSSA)	4,612,672	451,180		5,063,852	
Accrued compensated balances	2,511,982	1,803,984	(1,678,015)	2,637,951	1,792,019
	<u>66,889,516</u>	<u>2,995,164</u>	<u>(7,031,813)</u>	<u>62,852,867</u>	<u>2,115,029</u>

The Downtown Development Corporation had accrued compensated absences balance of \$22,450 as of June 30, 2018.

For the governmental funds, accrued compensated absences and post-employment benefits are generally liquidated in the General Fund.

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within 1 year</u>
<u>Electric Fund</u>					
Electric Notes Payable	\$ 1,308,781	\$	\$ (261,756)	\$ 1,047,025	\$ 261,756
Electric COPS Payable	21,625,000	19,761,000	(22,450,000)	18,936,000	945,000
Electric Deferred COPS Premium	488,147		(488,147)		
Electric Deferred COPS Discount	(67,023)		67,023		
Total OPEB Liability	7,231,055		(258,554)	6,972,501	
Net pension liability (LGERS)	1,597,195		(470,809)	1,126,386	
Accrued Compensated Absences	417,041	284,487	(271,025)	430,503	307,408
Electric Fund long term liabilities	<u>32,600,196</u>	<u>20,045,487</u>	<u>(24,133,268)</u>	<u>28,512,415</u>	<u>1,514,164</u>
<u>Gas Fund</u>					
Gas Notes Payable	762,729		(190,656)	572,073	190,656
Gas Revenue Bonds	2,369,925		(166,275)	2,203,650	169,650
Gas Deferred Revenue Bonds Premium	2,093		(190)	1,903	
Total OPEB Liability	1,972,106		(70,515)	1,901,591	
Net pension liability (LGERS)	435,598		(128,403)	307,195	
Accrued Compensated Absences	103,486	78,779	(96,489)	85,776	85,776
Gas Fund long term liabilities	<u>5,645,937</u>	<u>78,779</u>	<u>(652,528)</u>	<u>5,072,188</u>	<u>446,082</u>

CITY OF WILSON, NORTH CAROLINA

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within 1 year</u>
Water Resources Fund					
Water & Sewer Notes Payable	11,880,133		(1,673,575)	10,206,558	1,673,575
Water & Sewer GO Bonds	6,120,000		(1,205,000)	4,915,000	1,205,000
Water and Sewer GO Bond Premium	356,188		(59,365)	296,823	
Water & Sewer Revenue Bonds	8,163,075		(572,725)	7,590,350	584,350
Water & Sewer Deferred Revenue					
Bond Premium	7,035		(639)	6,396	
Total OPEB Liability	7,231,054		(258,553)	6,972,501	
Net pension liability (LRS)	1,845,989		(556,411)	1,289,578	
Accrued Compensated Absences	396,951	272,332	(259,845)	409,438	285,433
Water Resources Fund long term liabilities	<u>36,000,425</u>	<u>272,332</u>	<u>(4,586,113)</u>	<u>31,686,644</u>	<u>3,748,358</u>
Broadband Fund					
Broadband COPS Payable	19,533,008	20,085,008	(22,406,640)	17,211,376	2,980,206
Broadband Deferred COPS Premium	226,592		(226,592)		
Net pension liability (LRS)	290,399		(85,602)	204,797	
Accrued Compensated Absences	199,712	158,262	(132,836)	225,138	140,350
Broadband Fund long term liabilities	<u>20,249,711</u>	<u>20,243,270</u>	<u>(22,851,670)</u>	<u>17,641,311</u>	<u>3,120,556</u>
Mass Transit Fund					
Total OPEB Liability	657,369		(23,505)	633,864	
Net pension liability (LRS)	145,199		(42,801)	102,398	
Accrued Compensated Absences	34,029	16,902	(10,705)	40,226	13,530
Mass Transit Fund long term liabilities	<u>836,597</u>	<u>16,902</u>	<u>(77,011)</u>	<u>776,488</u>	<u>13,530</u>
Stormwater Management Fund					
Net pension liability (LRS)	290,399		(85,602)	204,797	
Accrued Compensated Absences	31,536	9,334	(12,424)	28,446	14,008
Stormwater Fund long term liabilities	<u>321,935</u>	<u>9,334</u>	<u>(98,026)</u>	<u>233,243</u>	<u>14,008</u>
Operation Center Fund					
Operation Center COPS Payable	1,661,992	1,661,992	(1,964,360)	1,359,624	317,794
Operation Center Deferred COPS Premium	8,709		(8,709)		
Operation Center Fund long term liabilities	<u>1,670,701</u>	<u>1,661,992</u>	<u>(1,973,069)</u>	<u>1,359,624</u>	<u>317,794</u>
Business activity long-term liabilities	<u>\$ 97,325,502</u>	<u>\$ 42,328,096</u>	<u>\$ (54,371,685)</u>	<u>\$ 85,281,913</u>	<u>\$ 9,174,492</u>

*Note: Beginning balances for post employment benefits have been adjusted to reflect the restatement in net position due to the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in the fiscal year ending June 30, 2018.

At June 30, 2018 long-term debt, excluding accrued compensated absences, consists of the following:

Governmental Activities:

General Fund

Notes Payable (Installment Contract):

Carter National Bank Land and Building purchase due in annual principal installment of \$108,334 through June 2021, interest at 3.09%

\$ 324,994

CITY OF WILSON, NORTH CAROLINA

Carter Bank Building Renovation, note due in annual principal installments of \$73,676 through June 2021, interest at 3.09% 220,933

Aerial Ladder Fire Truck; note due in annual principal installments of \$141,000 to \$156,000 through May 2023, interest at 2.99% 740,000

Total Governmental Activities Long-Term Debt \$ 1,285,927

Business-Type Activities

Electric Fund:

Notes Payable (Installment Contract):

Industrial Development- Land note due in annual principal installments of \$261,756 through June 2022, interest rate at 3.09% 1,047,025

Certificate of Participation Payable:

\$19,761,000 – 2018 Refunded certificates due in annual principal installments of \$ 945,000 to \$ 2,094,000 through May 2032, interest at 4.00% to 5.00% 18,936,000

Total Electric fund 19,983,025

Gas Fund:

Notes Payable (Installment Contract):

MGP Site Cleanup, note due in annual principal installments of \$190,656 through June, 2021, interest at 3.09% 572,073

Revenue Bonds:

\$ 753,275 – 2013 Revenue Bonds due in annual principal installments of \$142,875 to \$150,525 through June 2019, including interest at 1.38% 150,525

\$ 2,155,500 – 2011 Revenue Bonds due in annual principal installments of \$15,750 to \$254,250 through June 2028, including interest at 2.99% 2,053,125
2,203,650

Total Gas fund 2,775,723

Water Resources Fund:

Notes Payable (Installment Contract):

Wastewater Facility upgrades to 14MGD; note due in annual principal installments of \$654,601 through May 1, 2021; interest at 2.91% 1,963,803

Happy Valley Water Reuse and Sewer Rehabilitation; note due in annual principal installments of \$22,468 beginning after the completion of the capital project and continuing through May 2025, interest at 2.205%. 157,279

Wastewater Facility Phase III Upgrade; note due in annual principal installments of \$968,147, beginning after completion of the project and continuing through May 2026, interest at 2.205%. 7,745,181

Contentnea Interceptor Line; note due in annual principal installments of \$28,358 through May 2030; interest rate at 0.00%. 340,295
10,206,558

CITY OF WILSON, NORTH CAROLINA

General Obligation Bonds:

\$15,280,000 – 2009 Water serial bonds due in annual principal installments of \$225,000 to \$1,345,000 through June 1, 2023; interest at 2.00% to 5.00%. 4,915,000

Revenue Bonds:

\$1,441,431 – 2013 Sewer Revenue Bonds due in annual principal installments of \$280,856 to \$295,894 through June 2019; interest at 1.38% 295,894

\$1,084,294 – 2013 Water Revenue Bonds due in annual principal installments of \$211,269 to \$222,581 through June 2019 interest rate at 1.38% 222,581

\$4,237,162 – 2011 Sewer Revenue Bonds due in annual principal installments of \$30,960 to \$499,790 through June 2028; interest at 2.99% 4,035,919

\$3,187,338 – 2011 Water Revenue Bonds due in annual principal installments of \$23,290 to \$375,959 through June 2028; interest rate at 2.99% 3,035,956
7,590,350

Total Water Resources fund 22,711,908

Broadband Fund:

Certificates of Participation Payable:

\$20,085,008 – 2018 Refunded certificates due in annual principal installments of \$ 779,000 to \$ 4,112,925 through May 2025, interest at 4.00% to 5.00% 17,211,376

Operation Center Fund:

Certificates of Participation Payable:

\$ 1,661,992 – 2018 Refunded certificates due in annual principal installments of \$ 317,794 to \$ 364,076 through May 2022, interest at 4.00% to 5.00% 1,359,624

Total Business Activities Long-Term Debt \$ 64,041,656

Total Primary Government Long-Term Debt \$ 65,327,583

Notes payable are collateralized by capital assets with a carrying value of \$6,194,353 a lien on property sold to a third party and pledges of water resources revenues.

The annual requirements to amortize all long-term debt (except accrued compensated absences) outstanding as of June 30, 2018, including interest payments, are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 323,010	\$ 36,721	\$ 8,327,987	\$ 1,805,861	\$ 8,650,997	\$ 1,842,582
2020	325,010	29,155	8,556,986	1,570,138	8,881,996	1,599,293
2021	329,907	19,253	8,696,092	1,321,117	9,025,999	1,340,370
2022	152,000	9,209	7,992,732	1,066,713	8,144,732	1,075,922
2023	156,000	4,664	5,103,974	833,348	5,259,974	838,012
2024-2028			17,272,169	2,452,519	17,272,169	2,452,519
2029-2033			8,091,716	580,719	8,091,716	580,719
	<u>\$ 1,285,927</u>	<u>\$ 99,002</u>	<u>\$ 64,041,656</u>	<u>\$ 9,630,415</u>	<u>\$ 65,327,583</u>	<u>\$ 9,729,417</u>

CITY OF WILSON, NORTH CAROLINA

The annual requirements to amortize general obligation bonded debt outstanding as of June 30, 2018 including interest payments are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$	\$	\$ 1,205,000	\$ 173,019	\$ 1,205,000	\$ 173,019
2020			1,180,000	133,856	1,180,000	133,856
2021			1,160,000	92,556	1,160,000	92,556
2022			1,145,000	50,506	1,145,000	50,506
2023			225,000	9,000	225,000	9,000
	\$	\$	\$ 4,915,000	\$ 458,937	\$ 4,915,000	\$ 458,937

The annual requirements to amortize revenue obligation bonded debt outstanding as of June 30, 2018 including interest payments are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$	\$	\$ 754,000	\$ 276,183	\$ 754,000	\$ 276,183
2020			890,000	256,991	890,000	256,991
2021			915,000	230,005	915,000	230,005
2022			945,000	202,199	945,000	202,199
2023			970,000	173,569	970,000	173,569
2024-2028			5,320,000	407,089	5,320,000	407,089
	\$	\$	\$ 9,794,000	\$ 1,546,036	\$ 9,794,000	\$ 1,546,036

The annual requirements to amortize certificates of participation obligation bonded debt outstanding as of June 30, 2018 including interest payments are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$	\$	\$ 4,243,000	\$ 1,068,951	\$ 4,243,000	\$ 1,068,951
2020			4,360,999	948,025	4,360,999	948,025
2021			4,495,000	823,735	4,495,000	823,735
2022			4,622,001	695,629	4,622,001	695,629
2023			2,890,000	563,902	2,890,000	563,902
2024-2028			8,861,000	1,915,856	8,861,000	1,915,856
2029-2033			8,035,000	580,719	8,035,000	580,719
	\$	\$	\$ 37,507,000	\$ 6,596,817	\$ 37,507,000	\$ 6,596,817

The annual requirements to amortize notes payable for certain equipment, facilities and real property outstanding as of June 30, 2018, including interest payments are as follows:

Year Ending	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 323,010	\$ 36,721	\$ 2,125,987	\$ 287,708	\$ 2,448,997	\$ 324,429
2020	325,010	29,155	2,125,987	231,266	2,450,997	260,421
2021	329,907	19,253	2,126,092	174,821	2,455,999	194,074
2022	152,000	9,209	1,280,731	118,379	1,432,731	127,588
2023	156,000	4,664	1,018,974	86,877	1,174,974	91,541
2024-2028			3,091,169	129,574	3,091,169	129,574
2029-2033			56,716		56,716	
	\$ 1,285,927	\$ 99,002	\$ 11,825,656	\$ 1,028,625	\$ 13,111,583	\$ 1,127,627

CITY OF WILSON, NORTH CAROLINA

8. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The City of Wilson, and its component units, are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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 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 years 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 General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Wilson employees and its component unit employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City and its component units' contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.55% for general employees and firefighters, 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 City were \$3,104,079 for the year ended June 30, 2018. Of this amount, \$3,084,974 represents the City's contribution and \$19,105 represents the City's component unit, the Downtown Development Corporation because of its inclusion in the City's Agency account for LGERS.

Contributions to the pension plan from the City's component unit, the Wilson Cemetery Commission, which has a separate Agency account in LGERS, were \$13,463 for the year ended June 30, 2018.

Refunds of Contributions – City 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.

CITY OF WILSON, NORTH CAROLINA

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

At June 30, 2018, the City reported a liability of \$10,239,869 for its proportionate share of the net pension liability, which includes the City’s share of \$10,194,374, and the City’s component unit, the Downtown Development Corporation, with a share of \$45,495 because of its inclusion in the City’s Agency account for LGERS. The City’s other component unit, the Wilson Cemetery Commission, which has a separate Agency account in LGERS, reported liabilities of \$48,276 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the City’s proportion was 0.67027%, which was a decrease of 0.01388% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$3,246,891 for the City’s share and the City’s component unit, the Downtown Development Corporation which is included in the City’s Agency account for LGERS. The City’s other component unit, the Wilson Cemetery Commission, which has a separate Agency account in LGERS, recognized pension expense of \$16,983. At June 30, 2018, the City 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	\$ 589,911	\$ 289,858
Changes of assumptions	1,462,395	
Net difference between projected and actual earnings on pension plan investments	2,486,253	
Changes in proportion and differences between City contributions and proportionate share of contributions		598,680
City contributions subsequent to the measurement date	3,104,079	
Total	\$ 7,642,638	\$ 888,538

\$3,104,079 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Of this amount, \$3,084,974 represents the City’s contribution and \$19,105 represents the City’s component unit, the Downtown Development Corporation because of its inclusion in the City’s Agency account for LGERS. The City’s other component unit, the Wilson Cemetery Commission, which has a separate Agency account in LGERS, contributed \$13,463. \$888,538 is reported as deferred inflows of resources, and of this amount \$879,772 is for the City and \$8,766 is for the City’s component unit, the Downtown Development Corporation. The City’s other component unit, the Wilson Cemetery Commission, which has a separate Agency account in LGERS, had \$7,781 reported as deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

Year ended June 30:

2019	\$ 308,269
2020	2,790,573
2021	1,376,088
2022	(824,909)
2023	
Thereafter	

CITY OF WILSON, NORTH CAROLINA

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate

CITY OF WILSON, NORTH CAROLINA

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 benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset)	\$ 30,740,318	\$ 10,239,869	\$ (6,871,534)

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")

Plan Description. The City of Wilson administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the City'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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

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

Inactive Members Currently Receiving Benefits	14
Active plan members	<u>109</u>
Total	<u>123</u>

Basis of Accounting. The City 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 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 criteria which are outlined in GASB Statement 73.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

CITY OF WILSON, NORTH CAROLINA

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

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

DEATHS AFTER RETIREMENT (HEALTHY): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

DEATHS BEFORE RETIREMENT: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

DEATHS AFTER RETIREMENT (BENEFICIARY): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

DEATHS AFTER RETIREMENT (DISABLED): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City'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 paid in the General Fund. The City paid \$208,220 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, 2018, the City reported a total pension liability of \$5,063,852. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the City recognized pension expense of \$392,140.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,125	\$
Changes of assumptions and other inputs	243,714	77,682
Benefit payments and administrative expenses subsequent to the measurement date	94,645	
Total	\$ 343,484	\$ 77,682

\$94,645 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	30,989
2020	30,989
2021	30,989
2022	30,989
2023	47,201
Thereafter	0

CITY OF WILSON, NORTH CAROLINA

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.16 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Total Pension Liability	\$ 5,504,678	\$ 5,063,852	\$ 4,661,974

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

	2018
Beginning balance	\$ 4,612,672
Service Cost	186,362
Interest on the total pension liability	174,030
Changes of benefit terms	
Differences between expected and actual experience in the measurement of the total pension liability	6,158
Changes of assumptions or other inputs	292,850
Benefit payments	(208,220)
Other changes	
Ending Balance of the total pension liability	\$ 5,063,852

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

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

CITY OF WILSON, NORTH CAROLINA

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 3,246,891	\$ 392,140	\$ 3,639,031
Pension Liability	10,239,869	5,063,852	15,303,721
Proportionate share of the net pension liability	0.67027%	n/a	
Deferred Outflows of Resources			
Difference between expected and actual experience	589,911	5,125	595,036
Change of assumptions	1,462,395	243,714	1,706,109
Net difference between projected and actual earnings			
on plan investments	2,486,253		2,486,253
Changes in proportion and differences between			
contributions and proportionate share of contributions			
City contributions subsequent to the measurement date	3,104,079		3,104,079
Benefit payments and administrative costs paid			
subsequent to the measurement date		94,645	94,645
Deferred Inflows of Resources			
Difference between expected and actual experience	289,858		289,858
Changes of assumptions		77,682	77,682
Net difference between projected and actual earnings on			
plan investments			
Changes in proportion and differences between			
contributions and proportionate share of contributions	598,680		598,680

Retirement Income Plan

Plan Description. The City and the Downtown Development Corporation provide retirement benefits for all of its law enforcement officers and other full-time employees through a defined contribution plan administered by the North Carolina Department of the State Treasurer and a Board of Trustees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Wilson Cemetery Commission does not provide these benefits. 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 trust fund financial statements for 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, NC 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires that the City contribute an amount equal to 5% of each law enforcement officer's salary each month. The City also makes a contribution of 5% for all other full-time and certain part-time employees. All covered employees may make voluntary contributions to the Plan. All contributed amounts plus investment earnings allocated to the employee accounts are fully vested immediately. Total contributions for the year ended June 30, 2018 were \$2,852,712 which consisted of \$2,020,030 from the City and \$832,682 from employees. No amounts were forfeited.

9. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

CITY OF WILSON, NORTH CAROLINA

10. Other Post-Employment Benefits (OPEB)

Plan Description. Under the terms of a City resolution, the City administers a single-employer defined benefit Healthcare Benefits Plan (“HCB Plan”). The City Council may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The City pays the full cost of coverage for employees’ benefits through private insurers and employees have the option of purchasing dependent coverage at the City’s group rates. The City pays the full cost of coverage for employees (excluding a maximum \$15 contribution by the retiree) hired prior to July 1, 1991. The City will pay a graduated amount of the cost of coverage for employees hired between July 1, 1991 and June 30, 1993 ranging from \$0 for employees with 10 years or less of service with the City to a maximum of the full premium less a \$15 contribution by the retiree for employees with 21 or more years of service with the City. No post-employment health benefits will be provided to employees hired after July 1, 1993. The plan provides lifetime healthcare benefits for eligible retirees until they become ineligible for coverage or eligible for Medicare at their cost. Benefit provisions are established by the City and funded through the annual budget process adopted by City Council. Also, the City’s retirees can purchase coverage for their dependents at the City’s group rates. The City Council may amend the benefit provisions.

Retired Employees’ Years Of Creditable Service	Date Hired	
	Pre-July 1, 1993	On or after July 1, 1993
Less than 10 years	Not eligible for coverage	Not eligible for coverage
10-20 years	Graduated amount paid by City	Not eligible for coverage
20+ years	Full coverage paid by City	Not eligible for coverage

Funding Policy. The City pays part of the coverage cost for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by City Council. The City’s members pay \$15 per month for individual coverage, \$73 per month for parent/child coverage, \$168 per month for employee/spouse coverage and \$257 per month for family coverage to age 65. Medicare coverage contribution amount for the retiree is \$6.36 per month after age 65. The City has chosen to fund the healthcare benefits on a pay as you go basis.

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	General <u>Employees</u>	Law Enforcement <u>Officers</u>
Retirees receiving benefits	255	53
Active plan members	<u>57</u>	<u>7</u>
Total	<u><u>312</u></u>	<u><u>60</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$63,386,371 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00 percent
Real wage growth	0.50 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 percent to 7.75 percent

CITY OF WILSON, NORTH CAROLINA

Firefighters	3.50 percent to 7.75 percent
Law Enforcement Officers	3.50 percent to 7.35 percent
Discount rate	3.56 percent
Healthcare cost trend rates	
Pre-Medicare	7.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023
Medicare	5.50 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2020

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

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% (prior measurement date) to 3.56% at the measurement date.

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

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, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Changes in the Total OPEB Liability

Schedule of Changes in Total OPEB Liability

Total OPEB Liability as of June 30, 2017	\$ 68,296,543
Changes for the year:	
Service Cost at the end of the year	466,749
Interest on TOL and Cash Flows	2,017,488
Changes of benefit terms	
Differences between expected and actual experience	(179,360)
Changes in assumptions or other inputs	(4,655,372)
Benefit payments	(2,559,677)
Net changes:	<u>\$ (4,910,172)</u>
Total OPEB Liability as of June 30, 2018	<u><u>\$ 63,386,371</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate of 3.56 percent:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB Liability	\$ 72,288,882	\$ 63,386,371	\$ 56,179,111

CITY OF WILSON, NORTH CAROLINA

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City’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	\$ 56,077,533	\$ 63,386,371	\$ 72,280,075

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

For the year ended June 30, 2018, the City recognized OPEB expense of (\$2,350,495). At June 30, 2018, the City 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	\$	\$
Changes of assumptions and other inputs		
Benefit payments and administrative expenses subsequent to the measurement date	2,961,779	
Total	\$ 2,961,779	\$ -

\$2,961,779 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period ended June 30:

2019	\$	0
2020		0
2021		0
2022		0
2023		0
Thereafter		0

11. Other Benefits

The City 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. Lump-sum death benefits are provided to the beneficiaries of those employees 1) who die in active service after one year of contributing membership in the System, or 2) 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 the time of death. This payment is 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 be less than \$25,000 and no more than \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible employees. The City 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 percent of monthly payroll based on rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions immaterial.

CITY OF WILSON, NORTH CAROLINA

12. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources at June 30, 2018. Deferred outflows of resources are comprised of the following:

Source	Amount
Deferred outflow of resources on refunding	\$ 552,760
Pension deferrals - LGERS	4,523,128
Contributions subsequent to measurement - LGERS	3,084,974
Pension deferrals - LEOSSA	248,839
Benefit payments subsequent to measurement - LEOSSA	94,645
OPEB deferrals	2,961,779
	\$ 11,466,125

The City's component unit, the Downtown Development Corporation, had pension deferrals of \$15,431 and contributions subsequent to measurement of \$19,105, which are not in the table above, but are included in the table under Note 8 for Deferred Outflows of Resources because of the inclusion in the City's Agency account for LGERS.

The City has several deferred inflows of resources at June 30, 2018. Deferred inflows of resources at year-end are comprised of the following:

Source	Statement of Net Position	General Fund Balance Sheet
Retiree insurance premium prepayments	\$ 1,060	
Uncollected property taxes, assessments, and miscellaneous receivables (General Fund)		2,023,356
Pension deferrals - LGERS	879,772	
Pension deferrals - LEOSSA	77,682	
Deferred inflow of resources on refunding	437,262	
	\$ 1,395,776	\$ 2,023,356

The City's component unit, the Downtown Development Corporation, has pension deferrals of \$8,766 not reflected in the table above, but are included in the table under Note 8 for Deferred Inflows of Resources because of its inclusion in the City's Agency account for LGERS.

13. Other Resources

During the year, the General, Electric, and Gas Funds provided substantial support to various other funds in the form of transfers. Transfers are used to move unrestricted revenues to fund various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs. The computation of the transfers is consistent with the method allowed by the General Assembly and within the City's established policy, and includes a portion to cover payment in lieu of taxes. Transfers from the Electric, Gas, and General Fund to the Mass Transit and Industrial Air Center Funds are to support operations within the specific fund. Transfers from the General Fund to Community Development are to support operations. Transfers to other Special Revenue Fund(s) are to support operations pertaining to those specific purposes. Transfers to Capital Projects are to fund capital needs.

CITY OF WILSON, NORTH CAROLINA

Specific to fiscal year 2018 transfers, the General Fund made transfers of \$5,730 to the 2016 Urgent Repair Grant Project and \$10,000 to the 2017 Urgent Repair Grant Project to provide matching funds for the grants. Also transfers from the General Fund were made to the following capital projects: Hominy Creek Greenway capital project (\$50,000), Cavalier Terrace Park Renovations capital project (\$274,180), Lake Wilson Park Improvements capital project (\$150,000), Wiggins Mill Park Improvements capital project (\$100,000), Recreation Revitalization capital project (\$100,000), Rail Station Canopy capital project (\$100,000), and Public Street Maintenance & Construction capital project (\$550,000). The Electric Fund made transfers for Economic Community Investment for the following projects: TIGER grant match (\$487,200) and Downtown Building Revitalization project (\$250,000).

A summary of the City's transfers is listed below:

Transfers In						
Transfers Out	General	Mass Transit	Industrial Air Center	Special Revenue	Capital Projects	Total
General	\$	\$ 35,000	\$ 174,880	\$ 15,730	\$ 1,324,180	\$ 1,549,790
Electric	2,225,500	166,500			737,200	3,129,200
Gas	1,248,160	111,000				1,359,160
Total Transfers In	\$ 3,473,660	\$ 312,500	\$ 174,880	\$ 15,730	\$ 2,061,380	\$ 6,038,150

14. Inter-fund Receivables/Payables

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

Due to General Fund for temporary coverage of grant eligible expenditures yet to be reimbursed by the grant agency.

Non-major Governmental	\$ <u>57,748</u>
Total	\$ <u>57,748</u>

Advance Loans between funds:

In fiscal years 2008 and 2009, funds were loaned in the amount of \$1,980,000 and \$1,250,000, respectively, to the Broadband Fund from the Gas Fund to help fund expenditures in the initial startup years of this enterprise. The term over which the loan is scheduled to be re-paid is 15 years, commencing FY 2014 and ending FY 2029.

The amount Due to Gas Fund for Advance Loans between funds at June 30, 2018 is \$2,580,000 due from the Broadband fund.

15. Commitments and Contingencies

The City is involved in litigation for several general liability claims. The City intends to defend the cases vigorously. The City also believes the ultimate resolution of the proceedings is not likely to have a material adverse impact on its financial position.

North Carolina Eastern Municipal Power Agency

On July 13, 1981 the City entered into a fifty-year contract with the North Carolina Eastern Municipal Power Agency (the Power Agency) to purchase electric power. The Power Agency is organized as a public body under the laws of the State of North Carolina. The Power Agency is authorized to study, plan, finance, construct, reconstruct, acquire, improve, enlarge, extend, better, own, operate, and maintain systems or facilities or any interest therein for the generation, transmission and/or

CITY OF WILSON, NORTH CAROLINA

transformation, of electric power and energy and is authorized to sell for resale electric power and energy.

The City has agreed to purchase its share (15.5%) of the Power Agency output and to charge rates for electric power and energy sold sufficient to provide revenues adequate to meet its obligation to the Power Agency.

The obligation of the City to purchase electric power is an operating expense of the Electric Fund and is payable solely from the revenues of the Electric Fund.

Construction Projects

At June 30, 2018, the City is obligated for \$1,540,284 in commitments for construction project contracts. The commitments are fully budgeted.

Federal and State Assisted Programs

The City 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.

16. Risk Management

The City 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. Losses from asserted claims and from unasserted claims identified under the City's incident reporting system are accrued based on estimates that incorporate the City's past experience, as well as other considerations including the nature of each claim and relevant trend factors.

The City has established the following funds to account for and finance its uninsured risks of loss.

Group Insurance Benefits Fund

The City has established a limited risk management program (an internal service fund) for employees' health, dental, vision, and life insurance benefits. Premiums are paid into the Group Insurance Benefits Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. During fiscal year 2018, a total of \$10,303,024 (cash basis) was incurred for medical benefits and administrative costs.

An excess coverage health insurance policy covers individual medical claims in excess of \$160,000 per employee. Incurred but not reported claims of \$1,270,770 and reported claims of \$173,537 have been accrued as liabilities at June 30, 2018. Inter-fund premiums are based primarily upon the insured fund's claims experience and are reported as inter-fund services provided and used.

During the year there was no significant decrease in insurance coverage, nor have there been any settlements in excess of insurance coverage for the past three years.

Risk Management Fund

The City has established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risk of loss. In fiscal year 2017-2018 the Risk Management Fund provided coverage for up to a maximum of \$500,000 for each worker's compensation claim, a maximum of \$500,000 for automobile and general liability claims, a \$500,000 maximum for property and casualty claims and police officer and public official liability claims, a \$25,000 maximum for property loss coverage, and a \$5,000 maximum for flood insurance claims. City employees are covered under a blanket dishonesty bond through our employee dishonesty coverage. The deductible for this \$500,000 coverage is \$5,000. Additionally, the Chief Financial Officer is bonded for \$250,000. The \$5,000 deductible for flood insurance applies to those properties insured through the National Flood Insurance Plan (NFIP). Because the City has been designated to be in an "A" area (close to a river, lake or stream) by the Federal Emergency Management Agency, the City is eligible to purchase coverage up to \$500,000 per structure through the NFIP. Comprehensive and collision losses for most vehicles are self-insured. The City purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund. Settled claims

CITY OF WILSON, NORTH CAROLINA

have not exceeded insurance coverage in the last three years.

All funds participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to maintain an adequate reserve for catastrophic losses. Accrued liabilities as of June 30, 2018 included \$1,197,663 for incurred but not reported claims and \$40,828 for reported claims. The reserve as of June 30, 2018 was \$5,498,950 as reported as total net position of the Risk Management Fund.

The claims liability reported at June 30, 2018 for each fund, if any, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in Risk Management Claims Liability amounts for the years ended June 30, 2018 and 2017 were as follows:

<u>Fiscal Year</u>	<u>Group Insurance Benefits Fund</u>	<u>Risk Management Fund</u>
June 30, 2018		
Insurance claims payable, Beginning of year	\$ 1,450,275	\$ 655,157
Claims and changes in estimates	9,871,488	1,032,541
Claim payments	<u>(9,877,456)</u>	<u>(449,207)</u>
Insurance claims payable, end of year	<u>\$ 1,444,307</u>	<u>\$ 1,238,491</u>
June 30, 2017		
Insurance claims payable, Beginning of year	\$ 1,596,598	\$ 655,241
Claims and changes in estimates	9,498,373	733,109
Claim payments	<u>(9,644,696)</u>	<u>(733,193)</u>
Insurance claims payable, end of year	<u>\$ 1,450,275</u>	<u>\$ 655,157</u>

17. Related Organizations

Wilson Housing Authority

The City Council appoints the five-member board of the Wilson Housing Authority. The City's accountability does not extend beyond making these appointments. The Wilson Housing Authority makes payments in lieu of property taxes to the City. The City recorded revenue of \$3,185 for the year ended June 30, 2018. Complete financial statements for the Housing Authority can be obtained from the Authority's office at 301 East Nash Street, Wilson, North Carolina 27893.

18. Joint Ventures

Wilson Economic Development Council

The City is a participant with the County of Wilson (County) in a joint venture, the Wilson Economic Development Council (the Council), to promote industrial and commercial development of the City and the County of Wilson. A nine-member board composed of four appointees from the City, four appointees from the County, and a chairman from either the City or County, based on election by the board, manages the Council. The by-laws of the Council state that the City and County are to provide funding for the financial requirements and operations of the Council. In accordance with the joint venture agreement, the City contributed \$299,050 to the Council for the year ended June 30, 2018. The participating governments do not have any equity interest in the joint venture. Accordingly, no equity interest has been reflected in the financial statements at June 30, 2018. Complete financial statements for the Council can be obtained from the Council's administrative office at 126 West Nash Street, Wilson, North Carolina 27893.

CITY OF WILSON, NORTH CAROLINA

Rocky Mount - Wilson Airport Authority

The City is a participant with the County of Wilson, City of Rocky Mount, County of Edgecombe and County of Nash in a joint venture to operate the Rocky Mount - Wilson Airport Authority (the Authority) for the joint benefit of all co-sponsors. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor's original contribution. The city's initial contribution totaled \$200,000, which represents two-sevenths of the total contribution. A seven-member board governs the Authority, two from each City and one from each County. All co-sponsors are obligated by contract to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The City contributed \$95,720 to the Authority during the year ended June 30, 2018. The participating governments have an equity interest in the joint venture. The City has a share of 29% in the joint venture, and accordingly, an equity interest has been reflected in the City's financial statements in the Statement of Net Position as a non-current asset in the amount of \$2,058,792 at June 30, 2018. This amount represents an estimate of 29% of the net position of the Authority expected to be shown in their audited June 30, 2017 financial statements, once completed. The audited 2017 financial statements for the Authority is not currently available. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 250 Airport Drive, Elm City, North Carolina 27822.

19. Jointly Governed Organizations

North Carolina Eastern Municipal Power Agency

The City, in conjunction with 32 other local governments, is a member of the North Carolina Eastern Municipal Power Agency (the Agency). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 32 members, who receive power from the Agency, have signed power sales agreements to purchase a specified share of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement or residual interest. The City's purchases of power for the year ended June 30, 2018 were \$84,516,187.

Upper Coastal Plain Council of Governments

The City, in conjunction with five counties and 35 other 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 City received \$12,001 in grants from the Council and expenditures to the Council for dues and professional services totaled \$22,461 during the fiscal year ended June 30, 2018.

Electricities of North Carolina, Inc.

Electricities of North Carolina, Inc. is a nonprofit organization which provides support to 64 municipally owned electric utilities, and represents member interest in legislative and regulatory matters. The City paid dues and training costs of \$22,365 to Electricities of North Carolina, Inc. during the fiscal year ended June 30, 2018.

20. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the City to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the City related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$38,669,249 and \$13,587,605 for the business-type activities.

CITY OF WILSON, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 4,612,672	4,608,320
Service Cost	186,362	197,759
Interest on the total pension liability	174,030	160,275
Changes of benefit terms		
Differences between expected and actual experience in the measurement of the total pension liability	6,158	
Changes of assumptions or other inputs	292,850	(116,042)
Benefit payments	(208,220)	(237,640)
Other changes		
Ending balance of the total pension liability	<u>\$ 5,063,852</u>	<u>\$ 4,612,672</u>

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

CITY OF WILSON, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 5,063,852	4,612,672
Covered payroll	\$ 6,672,592	6,799,646
Total pension liability as a percentage of covered payroll	75.89%	67.84%

Notes to the schedules:

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

CITY OF WILSON, NORTH CAROLINA

OTHER POST EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY & RELATED RATIOS
 FOR YEAR ENDING JUNE 30, 2018

	2018
Total OPEB Liability	
Service Cost at end of year	\$ 466,749
Interest	2,017,488
Changes of benefit terms	
Differences between expected and actual experience	(179,360)
Changes of assumptions or other inputs	(4,655,372)
Benefit payments	(2,559,677)
Other	
Net change in Total OPEB Liability	(4,910,172)
Total OPEB Liability - beginning	\$ 68,296,543
Total OPEB Liability - ending	\$ 63,386,371
Covered-employee payroll	\$ 3,966,027
Total OPEB Liability as a percentage of covered-employee payroll	1598.23%

Notes to Schedule

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

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

CITY OF WILSON, NORTH CAROLINA

PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST FIVE FISCAL YEARS*

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Wilson's proportion of the net pension liability (asset) (%)	0.67027%	0.68415%	0.69580%	0.70547%	0.70640%
Wilson's proportion of the net pension liability (asset) (\$)	\$ 10,239,869	\$ 14,519,955	\$ 3,122,709	\$ (4,160,484)	\$ 8,514,833
Wilson's covered payroll	\$ 39,285,918	\$ 38,140,818	\$ 36,984,060	\$ 36,113,259	\$ 33,433,176
Wilson's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.06%	38.07%	8.44%	-11.52%	25.47%
Plan fiduciary net pension as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

The City's proportion includes the amount for the City's component unit, the Downtown Development Corporation because it shares the same ORBIT account number in LGERS.

CITY OF WILSON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
 LAST FIVE FISCAL YEARS
 SCHEDULE OF CONTRIBUTIONS (UNAUDITED)

Local Government Employees' Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,104,079	\$ 2,917,355	\$ 2,592,195	\$ 2,636,097	\$ 2,566,344
Contributions in relation to the contractually required contribution	3,104,079	2,917,355	2,592,195	2,636,097	2,566,344
Contribution deficiency (excess)	<u>\$ -</u>				
Wilson's covered payroll	\$ 40,403,396	\$ 39,285,918	\$ 38,140,818	\$ 36,984,060	\$ 36,113,259
Contributions as a percentage of covered payroll	7.68%	7.43%	6.80%	7.13%	7.11%

The City's contribution includes the amount for the City's component unit, the Downtown Development Corporation because it shares the same ORBIT account number in LGERS.

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL BALANCE SHEETS- GENERAL FUND
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents/investments	\$ 23,649,094	\$ 22,300,856
Receivables (net of allowance for uncollectibles):		
Property taxes	659,809	578,959
Motor vehicle license taxes	8,855	11,097
Sales tax distribution	1,469,609	1,384,389
Video programming	92,000	94,000
Utility sales tax	1,010,000	991,000
PEG Channel tax	20,000	20,690
Telecommunications tax	84,000	94,000
Assessments - paving/clearing	916,027	927,124
Accrued interest	30,593	28,414
Other receivables	438,665	598,141
Interfund receivables	57,748	139,235
Due from other agencies and governments	499,618	928,181
Inventories	355,839	400,300
Restricted cash and cash equivalents	1,347,627	644,490
TOTAL ASSETS	\$ 30,639,484	\$ 29,140,876
LIABILITIES		
Accounts payable	\$ 1,755,858	\$ 1,401,197
Accrued wages and amounts withheld	1,408,509	1,310,732
Payable from restricted assets	607,622	644,490
Other liabilities	231,664	103,677
TOTAL LIABILITIES	4,003,653	3,460,096
DEFERRED INFLOWS OF RESOURCES		
Uncollected property taxes, assessments and miscellaneous receivables	2,023,356	2,115,321
TOTAL DEFERRED INFLOWS OF RESOURCES	2,023,356	2,115,321
FUND BALANCES		
Non Spendable		
Inventories	355,839	400,300
Restricted		
Stabilization by State Statute	3,976,946	4,442,075
General government	154,645	194,852
Public safety	962,971	353,588
Committed		
Public services	12,600	
Culture and recreation	4,900	
Assigned		
Subsequent year's expenditures	5,857,910	4,404,100
Planning and development	157,702	
Unassigned	13,128,962	13,770,544
Total fund balances	24,612,475	23,565,459
Total liabilities, deferred inflows of resources and fund balances	\$ 30,639,484	\$ 29,140,876

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017
	Budget	Actual		
REVENUES:				
Property taxes	\$ 20,022,370	\$ 20,421,830	\$ 399,460	\$ 20,153,716
Motor vehicle property taxes	1,903,900	2,092,751	188,851	2,064,553
Motor vehicle license taxes	699,770	877,251	177,481	726,911
Vehicle rental tax	30,270	52,269	21,999	53,459
Privilege license taxes	1,000	2,905	1,905	3,183
Licenses and permits	368,820	653,446	284,626	658,149
Intergovernmental revenues	6,300,795	7,186,757	885,962	7,578,443
Assessments	21,500	58,833	37,333	52,822
Charges for services	5,979,250	6,595,617	616,367	6,585,200
Investment income	125,000	42,619	(82,381)	(4,662)
Sales tax	6,226,140	8,728,492	2,502,352	8,260,412
Occupancy tax	50,000	397,426	347,426	268,229
Other	651,270	822,541	171,271	327,587
Total revenues	42,380,085	47,932,737	5,552,652	46,728,002
FUND BALANCE APPROPRIATED	7,999,972		(7,999,972)	
Total revenues and fund balance appropriations	50,380,057	47,932,737	(2,447,320)	46,728,002
EXPENDITURES:				
Current operating:				
Administrative services	4,948,099	4,665,442	282,657	4,781,124
Financial services	1,260,504	1,215,309	45,195	1,175,428
Information technology services	317,830	317,828	2	317,828
Human Resources	387,311	375,042	12,269	342,255
Police	14,111,709	13,588,999	522,710	12,740,357
Fire	9,794,492	9,518,463	276,029	9,886,467
Planning & development services	2,970,114	2,651,897	318,217	2,600,058
Parks and recreation	5,892,047	5,710,972	181,075	5,704,759
Public services	12,560,231	11,217,252	1,342,979	10,234,497
Debt service:				
Installment purchase contract payment	751,590	749,084	2,506	399,497
Total expenditures	52,993,927	50,010,288	2,983,639	48,182,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,613,870)	(2,077,551)	536,319	(1,454,268)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	3,423,660	3,473,660	50,000	3,467,376
Transfers to other funds	(1,549,790)	(1,549,790)		(3,491,230)
Note Payable / Installment contracts issued	740,000	740,000		
Sale of capital assets		460,697	460,697	105,150
Total other financing sources (uses)	2,613,870	3,124,567	510,697	81,296
NET CHANGE IN FUND BALANCES		1,047,016	1,047,016	(1,372,972)
FUND BALANCE, BEGINNING OF YEAR		23,565,459	23,565,459	24,938,431
FUND BALANCE, END OF YEAR	\$	\$ 24,612,475	\$ 24,612,475	\$ 23,565,459

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017
	Budget	Actual		
REVENUES:				
Property taxes:				
Current year	\$ 19,740,530	\$ 20,142,216	\$ 401,686	\$ 19,763,698
Previous years	196,400	214,371	17,971	297,584
Penalties and interest on taxes	85,440	65,243	(20,197)	92,434
Total	<u>20,022,370</u>	<u>20,421,830</u>	<u>399,460</u>	<u>20,153,716</u>
Motor vehicle property taxes:				
Current year	1,899,500	2,080,233	180,733	2,051,230
Penalties and interest on taxes	4,400	12,518	8,118	13,323
Total	<u>1,903,900</u>	<u>2,092,751</u>	<u>188,851</u>	<u>2,064,553</u>
Motor vehicle license taxes:				
Current year	660,000	877,251	217,251	684,680
Previous years	39,770		(39,770)	42,233
Penalties and interest on taxes				(2)
Total	<u>699,770</u>	<u>877,251</u>	<u>177,481</u>	<u>726,911</u>
Vehicle rental tax	<u>30,270</u>	<u>52,269</u>	<u>21,999</u>	<u>53,459</u>
Privilege license taxes	<u>1,000</u>	<u>2,905</u>	<u>1,905</u>	<u>3,183</u>
Licenses and permits:				
Building permits and inspection fees	361,370	639,851	278,481	628,885
Street cuts	7,450	13,595	6,145	29,264
Total	<u>368,820</u>	<u>653,446</u>	<u>284,626</u>	<u>658,149</u>
Intergovernmental revenues:				
State of North Carolina:				
Alcoholic beverage tax	195,000	213,991	18,991	223,417
Utility sales tax	3,643,400	4,404,511	761,111	4,249,243
Telecommunications	278,000	335,582	57,582	379,601
Video programming	413,930	444,851	30,921	458,166
Powell Bill allocation-restricted for street improvements	1,275,000	1,356,307	81,307	1,364,969
Controlled substance tax	48,600	2,768	(45,832)	31,463
Solid waste tax distribution	25,500	34,050	8,550	33,619
Forfeitures	72,710	94,160	21,450	83,836
Payment in lieu of taxes		3,185	3,185	6,986
Wilson County ABC distribution	65,880	87,500	21,620	84,375
Grant	282,775	209,852	(72,923)	662,768
Total	<u>6,300,795</u>	<u>7,186,757</u>	<u>885,962</u>	<u>7,578,443</u>
Assessments-paving and clearance of property	<u>21,500</u>	<u>58,833</u>	<u>37,333</u>	<u>52,822</u>
Charges for services:				
Wedgewood Facility	611,660	659,121	47,461	690,687
Recreation	404,300	489,113	84,813	526,602
Solid waste collection fee	4,544,440	4,846,783	302,343	4,825,668
Police	296,000	426,655	130,655	365,837
Fire	98,200	133,240	35,040	135,644
Engineering		6,371	6,371	5,715
Parking	24,650	34,334	9,684	35,047
Total	<u>5,979,250</u>	<u>6,595,617</u>	<u>616,367</u>	<u>6,585,200</u>
Investment income	<u>125,000</u>	<u>42,619</u>	<u>(82,381)</u>	<u>(4,662)</u>

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONCLUDED)

	2018		Variance Positive (Negative)	2017
	Budget	Actual		
Sales tax	\$ 6,226,140	\$ 8,728,492	\$ 2,502,352	\$ 8,260,412
Occupancy tax	50,000	397,426	347,426	268,229
Other:				
Rental	10,110	12,080	1,970	12,436
Miscellaneous	641,160	810,461	169,301	315,151
Total other	651,270	822,541	171,271	327,587
Total revenues	42,380,085	47,932,737	5,552,652	46,728,002
OTHER FINANCING SOURCES:				
Transfers in:				
Electric Fund	1,675,000	1,675,000		1,675,000
Gas Fund	1,052,920	1,102,920	50,000	1,102,920
Electric / Gas (Payment in lieu of taxes)	695,740	695,740		628,830
Capital Project Funds				3,141
General Government Capital Project Fund				57,485
Total transfers in	3,423,660	3,473,660	50,000	3,467,376
Sale of capital assets		460,697	460,697	105,150
Note payable / Installment contracts issued	740,000	740,000		
Total other financing sources	4,163,660	4,674,357	510,697	3,572,526
TOTAL REVENUES AND OTHER FINANCING SOURCES	46,543,745	52,607,094	6,063,349	50,300,528
FUND BALANCE APPROPRIATED	7,999,972		(7,999,972)	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	\$ 54,543,717	\$ 52,607,094	\$ (1,936,623)	\$ 50,300,528

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEPARTMENT OF ADMINISTRATIVE SERVICES:				
Division of mayor and council:				
Personnel Services	\$ 75,130	\$ 73,137	\$ 1,993	\$ 56,336
Operating Expenditures	76,940	56,501	20,439	52,671
Recovered Costs	(75,860)	(64,819)	(11,041)	(54,504)
Total	<u>76,210</u>	<u>64,819</u>	<u>11,391</u>	<u>54,503</u>
Division of administration:				
Personnel Services	611,250	509,463	101,787	497,413
Operating Expenditures	99,910	77,868	22,042	115,374
Recovered Costs	(355,580)	(293,665)	(61,915)	(306,394)
Total	<u>355,580</u>	<u>293,666</u>	<u>61,914</u>	<u>306,393</u>
Division of law:				
Litigation and legal fees	231,750	268,619	(36,869)	352,162
Cost redistribution	(115,880)	(137,525)	21,645	(176,081)
Total	<u>115,870</u>	<u>131,094</u>	<u>(15,224)</u>	<u>176,081</u>
Division of public relations:				
Personnel Services	299,220	306,947	(7,727)	296,125
Operating Expenditures	85,970	111,315	(25,345)	112,874
Recovered Costs	(284,150)	(283,913)	(237)	(273,895)
Capital Outlay	60,000	57,365	2,635	
Total	<u>161,040</u>	<u>191,714</u>	<u>(30,674)</u>	<u>135,104</u>
Division of public service:				
Operating Expenditures	3,550,969	3,331,018	219,951	3,451,368
Recovered Costs	(1,045,690)	(1,017,554)	(28,136)	(943,170)
Capital Outlay	685,934	660,078	25,856	587,928
Total	<u>3,191,213</u>	<u>2,973,542</u>	<u>217,671</u>	<u>3,096,126</u>
Division of facility services:				
Personnel Services	816,360	746,385	69,975	766,473
Operating Expenditures	234,996	238,136	(3,140)	230,366
Recovered Costs	(632,660)	(582,332)	(50,328)	(610,654)
Capital Outlay				56,399
Total	<u>418,696</u>	<u>402,189</u>	<u>16,507</u>	<u>442,584</u>
Division of governmental community projects:				
Downtown Development Corporation	255,000	255,000		255,000
Wilson Cemetery Commission	20,000	20,000		
Patriotism Committee	2,000	2,812	(812)	2,808
Area airport	71,560	47,860	23,700	47,860
Upper Coastal Plain C.O.G.	22,460	22,461	(1)	22,314
Total	<u>371,020</u>	<u>348,133</u>	<u>22,887</u>	<u>327,982</u>

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEPARTMENT OF ADMINISTRATIVE SERVICES				
(continued):				
Division of human relations:				
Personnel Services	\$ 275,380	\$ 280,538	\$ (5,158)	\$ 272,276
Operating Expenditures	69,250	66,508	2,742	50,857
Recovered Costs	(86,160)	(86,761)	601	(80,782)
Total	<u>258,470</u>	<u>260,285</u>	<u>(1,815)</u>	<u>242,351</u>
Total administrative services	<u>4,948,099</u>	<u>4,665,442</u>	<u>282,657</u>	<u>4,781,124</u>
DEPARTMENT OF FINANCIAL SERVICES:				
Division of accounting:				
Personnel Services	1,302,000	1,256,173	45,827	1,276,298
Operating Expenditures	204,205	208,153	(3,948)	149,598
Recovered Costs	(903,710)	(878,596)	(25,114)	(855,538)
Total	<u>602,495</u>	<u>585,730</u>	<u>16,765</u>	<u>570,358</u>
Division of purchasing and warehousing:				
Personnel Services	636,040	649,620	(13,580)	631,911
Operating Expenditures	198,120	221,651	(23,531)	193,237
Recovered Costs	(500,500)	(522,762)	22,262	(521,412)
Capital Outlay	6,000		6,000	43,870
Total	<u>339,660</u>	<u>348,509</u>	<u>(8,849)</u>	<u>347,606</u>
Division of billing, collection, and customer service:				
Personnel Services	2,832,770	2,717,617	115,153	2,642,855
Operating Expenditures	1,355,289	1,526,972	(171,683)	1,313,111
Recovered Costs	(4,049,720)	(4,097,504)	47,784	(3,805,020)
Capital Outlay	92,000	68,572	23,428	49,317
Total	<u>230,339</u>	<u>215,657</u>	<u>14,682</u>	<u>200,263</u>
Division of print services:				
Personnel Services	141,000	120,162	20,838	117,038
Operating Expenditures	80,030	81,451	(1,421)	72,942
Recovered Costs	(133,020)	(136,200)	3,180	(132,779)
Total	<u>88,010</u>	<u>65,413</u>	<u>22,597</u>	<u>57,201</u>
Total financial services	<u>1,260,504</u>	<u>1,215,309</u>	<u>45,195</u>	<u>1,175,428</u>

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES:				
Operating Expenditures	\$ 2,520,860	\$ 2,455,263	\$ 65,597	\$ 2,455,263
Recovered Costs	(2,203,030)	(2,137,435)	(65,595)	(2,137,435)
Total information technology services	317,830	317,828	2	317,828
DEPARTMENT OF HUMAN RESOURCES:				
Personnel Services	503,080	476,198	26,882	467,373
Operating Expenditures	139,351	148,871	(9,520)	103,051
Recovered Costs	(255,120)	(250,027)	(5,093)	(228,169)
Total human resources	387,311	375,042	12,269	342,255
DEPARTMENT OF POLICE:				
Personnel Services	11,595,130	11,234,262	360,868	10,611,750
Operating Expenditures	2,016,799	2,214,333	(197,534)	2,158,390
Recovered Costs	(231,900)	(261,844)	29,944	(360,829)
Capital Outlay	731,680	402,248	329,432	331,046
Total police	14,111,709	13,588,999	522,710	12,740,357
DEPARTMENT OF FIRE:				
Personnel Services	7,989,600	7,717,475	272,125	7,780,971
Operating Expenditures	854,602	836,725	17,877	835,509
Recovered Costs	(399,480)	(385,874)	(13,606)	(389,049)
Capital Outlay	1,349,770	1,350,137	(367)	1,659,036
Total fire	9,794,492	9,518,463	276,029	9,886,467
DEPARTMENT OF PLANNING & DEVELOPMENT SERVICES:				
Division of planning and community revitalization:				
Personnel Services	928,960	1,022,707	(93,747)	930,783
Operating Expenditures	189,760	140,408	49,352	179,149
Recovered Costs		(25,432)	25,432	(16,431)
Capital Outlay		21,947	(21,947)	25,272
Total	1,118,720	1,159,630	(40,910)	1,118,773
Division of construction standards:				
Personnel Services	703,830	726,015	(22,185)	689,202
Operating Expenditures	278,654	147,413	131,241	86,105
Recovered Costs	(207,600)	(154,612)	(52,988)	(151,556)
Capital Outlay	222,150		222,150	22,621
Total	997,034	718,816	278,218	646,372

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEPARTMENT OF PLANNING & DEVELOPMENT SERVICES:				
(continued):				
Division of land development:				
Personnel Services	\$ 321,160	\$ 325,621	\$ (4,461)	\$ 318,087
Operating Expenditures	18,990	14,060	4,930	18,581
Capital Outlay	9,000		9,000	
Total	<u>349,150</u>	<u>339,681</u>	<u>9,469</u>	<u>336,668</u>
Division of neighborhood improvement:				
Personnel Services	304,520	273,596	30,924	302,328
Operating Expenditures	126,800	114,010	12,790	131,318
Recovered Costs		(30,900)	30,900	
Total	<u>431,320</u>	<u>356,706</u>	<u>74,614</u>	<u>433,646</u>
Division of geographic information services:				
Personnel Services	274,350	281,213	(6,863)	272,744
Operating Expenditures	75,090	62,877	12,213	50,256
Recovered Costs	(295,550)	(308,253)	12,703	(258,401)
Capital Outlay	20,000	41,227	(21,227)	
Total	<u>73,890</u>	<u>77,064</u>	<u>(3,174)</u>	<u>64,599</u>
Total planning and development services	<u>2,970,114</u>	<u>2,651,897</u>	<u>318,217</u>	<u>2,600,058</u>
DEPARTMENT OF PARKS AND RECREATION:				
Division of parks:				
Personnel Services	1,491,310	1,507,150	(15,840)	1,383,648
Operating Expenditures	912,170	879,329	32,841	815,653
Recovered Costs		(13,726)	13,726	(12,000)
Capital Outlay	170,104	119,936	50,168	208,333
Total	<u>2,573,584</u>	<u>2,492,689</u>	<u>80,895</u>	<u>2,395,634</u>
Division of recreation:				
Personnel Services	1,716,700	1,761,947	(45,247)	1,673,200
Operating Expenditures	684,900	672,663	12,237	718,454
Capital Outlay	66,700		66,700	56,282
Total	<u>2,468,300</u>	<u>2,434,610</u>	<u>33,690</u>	<u>2,447,936</u>
Division of reservoirs:				
Personnel Services	12,290	11,196	1,094	11,817
Operating Expenditures	10,000	8,445	1,555	11,026
Total	<u>22,290</u>	<u>19,641</u>	<u>2,649</u>	<u>22,843</u>
Division of Wedgewood facilities:				
Personnel Services	390,760	376,636	14,124	414,382
Operating Expenditures	437,113	387,396	49,717	423,964
Total	<u>827,873</u>	<u>764,032</u>	<u>63,841</u>	<u>838,346</u>
Total parks and recreation	<u>5,892,047</u>	<u>5,710,972</u>	<u>181,075</u>	<u>5,704,759</u>

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEPARTMENT OF PUBLIC SERVICES				
Division of administration				
Personnel Services	\$ 527,560	\$ 560,305	\$ (32,745)	\$ 522,418
Operating Expenditures	1,026,850	1,003,625	23,225	866,220
Recovered Costs	(445,820)	(450,571)	4,751	(394,462)
Total	1,108,590	1,113,359	(4,769)	994,176
Division of street construction and maintenance:				
Personnel Services	1,767,220	1,579,870	187,350	1,638,981
Operating Expenditures	2,255,005	1,954,447	300,558	1,280,661
Recovered Costs	(625,000)	(633,446)	8,446	(483,436)
Capital Outlay	71,519	13,670	57,849	74,588
Total	3,468,744	2,914,541	554,203	2,510,794
Division of environmental services:				
Personnel Services	2,577,870	2,334,373	243,497	2,375,422
Operating Expenditures	3,011,330	3,211,541	(200,211)	3,019,917
Recovered Costs	(168,500)	(168,486)	(14)	(168,500)
Capital Outlay	760,000	436,083	323,917	436,756
Total	6,180,700	5,813,511	367,189	5,663,595
Division of engineering:				
Personnel Services	323,680	315,604	8,076	322,114
Operating Expenditures	183,673	89,664	94,009	78,725
Capital Outlay	349,950	222,954	126,996	23,463
Total	857,303	628,222	229,081	424,302
Division of fleet maintenance:				
Personnel Services	1,295,600	1,272,889	22,711	1,256,578
Operating Expenditures	564,991	417,620	147,371	386,654
Recovered Costs	(1,541,680)	(1,481,966)	(59,714)	(1,493,206)
Capital Outlay	18,820	18,819	1	6,282
Total	337,731	227,362	110,369	156,308
Division of stormwater compliance:				
Personnel Services	345,140	333,665	11,475	303,037
Operating Expenditures	49,297	14,983	34,314	23,223
Recovered Costs	(393,930)	(348,648)	(45,282)	(326,260)
Total	507	507	507	507
Division of parking and traffic:				
Personnel Services	324,520	300,038	24,482	307,254
Operating Expenditures	234,136	172,136	62,000	155,447
Recovered Costs		(527)	527	
Capital Outlay	48,000	48,610	(610)	22,621
Total	606,656	520,257	86,399	485,322
Total public services	12,560,231	11,217,252	1,342,979	10,234,497

CITY OF WILSON, NORTH CAROLINA

GENERAL FUND

SUPPLEMENTAL SCHEDULE OF EXPENDITURES AND OTHER USES -

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017) (CONCLUDED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
DEBT SERVICE:				
Installment purchase contract - principal payment	\$ 718,280	\$ 718,525	\$ (245)	\$ 361,095
Installment purchase contract - interest payment	30,810	30,559	251	38,402
Debt service fees	2,500		2,500	
Total debt service	<u>751,590</u>	<u>749,084</u>	<u>2,506</u>	<u>399,497</u>
 TOTAL EXPENDITURES	 <u>52,993,927</u>	 <u>50,010,288</u>	 <u>2,983,639</u>	 <u>48,182,270</u>
 OTHER EXPENDITURES AND USES:				
Transfers to other funds	<u>1,549,790</u>	<u>1,549,790</u>		<u>3,491,230</u>
Total other expenditures and uses	<u>1,549,790</u>	<u>1,549,790</u>		<u>3,491,230</u>
 TOTAL EXPENDITURES AND OTHER USES	 <u>\$ 54,543,717</u>	 <u>\$ 51,560,078</u>	 <u>\$ 2,983,639</u>	 <u>\$ 51,673,500</u>

CITY OF WILSON, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS (continued)

SPECIAL REVENUE FUNDS

Community Development – Accounts for community development programs and housing rehabilitation loans made to qualified property owners.

New Homes Loan Pool and System Vision Program Grant - Accounts for grant funds from NCHFA which provides interest-free loans for new home buyers. Additional funds are available for homes meeting System Vision standards.

Brownfields Cleanup Revolving Loan Fund Grant – Accounts for low costs or no interest loans or subgrants for environmental cleanups at Brownfields' properties contaminated with hazardous substances and petroleum products.

Brownfields Assessment and Clean-up Hazardous & Petroleum Grant - Accounts for EPA grant funds which address Brownfields' properties in the City of Wilson, potentially contaminated with hazardous substances and/or petroleum products.

2016 Essential Single-Family Rehabilitation Loan Pool Grant - Accounts for NC Housing Authority grant funds which address comprehensive rehabilitation of existing moderately deteriorated single family housing units occupied by lower income households.

Essential Single-Family Rehabilitation Loan Pool – Disaster Recovery Grant - Accounts for NC Housing Authority grant funds which directly benefits persons and families affected by certain natural disasters.

NC Small Cities CDBG Economic Development Grant – Accounts for CDBG grant funds to facilitate the renovation, restoration, and redevelopment of 309 Nash Street (Thomas Drug Store).

Rural Economic Development (Building Reuse Program “217 Brew Works”) Grant – Accounts for Rural Economic Development grant funds to support the building reuse of 217 South Street.

2016 Urgent Repair Program – Accounts for the 2016 Urgent Repair Program Grant from the North Carolina Housing Finance Agency to address urgent repairs on owner-occupied homes; budgeted on a grant project basis.

2017 Urgent Repair Program – Accounts for the 2017 Urgent Repair Program Grant from the North Carolina Housing Finance Agency to address urgent repairs on owner-occupied homes; budgeted on a grant project basis.

NOTE: The schedules for Special Revenue Funds, which have a project ordinance for the life of the project, disclose project authorization, current, as well as prior years' revenue and expenditures to date, and respective variances. The schedules for Special Revenue Funds, which are budgeted on an annual basis, disclose current year budget, actual and respective variances.

CITY OF WILSON, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS (continued)

CAPITAL PROJECTS FUNDS

Whirligig Park:

Economic Community Investment – Whirligig Park – Accounts for the contribution to the continuation of projects and efforts to complete the Vollis Simpson Whirligig Park.

Whirligig South & Douglas Streets Infrastructure – Accounts for the replacement of old infrastructure on South & Douglas Streets adjacent to the Vollis Simpson Whirligig Park.

Whirligig Park Farmers' Market Shelter Grant – Accounts for assistance with construction costs of a Farmers' Market shelter at the Vollis Simpson Whirligig Park in Downtown Wilson.

Rail Station Canopy Replacement – Accounts for the cost of replacing the canopy at the rail station.

Lake Wilson Park Improvements – Accounts for parking, gates, and landscaping renovations to improve and update Lake Wilson Park.

Wiggins Mill Park Improvement – Accounts for a boat ramp, floating docks, area lighting, and parking lot renovations to improve and update Wiggins Mill Park.

Economic Development Shell Building Project – Accounts for expenditures for the purchase and/or construction of buildings for economic development purposes.

Cavalier Terrace Park Renovations- Accounts for site preparation, walking trail, playground, picnic shelter, parking lot, pickle ball court, utilities, and planning costs for Cavalier Terrace park.

J. Burt Gillette Athletic Complex/Soccer Fields/Site Improvement- Accounts for the addition of two artificial soccer fields with a pavilion built between them, replacement of the grass in the baseball stadium with artificial turf and site improvements.

Lake Wilson Walking Trail and Bridge- Accounts for constructing a walking trail and bridge at Lake Wilson.

Public Street Maintenance and Construction- Accounts for maintaining, repairing, constructing, reconstructing, widening and improving public streets in the City of Wilson that do not form a part of the State highway system.

Economic Community Investment Downtown Building Revitalization – Accounts for the continuation of projects and efforts to redevelop and rehabilitate structures in the downtown area.

Economic Community Investment - TIGER – Accounts for the City of Wilson's matching contribution for the USDOT's Transportation Investment Generating Economic Recovery (TIGER) grant entitled "US 301 Road to Opportunity" awarded to the City in the amount of \$10 million dollars.

Recreation Revitalization – Accounts for a feasibility study of City of Wilson Parks and Recreation facilities.

Hominy Creek Greenway (Phase One) – Accounts for the initial planning and design of phase one of Hominy Creek Greenway to establish a trail from Williams Day Camp to Ripley Road.

NOTE: The schedules for capital projects which have a capital project ordinance for the life of the project disclose project authorization, current as well as prior years' revenues and expenditures to date and respective variances.

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents/investments	\$ 549,426	\$ 2,423,255	\$ 2,972,681
Accrued interest	386	435	821
Notes receivable	60,155		60,155
Due from other agencies and governments	115,308		115,308
Restricted cash and cash equivalents	6,750		6,750
	<u>6,750</u>	<u> </u>	<u>6,750</u>
 Total assets	 <u>\$ 732,025</u>	 <u>\$ 2,423,690</u>	 <u>\$ 3,155,715</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 62,865	\$ 46,352	\$ 109,217
Interfund payable	57,748		57,748
Advanced grant funds	41,800		41,800
Payable from restricted assets	6,750		6,750
	<u>6,750</u>	<u> </u>	<u>6,750</u>
 Total liabilities	 <u>169,163</u>	 <u>46,352</u>	 <u>215,515</u>
Fund balances:			
Restricted			
Stabilization by State Statute	247,459	884,566	1,132,025
Planning and development	10,172		10,172
Committed			
Public services		289,698	289,698
Planning and development	199,862	971,178	1,171,040
Culture and recreation		630,754	630,754
Assigned			
Subsequent year's expenditures	121,450		121,450
Planning and development	94,178		94,178
Unassigned	(110,259)	(398,858)	(509,117)
	<u>562,862</u>	<u>2,377,338</u>	<u>2,940,200</u>
 Total fund balances	 <u>562,862</u>	 <u>2,377,338</u>	 <u>2,940,200</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 732,025</u>	 <u>\$ 2,423,690</u>	 <u>\$ 3,155,715</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Community Development	Community Development Block Grants	New Homes Loan Pool and System Vision Grant	Urgent Repair Program Grant	Brownfields Assessment and Cleanup Grants	Single Family Rehabilitation Loan Pool Grants	Rural Economic Development Grant	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents/investments	\$ 292,798	\$	\$ 46	\$ 51,972	\$ 202,093	\$	\$ 2,517	\$ 549,426
Accrued interest	386							386
Notes receivable	60,155							60,155
Due from other agencies and governments					37,560	57,748	20,000	115,308
Restricted cash and cash equivalents	6,750							6,750
TOTAL ASSETS	\$ 360,089	\$	\$ 46	\$ 51,972	\$ 239,653	\$ 57,748	\$ 22,517	\$ 732,025
LIABILITIES AND FUND BALANCE								
LIABILITIES:								
Accounts payable	\$ 5,560	\$	\$	\$	\$ 37,305	\$	\$ 20,000	\$ 62,865
Interfund payable						57,748		57,748
Advanced grant funds				41,800				41,800
Payable from restricted assets	6,750							6,750
Total liabilities	12,310			41,800	37,305	57,748	20,000	169,163
FUND BALANCES:								
Restricted:								
Stabilization by State Statute	\$ 132,151	\$	\$	\$	\$ 37,560	\$ 57,748	\$ 20,000	\$ 247,459
Planning and development				10,172				10,172
Committed								
Planning and development			46		199,816			199,862
Assigned:								
Subsequent year's expenditures	121,450							121,450
Planning and development	94,178							94,178
Unassigned					(35,028)	(57,748)	(17,483)	(110,259)
Total fund balances	347,779		46	10,172	202,348		2,517	562,862
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 360,089	\$	\$ 46	\$ 51,972	\$ 239,653	\$ 57,748	\$ 22,517	\$ 732,025

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2018

	Whirligig Park	Rail Station Canopy Replacement	J. Burt Gillette Athletic Complex	Recreation Revitalization	Economic Community Investment Downtown Building Revitalization	Economic Community Investment TIGER	Lake Wilson Park	Public Street Maintenance and Construction	Hominy Creek Greenway (Phase One)	Cavalier Terrace Park Renovations	Wiggins Mill Park Improvements	Economic Development Shell Building Project	Total Nonmajor Capital Project Funds
ASSETS													
Cash and cash equivalents/investments	\$ 21,176	\$ 155,058	\$ 325,230	\$ 82,349	\$ 616,593	\$ 175,990	\$ 168,276	\$ 141,305	\$ 27,691	\$ 252,290	\$ 100,144	\$ 357,153	\$ 2,423,255
Receivables:													
Accrued interest												435	435
TOTAL ASSETS	<u>\$ 21,176</u>	<u>\$ 155,058</u>	<u>\$ 325,230</u>	<u>\$ 82,349</u>	<u>\$ 616,593</u>	<u>\$ 175,990</u>	<u>\$ 168,276</u>	<u>\$ 141,305</u>	<u>\$ 27,691</u>	<u>\$ 252,290</u>	<u>\$ 100,144</u>	<u>\$ 357,588</u>	<u>\$ 2,423,690</u>
LIABILITIES AND FUND BALANCES													
LIABILITIES:													
Accounts payable	\$	\$	\$	\$	\$ 38,469	\$ 6,038	\$ 865	\$	\$	\$	\$ 980	\$	\$ 46,352
Total liabilities					38,469	6,038	865				980		46,352
FUND BALANCES:													
Restricted:													
Stabilization by State Statute	\$ 13,956	\$	\$ 2,511	\$ 60,600	\$ 15,200	\$ 118,851	\$ 15,200	\$ 6,665	\$	\$ 651,148	\$	\$ 435	\$ 884,566
Committed:													
Public services		155,058						134,640					289,698
Planning and development					562,924	51,101						357,153	971,178
Culture and recreation	7,220		322,719	21,749			152,211		27,691		99,164		630,754
Unassigned										(398,858)			(398,858)
Total fund balances	<u>21,176</u>	<u>155,058</u>	<u>325,230</u>	<u>82,349</u>	<u>578,124</u>	<u>169,952</u>	<u>167,411</u>	<u>141,305</u>	<u>27,691</u>	<u>252,290</u>	<u>99,164</u>	<u>357,588</u>	<u>2,377,338</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,176</u>	<u>\$ 155,058</u>	<u>\$ 325,230</u>	<u>\$ 82,349</u>	<u>\$ 616,593</u>	<u>\$ 175,990</u>	<u>\$ 168,276</u>	<u>\$ 141,305</u>	<u>\$ 27,691</u>	<u>\$ 252,290</u>	<u>\$ 100,144</u>	<u>\$ 357,588</u>	<u>\$ 2,423,690</u>

CITY OF WILSON, NORTH CAROLINA

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

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 959,887	\$	\$ 959,887
Investment income	1,810	13,423	15,233
Loan repayments and related interest	3,094		3,094
Contributions		95,000	95,000
Other		17,000	17,000
	<u>964,791</u>	<u>125,423</u>	<u>1,090,214</u>
EXPENDITURES			
Current:			
Public services		491,016	491,016
Planning and development	1,060,026	785,980	1,846,006
Culture and recreation		3,895,849	3,895,849
	<u>1,060,026</u>	<u>5,172,845</u>	<u>6,232,871</u>
Excess (deficiency) of revenues over expenditures	<u>(95,235)</u>	<u>(5,047,422)</u>	<u>(5,142,657)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	15,730	2,061,380	2,077,110
Total other financing sources (uses)	<u>15,730</u>	<u>2,061,380</u>	<u>2,077,110</u>
Net change in fund balances	(79,505)	(2,986,042)	(3,065,547)
Fund balances - beginning	<u>642,367</u>	<u>5,363,380</u>	<u>6,005,747</u>
Fund balances - ending	<u>\$ 562,862</u>	<u>\$ 2,377,338</u>	<u>\$ 2,940,200</u>

CITY OF WILSON, NORTH CAROLINA

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

	Community Development	Community Development Block Grants	New Homes Loan Pool and System Vision Grant	Urgent Repair Program Grant	Brownfields Assessment and Cleanup Grants	Single Family Rehabilitation Loan Pool Grants	Rural Economic Development Grant	Total
REVENUES:								
Intergovernmental revenues	\$	\$ 500,000	\$	\$ 58,200	\$ 155,033	\$ 226,654	\$ 20,000	\$ 959,887
Investment income	589			206	1,003		12	1,810
Loan repayments and related interest	3,094							3,094
Total revenues	<u>3,683</u>	<u>500,000</u>		<u>58,406</u>	<u>156,036</u>	<u>226,654</u>	<u>20,012</u>	<u>964,791</u>
EXPENDITURES:								
Administration	5,473			4,082	155,033	40,297		204,885
Special programs	38,318	500,000		110,466		186,357	20,000	855,141
Total expenditures	<u>43,791</u>	<u>500,000</u>		<u>114,548</u>	<u>155,033</u>	<u>226,654</u>	<u>20,000</u>	<u>1,060,026</u>
Excess (deficiency) of revenues over expenditures	<u>(40,108)</u>			<u>(56,142)</u>	<u>1,003</u>		<u>12</u>	<u>(95,235)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in				15,730				15,730
Total other financing sources and uses				<u>15,730</u>				<u>15,730</u>
Net change in fund balances	(40,108)			(40,412)	1,003		12	(79,505)
Fund balances - beginning	387,887		46	50,584	201,345		2,505	642,367
Fund balances - ending	<u>\$ 347,779</u>	<u>\$</u>	<u>\$ 46</u>	<u>\$ 10,172</u>	<u>\$ 202,348</u>	<u>\$</u>	<u>\$ 2,517</u>	<u>\$ 562,862</u>

CITY OF WILSON, NORTH CAROLINA

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

	Whirligig Park	Rail Station Canopy Replacement	J. Burt Gillette Athletic Complex	Recreation Revitalization	Economic Community Investment Downtown Building Revitalization	Economic Community Investment TIGER	Lake Wilson Park	Public Street Maintenance and Construction	Hominy Creek Greenway (Phase One)	Cavalier Terrace Park Renovations	Wiggins Mill Park Improvements	Economic Development Shell Building Project	Total
REVENUES:													
Investment income	\$ 915	\$ 334	\$ 4,794	\$ 49	\$ 3,003	\$ 709	\$ 1,087	\$ 1,062	\$ 109	\$ 729	\$ 144	\$ 488	\$ 13,423
Contributions	50,000								25,000	20,000			95,000
Other												17,000	17,000
Total revenues	<u>50,915</u>	<u>334</u>	<u>4,794</u>	<u>49</u>	<u>3,003</u>	<u>709</u>	<u>1,087</u>	<u>1,062</u>	<u>25,109</u>	<u>20,729</u>	<u>144</u>	<u>17,488</u>	<u>125,423</u>
EXPENDITURES													
Engineering			7,751	17,700		728,848			47,418	42,619			844,336
Construction			2,199,426		38,469		200,670				980		2,439,545
Land							8,365						8,365
Equipment/Furnishings			50,984				18,950						69,934
Special programs	1,206,410		94,576		14,994		491,016					3,669	1,810,665
Total expenditures	<u>1,206,410</u>		<u>2,352,737</u>	<u>17,700</u>	<u>53,463</u>	<u>728,848</u>	<u>227,985</u>	<u>491,016</u>	<u>47,418</u>	<u>42,619</u>	<u>980</u>	<u>3,669</u>	<u>5,172,845</u>
Excess (deficiency) of revenues over expenditures	(1,155,495)	334	(2,347,943)	(17,651)	(50,460)	(728,139)	(226,898)	(489,954)	(22,309)	(21,890)	(836)	13,819	(5,047,422)
OTHER FINANCING SOURCES AND USES:													
Transfers in		100,000		100,000	250,000	487,200	150,000	550,000	50,000	274,180	100,000		2,061,380
Total other financing sources (uses)		<u>100,000</u>		<u>100,000</u>	<u>250,000</u>	<u>487,200</u>	<u>150,000</u>	<u>550,000</u>	<u>50,000</u>	<u>274,180</u>	<u>100,000</u>		<u>2,061,380</u>
Net change in fund balances	(1,155,495)	100,334	(2,347,943)	82,349	199,540	(240,939)	(76,898)	60,046	27,691	252,290	99,164	13,819	(2,986,042)
Fund balances - beginning	1,176,671	54,724	2,673,173		378,584	410,891	244,309	81,259				343,769	5,363,380
Fund balances - ending	<u>\$ 21,176</u>	<u>\$ 155,058</u>	<u>\$ 325,230</u>	<u>\$ 82,349</u>	<u>\$ 578,124</u>	<u>\$ 169,952</u>	<u>\$ 167,411</u>	<u>\$ 141,305</u>	<u>\$ 27,691</u>	<u>\$ 252,290</u>	<u>\$ 99,164</u>	<u>\$ 357,588</u>	<u>\$ 2,377,338</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT
 FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
REVENUES:				
Investment income	\$	\$ 589	\$ 589	\$ 844
Loan repayments and related interest	11,000	3,094	(7,906)	(10,973)
Total revenues	11,000	3,683	(7,317)	(10,129)
Fund balance appropriated	119,420		(119,420)	
Total revenues and fund balance appropriations	130,420	3,683	(126,737)	(10,129)
EXPENDITURES:				
Administration	30,420	5,473	24,947	5,571
Special programs	100,000	38,318	61,682	61,967
Total expenditures	130,420	43,791	86,629	67,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(40,108)	(40,108)	(77,667)
OTHER FINANCING USES:				
Transfers from other funds				112,895
Total other financing uses				112,895
NET CHANGE IN FUND BALANCES	\$	(40,108)	\$ (40,108)	35,228
FUND BALANCE, BEGINNING OF YEAR		387,887		352,659
FUND BALANCE, END OF YEAR		\$ 347,779		\$ 387,887

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

NC SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM ECONOMIC DEVELOPMENT GRANT (Project DTR001)
FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
REVENUES AND OTHER SOURCES:					
NC Department of Commerce	\$ 500,000	\$	\$ 500,000	\$ 500,000	\$
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 500,000</u>	<u>\$</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$</u>
EXPENDITURES:					
Renovation of Building	\$ 500,000	\$	\$ 500,000	\$ 500,000	\$
TOTAL EXPENDITURES	<u>\$ 500,000</u>	<u>\$</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 NEW HOMES LOAN POOL AND SYSTEM VISION GRANT (Project CD0041)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
REVENUES AND OTHER SOURCES:					
System Vision Grant	\$ 200,000	\$ 163,290	\$	\$ 163,290	\$ (36,710)
Investment income		46		46	46
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 200,000</u>	<u>\$ 163,336</u>	<u>\$</u>	<u>\$ 163,336</u>	<u>\$ (36,664)</u>
EXPENDITURES:					
Energy Efficiency Construction	\$ 200,000	\$ 163,290	\$	\$ 163,290	\$ 36,710
TOTAL EXPENDITURES	<u>\$ 200,000</u>	<u>\$ 163,290</u>	<u>\$</u>	<u>\$ 163,290</u>	<u>\$ 36,710</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEETS
 URGENT REPAIR PROGRAM GRANT PROJECTS
 JUNE 30, 2018 AND 2017

	2017 Urgent Repair Grant	2016 Urgent Repair Grant	Total	
			2018	2017
ASSETS				
Cash and cash equivalents/investments	\$ 51,972	\$	\$ 51,972	\$ 50,584
TOTAL ASSETS	\$ 51,972	\$	\$ 51,972	\$ 50,584
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Advanced grant funds	\$ 41,800	\$	\$ 41,800	\$
Total liabilities	41,800		41,800	
FUND BALANCE:				
Restricted:				
Planning and development	\$ 10,172	\$	\$ 10,172	\$ 50,584
Total fund balances	10,172		10,172	50,584
TOTAL LIABILITIES AND FUND BALANCE	\$ 51,972	\$	\$ 51,972	\$ 50,584

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 URGENT REPAIR PROGRAM GRANT PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2017 Urgent Repair Grant	2016 Urgent Repair Grant	Total	
			2018	2017
REVENUES				
Intergovernmental revenues	\$ 8,200	\$ 50,000	\$ 58,200	\$ 50,000
Investment income	172	34	206	79
Total revenues	8,372	50,034	58,406	50,079
EXPENDITURES:				
Administration		4,082	4,082	
Special programs	8,200	102,266	110,466	4,495
Total expenditures	8,200	106,348	114,548	4,495
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	172	(56,314)	(56,142)	45,584
OTHER FINANCING SOURCES/(USES)				
Transfers from other funds	10,000	5,730	15,730	5,000
Total other financing sources and uses	10,000	5,730	15,730	5,000
NET CHANGE IN FUND BALANCES	10,172	(50,584)	(40,412)	50,584
FUND BALANCE, BEGINNING OF YEAR		50,584	50,584	
FUND BALANCE, END OF YEAR	\$ 10,172	\$	\$ 10,172	\$ 50,584

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

2017 URGENT REPAIR PROGRAM GRANT (Project CD0059)

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to date	
REVENUES AND OTHER SOURCES:					
2017 Urgent Repair Program Grant	\$ 100,000	\$	\$ 8,200	\$ 8,200	\$ (91,800)
Investment income			172	172	172
Transfer from General Fund	10,000		10,000	10,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 110,000	\$	\$ 18,372	\$ 18,372	\$ (91,628)
EXPENDITURES:					
Administration	\$ 11,000	\$	\$	\$	\$ 11,000
Rehabilitation	99,000		8,200	8,200	90,800
TOTAL EXPENDITURES	\$ 110,000	\$	\$ 8,200	\$ 8,200	\$ 101,800

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

2016 URGENT REPAIR PROGRAM GRANT (Project CD0056)
FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES AND OTHER SOURCES:					
2016 Urgent Repair Program Grant	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$
Investment income	113	79	34	113	
Transfer from General Fund	10,730	5,000	5,730	10,730	
TOTAL REVENUES AND OTHER SOURCES	\$ 110,843	\$ 55,079	\$ 55,764	\$ 110,843	\$
EXPENDITURES:					
Administration	\$ 4,082	\$	\$ 4,082	\$ 4,082	\$
Rehabilitation	106,761	4,495	102,266	106,761	
TOTAL EXPENDITURES	\$ 110,843	\$ 4,495	\$ 106,348	\$ 110,843	\$

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEETS
 BROWNFIELDS ASSESSMENT AND CLEANUP GRANT PROJECTS
 JUNE 30, 2018 AND 2017

	Brownfields	2017 Brownfields	Total	
	Cleanup Revolving Loan Fund Grant	Assessment and Cleanup Hazardous & Petroleum	2018	2017
ASSETS				
Cash and cash equivalents/investments	\$ 202,093	\$	\$ 202,093	\$ 201,345
Due from other agencies and governments	2,532	35,028	37,560	8,606
TOTAL ASSETS	\$ 204,625	\$ 35,028	\$ 239,653	\$ 209,951
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ 2,277	\$ 35,028	\$ 37,305	\$ 8,606
Total liabilities	2,277	35,028	37,305	8,606
FUND BALANCE:				
Reserved for:				
Stabilization by State Statute	\$ 2,532	\$ 35,028	\$ 37,560	\$ 8,606
Committed				
Planning and development	199,816		199,816	192,739
Unassigned		(35,028)	(35,028)	
Total fund balances	202,348		202,348	201,345
TOTAL LIABILITIES AND FUND BALANCE	\$ 204,625	\$ 35,028	\$ 239,653	\$ 209,951

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BROWNFIELDS ASSESSMENT AND CLEANUP GRANT PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Brownfields Cleanup Revolving Loan Fund Grant	2017 Brownfields Assessment and Cleanup Hazardous & Petroleum	Total	
			2018	2017
REVENUES				
Intergovernmental revenues	\$ 27,478	\$ 127,555	\$ 155,033	\$ 226,398
Investment income	1,003		1,003	1,088
Total revenues	<u>28,481</u>	<u>127,555</u>	<u>156,036</u>	<u>227,486</u>
EXPENDITURES:				
Administration	27,478	127,555	155,033	44,934
Loans				181,464
Total expenditures	<u>27,478</u>	<u>127,555</u>	<u>155,033</u>	<u>226,398</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,003		1,003	1,088
OTHER FINANCING SOURCES/(USES)				
Transfers from other funds				
Total other financing sources and uses				
NET CHANGE IN FUND BALANCES	1,003		1,003	1,088
FUND BALANCE, BEGINNING OF YEAR	<u>201,345</u>		<u>201,345</u>	<u>200,257</u>
FUND BALANCE, END OF YEAR	<u>\$ 202,348</u>	<u>\$</u>	<u>\$ 202,348</u>	<u>\$ 201,345</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 BROWNFIELDS CLEANUP REVOLVING LOAN FUND GRANT PROJECT (Project PL0020)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to date	
REVENUES AND OTHER SOURCES:					
Grant - U.S. Environmental Protection Agency	\$ 1,000,000	\$ 289,990	\$ 27,478	\$ 317,468	\$ (682,532)
Investment income		1,345	1,003	2,348	2,348
Transfer from General Fund	200,000	200,000		200,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 1,200,000	\$ 491,335	\$ 28,481	\$ 519,816	\$ (680,184)
EXPENDITURES:					
Administration	\$ 200,000	\$ 108,526	\$ 27,478	\$ 136,004	\$ 63,996
Loans	1,000,000	181,464		181,464	818,536
TOTAL EXPENDITURES	\$ 1,200,000	\$ 289,990	\$ 27,478	\$ 317,468	\$ 882,532

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

2017 BROWNFIELDS ASSESSMENT AND CLEANUP - HAZARDOUS & PETROLEUM GRANT PROJECT (Project PL0034)

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to date	
REVENUES AND OTHER SOURCES:					
Grant - U.S. Environmental Protection Agency	\$ 300,000	\$	\$ 127,555	\$ 127,555	\$ (172,445)
 TOTAL REVENUES AND OTHER SOURCES	<u>\$ 300,000</u>	<u>\$</u>	<u>\$ 127,555</u>	<u>\$ 127,555</u>	<u>\$ (172,445)</u>
EXPENDITURES:					
Administration - Hazardous	\$ 200,000	\$	\$ 60,390	\$ 60,390	\$ 139,610
Administration - Petroleum	<u>100,000</u>	<u>\$</u>	<u>67,165</u>	<u>67,165</u>	<u>32,835</u>
 TOTAL EXPENDITURES	<u>\$ 300,000</u>	<u>\$</u>	<u>\$ 127,555</u>	<u>\$ 127,555</u>	<u>\$ 172,445</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEETS
 SINGLE FAMILY REHABILITATION LOAN POOL GRANT PROJECTS
 JUNE 30, 2018 AND 2017

	Essential Single-Family Rehabilitation Loan Pool Grant	Essential Single-Family Rehabilitation Loan Pool- Disaster Recovery Grant	Total	
			2018	2017
ASSETS				
Due from other agencies and governments	\$ 2,250	\$ 55,498	\$ 57,748	\$
TOTAL ASSETS	\$ 2,250	\$ 55,498	\$ 57,748	\$
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Interfund payable	\$ 2,250	\$ 55,498	\$ 57,748	\$
Total liabilities	2,250	55,498	57,748	
FUND BALANCE:				
Reserved for:				
Stabilization by State Statute	\$ 2,250	\$ 55,498	\$ 57,748	\$
Unassigned	(2,250)	(55,498)	(57,748)	
Total fund balances				
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,250	\$ 55,498	\$ 57,748	\$

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 SINGLE FAMILY REHABILITATION LOAN POOL GRANT PROJECTS
 FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Essential Single-Family Rehabilitation Loan Pool Grant	Essential Single-Family Rehabilitation Loan Pool- Disaster Recovery Grant	Total	
			2018	2017
REVENUES				
Intergovernmental revenues	\$ 2,250	\$ 224,404	\$ 226,654	\$ 5,501
Total revenues	2,250	224,404	226,654	5,501
EXPENDITURES:				
Administration	2,250	38,047	40,297	5,501
Special programs		186,357	186,357	
Total expenditures	2,250	224,404	226,654	5,501
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				

NET CHANGE IN FUND BALANCES				

FUND BALANCE, BEGINNING OF YEAR				

FUND BALANCE, END OF YEAR				
	\$ _____	\$ _____	\$ _____	\$ _____

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL GRANT PROJECT (Project CD0057)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to date	
REVENUES AND OTHER SOURCES:					
Essential Single-Family Rehabilitation Loan Pool	\$ 175,000	\$	\$ 2,250	\$ 2,250	\$ (172,750)
 TOTAL REVENUES AND OTHER SOURCES	<u>\$ 175,000</u>	<u>\$</u>	<u>\$ 2,250</u>	<u>\$ 2,250</u>	<u>\$ (172,750)</u>
EXPENDITURES:					
Administration	\$ 18,000	\$	\$ 2,250	\$ 2,250	\$ 15,750
Rehabilitation	<u>157,000</u>	<u>\$</u>	<u></u>	<u></u>	<u>157,000</u>
 TOTAL EXPENDITURES	<u>\$ 175,000</u>	<u>\$</u>	<u>\$ 2,250</u>	<u>\$ 2,250</u>	<u>\$ 172,750</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL - DISASTER RECOVERY GRANT PROJECT (Project CD0058)

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to date	Variance Positive (Negative)
REVENUES AND OTHER SOURCES:					
NCHFA - Essential Single-Family Rehabilitation					
Loan Pool - Disaster Recovery	\$ 290,990	\$	\$ 224,404	\$ 224,404	\$ (66,586)
 TOTAL REVENUES AND OTHER SOURCES	 \$ 290,990	 \$	 \$ 224,404	 \$ 224,404	 \$ (66,586)
EXPENDITURES:					
Administration	\$ 45,000	\$	\$ 38,047	\$ 38,047	\$ 6,953
Rehabilitation	245,990		186,357	186,357	59,633
 TOTAL EXPENDITURES	 \$ 290,990	 \$	 \$ 224,404	 \$ 224,404	 \$ 66,586

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

RURAL ECONOMIC DEVELOPMENT (BUILDING REUSE PROGRAM "217 BREW WORKS") GRANT PROJECT (Project DTR002)
FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES AND OTHER SOURCES:					
NC Department of Commerce	\$ 50,000	\$	\$ 20,000	\$ 20,000	\$ (30,000)
Investment Income		5	12	17	17
Transfer from General Fund	2,500	2,500		2,500	
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 52,500</u>	<u>\$ 2,505</u>	<u>\$ 20,012</u>	<u>\$ 22,517</u>	<u>\$ (29,983)</u>
EXPENDITURES:					
Rural Economic Development (Building Reuse Program "217 Brew Works")	\$ 52,500	\$	\$ 20,000	\$ 20,000	\$ 32,500
TOTAL EXPENDITURES	<u>\$ 52,500</u>	<u>\$</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 32,500</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE
WHIRLIGIG PARK
JUNE 30, 2018 AND 2017

	Whirligig South & Douglas Streets Infrastructure	Whirligig Park Farmers' Market Shelter	Economic Community Investment Whirligig Park	Total	
				2018	2017
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents/investments	\$ 21,176	\$	\$	\$ 21,176	\$ 1,222,756
Due from other agencies and governments					139,235
TOTAL ASSETS	\$ 21,176	\$	\$	\$ 21,176	\$ 1,361,991
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ 46,085
Interfund payable					139,235
Total liabilities					185,320
FUND BALANCE:					
Restricted:					
Stabilization by State Statute	13,956			13,956	1,160,234
Committed:					
Culture and recreation	7,220			7,220	155,672
Unassigned					(139,235)
Total fund balances	21,176			21,176	1,176,671
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,176	\$	\$	\$ 21,176	\$ 1,361,991

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
WHILIGIG PARK
FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Whirligig South & Douglas Streets Infrastructure	Whirligig Park Farmers' Market Shelter	Economic Community Investment Whirligig Park	Total	
				2018	2017
REVENUES					
Intergovernmental revenues	\$	\$	\$	\$	\$ 250,811
Contributions			50,000	50,000	
Investment income	116		799	915	3,934
Total revenues	116		50,799	50,915	254,745
EXPENDITURES:					
Special programs			1,206,410	1,206,410	289,925
Total expenditures			1,206,410	1,206,410	289,925
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	116		(1,155,611)	(1,155,495)	(35,180)
OTHER FINANCING SOURCES/(USES)					
Transfers from other funds					80,000
Transfers to other funds					(4,036)
Total other financing sources and uses					75,964
NET CHANGE IN FUND BALANCES	116		(1,155,611)	(1,155,495)	40,784
FUND BALANCE, BEGINNING OF YEAR	21,060		1,155,611	1,176,671	1,135,887
FUND BALANCE, END OF YEAR	\$ 21,176	\$	\$	\$ 21,176	\$ 1,176,671

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 WHIRLIGIG SOUTH & DOUGLAS STREETS INFRASTRUCTURE CAPITAL PROJECT FUND (Project DDWG18)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
Infrastructure	\$ 350,000	\$ 329,059	\$	\$ 329,059	\$ 20,941
TOTAL EXPENDITURES	<u>\$ 350,000</u>	<u>\$ 329,059</u>	<u>\$</u>	<u>\$ 329,059</u>	<u>\$ 20,941</u>
REVENUES AND OTHER FINANCING SOURCES:					
Investment income	\$	\$ 119	\$ 116	\$ 235	\$ 235
Transfer from General Fund	<u>350,000</u>	<u>350,000</u>	<u></u>	<u>350,000</u>	<u></u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 350,000</u>	<u>\$ 350,119</u>	<u>\$ 116</u>	<u>\$ 350,235</u>	<u>\$ 235</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 WHIRLIGIG PARK FARMERS' MARKET SHELTER CAPITAL PROJECT FUND (Project DDWG21)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
Whirligig Park Farmer's Market Shelter	\$ 160,000	\$ 160,000	\$	\$ 160,000	\$
TOTAL EXPENDITURES	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$</u>	<u>\$ 160,000</u>	<u>\$</u>
REVENUES AND OTHER FINANCING SOURCES:					
Grant - NC Tobacco Trust Fund Commission	\$ 160,000	\$ 160,000	\$	\$ 160,000	\$
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$</u>	<u>\$ 160,000</u>	<u>\$</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 ECONOMIC COMMUNITY INVESTMENT - WHIRLIGIG PARK CAPITAL PROJECT FUND (Project DDWG23)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
EXPENDITURES -					
Whirligig Park Construction	\$ 1,245,530	\$ 39,114	\$ 1,206,410	\$ 1,245,524	\$ 6
TOTAL EXPENDITURES	\$ 1,245,530	\$ 39,114	\$ 1,206,410	\$ 1,245,524	\$ 6
REVENUES AND OTHER FINANCING SOURCES:					
Investment income	\$ 4,470	\$ 3,665	\$ 799	\$ 4,464	\$ (6)
Contributions - Whirligig Park Museum	50,000		50,000	50,000	
Transfer from Electric Fund	1,111,060	1,111,060		1,111,060	
Transfer from Water Resources Fund	80,000	80,000		80,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 1,245,530	\$ 1,194,725	\$ 50,799	\$ 1,245,524	\$ (6)

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 RAIL STATION CANOPY REPLACEMENT CAPITAL PROJECT FUND (Project PS0006)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 20,000	\$	\$	\$	\$ 20,000
Construction	134,970				134,970
TOTAL EXPENDITURES	\$ 154,970	\$	\$	\$	\$ 154,970
REVENUES AND OTHER FINANCING					
SOURCES:					
Investment income	\$ 7,470	\$ 7,224	\$ 334	\$ 7,558	\$ 88
Transfer from other funds	147,500	47,500	100,000	147,500	
TOTAL REVENUES AND OTHER SOURCES	\$ 154,970	\$ 54,724	\$ 100,334	\$ 155,058	\$ 88

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

J. BURT GILLETTE ATHLETIC COMPLEX STADIUM/SOCCER FIELDS/SITE IMPROVEMENTS CAPITAL PROJECT FUND (Project RE0033)
FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 130,600	\$ 115,333	\$ 7,751	\$ 123,084	\$ 7,516
Construction	2,862,535	409,518	2,199,426	2,608,944	253,591
Equipment	53,500		50,984	50,984	2,516
Administration	118,540	23,955	94,576	118,531	9
TOTAL EXPENDITURES - Capital Outlay	\$ 3,165,175	\$ 548,806	\$ 2,352,737	\$ 2,901,543	\$ 263,632
EXPENDITURES AND OTHER					
FINANCING USES:					
Contingency	\$ 50,895				\$ 50,895
TOTAL EXPENDITURES	\$ 3,216,070	\$ 548,806	\$ 2,352,737	\$ 2,901,543	\$ 314,527
REVENUES AND OTHER FINANCING					
SOURCES:					
Investment income	\$	\$ 5,909	\$ 4,794	\$ 10,703	\$ 10,703
Transfer from General Government					
Capital Project Fund	1,200,000	1,200,000		1,200,000	
Transfer from General Fund	2,016,070	2,016,070		2,016,070	
TOTAL REVENUES AND OTHER SOURCES	\$ 3,216,070	\$ 3,221,979	\$ 4,794	\$ 3,226,773	\$ 10,703

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 RECREATION REVITALIZATION CAPITAL PROJECT FUND (Project RE0035)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
 CAPITAL OUTLAY:					
Engineering	\$ 100,000	\$	\$ 17,700	\$ 17,700	\$ 82,300
TOTAL EXPENDITURES	\$ 100,000	\$	\$ 17,700	\$ 17,700	\$ 82,300
REVENUES AND OTHER FINANCING					
 SOURCES:					
Investment income	\$	\$	\$ 49	\$ 49	\$ 49
Transfer from General Fund	100,000		100,000	100,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 100,000	\$	\$ 100,049	\$ 100,049	\$ 49

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

ECONOMIC COMMUNITY INVESTMENT DOWNTOWN BUILDING REVITALIZATION CAPITAL PROJECT FUND (Project DD0025)
FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
EXPENDITURES					
Construction	\$ 550,000	\$ 18,860	\$ 38,469	\$ 57,329	\$ 492,671
Administration/Operating	50,000				50,000
Project incentives	250,000	205,264	12,185	217,449	32,551
Downtown Redevelopment Incentive Grant (DRIG)	6,000		2,809	2,809	3,191
TOTAL EXPENDITURES	\$ 856,000	\$ 224,124	\$ 53,463	\$ 277,587	\$ 578,413
REVENUES AND OTHER FINANCING SOURCES:					
Investment income	\$ 6,000	\$ 2,708	\$ 3,003	\$ 5,711	\$ (289)
Transfer from Electric Fund	850,000	600,000	250,000	850,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 856,000	\$ 602,708	\$ 253,003	\$ 855,711	\$ (289)

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 ECONOMIC COMMUNITY INVESTMENT - TIGER CAPITAL PROJECT FUND (Project PL0023)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
EXPENDITURES -					
Economic Community Investment - TIGER	\$ 2,000,000	\$ 1,107,430	\$ 728,848	\$ 1,836,278	\$ 163,722
TOTAL EXPENDITURES	\$ 2,000,000	\$ 1,107,430	\$ 728,848	\$ 1,836,278	\$ 163,722
REVENUES AND OTHER FINANCING SOURCES:					
Investment income	\$	\$ 5,521	\$ 709	\$ 6,230	\$ 6,230
Transfer from Electric Fund	2,000,000	1,512,800	487,200	2,000,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 2,000,000	\$ 1,518,321	\$ 487,909	\$ 2,006,230	\$ 6,230

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING BALANCE SHEETS
 LAKE WILSON PARK CAPITAL PROJECTS
 JUNE 30, 2018 AND 2017

	Lake Wilson Park Improvements	Lake Wilson Walking Trail and Bridge	Total	
			2018	2017
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents/investments	\$ 150,216	\$ 18,060	\$ 168,276	\$ 244,309
TOTAL ASSETS	<u>\$ 150,216</u>	<u>\$ 18,060</u>	<u>\$ 168,276</u>	<u>\$ 244,309</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$	\$ 865	\$ 865	\$
Total liabilities		<u>865</u>	<u>865</u>	
FUND BALANCE:				
Restricted:				
Stabilization by State Statute	\$	\$ 15,200	\$ 15,200	\$
Culture and recreation				50,000
Committed:				
Culture and recreation	150,216	1,995	152,211	194,309
Total fund balances	<u>150,216</u>	<u>17,195</u>	<u>167,411</u>	<u>244,309</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 150,216</u>	<u>\$ 18,060</u>	<u>\$ 168,276</u>	<u>\$ 244,309</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
LAKE WILSON PARK CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Lake Wilson Park Improvements	Lake Wilson Walking Trail and Bridge	Total	
			2018	2017
REVENUES				
Contributions	\$	\$	\$	\$ 50,000
Investment income	216	871	1,087	809
Total revenues	216	871	1,087	50,809
EXPENDITURES:				
Land improvements		8,365	8,365	
General equipment		18,950	18,950	
Construction		200,670	200,670	6,500
Total expenditures		227,985	227,985	6,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	216	(227,114)	(226,898)	44,309
OTHER FINANCING SOURCES/(USES)				
Transfers from other funds	150,000		150,000	200,000
Total other financing sources and uses	150,000		150,000	200,000
NET CHANGE IN FUND BALANCES	150,216	(227,114)	(76,898)	244,309
FUND BALANCE, BEGINNING OF YEAR		244,309	244,309	
FUND BALANCE, END OF YEAR	\$ 150,216	\$ 17,195	\$ 167,411	\$ 244,309

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 LAKE WILSON PARK IMPROVEMENTS CAPITAL PROJECT FUND (Project PK0073)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Construction	\$ 150,000	\$	\$	\$	\$ 150,000
TOTAL EXPENDITURES	<u>\$ 150,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 150,000</u>
REVENUES AND OTHER FINANCING					
SOURCES:					
Investment income	\$	\$	\$ 216	\$ 216	\$ 216
Transfer from General Fund	<u>150,000</u>	<u>\$</u>	<u>150,000</u>	<u>150,000</u>	<u>\$</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 150,000</u>	<u>\$</u>	<u>\$ 150,216</u>	<u>\$ 150,216</u>	<u>\$ 216</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 LAKE WILSON WALKING TRAIL AND BRIDGE CAPITAL PROJECT FUND (Project PK0062)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Land improvements	\$ 16,400	\$	\$ 8,365	\$ 8,365	\$ 8,035
Construction	222,670	6,500	200,670	207,170	15,500
General equipment	10,930		18,950	18,950	(8,020)
TOTAL EXPENDITURES	<u>\$ 250,000</u>	<u>\$ 6,500</u>	<u>\$ 227,985</u>	<u>\$ 234,485</u>	<u>\$ 15,515</u>
REVENUES AND OTHER FINANCING					
SOURCES:					
Contributions	\$ 50,000	\$ 50,000	\$	\$ 50,000	\$
Investment income		809	871	1,680	1,680
Transfer from General Fund	200,000	200,000		200,000	
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 250,000</u>	<u>\$ 250,809</u>	<u>\$ 871</u>	<u>\$ 251,680</u>	<u>\$ 1,680</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 PUBLIC STREET MAINTENANCE AND CONSTRUCTION CAPITAL PROJECT FUND (Project PS0023)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
Infrastructure improvement/maintenance	\$ 1,275,000	\$ 646,274	\$ 491,016	\$ 1,137,290	\$ 137,710
TOTAL EXPENDITURES	\$ 1,275,000	\$ 646,274	\$ 491,016	\$ 1,137,290	\$ 137,710
REVENUES AND OTHER FINANCING SOURCES:					
Investment income	\$	\$ 2,533	\$ 1,062	\$ 3,595	\$ 3,595
Transfer from General Fund	1,275,000	725,000	550,000	1,275,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 1,275,000	\$ 727,533	\$ 551,062	\$ 1,278,595	\$ 3,595

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 HOMINY CREEK GREENWAY (PHASE ONE) CAPITAL PROJECT FUND (Project PK0069)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 50,000	\$	\$ 47,418	\$ 47,418	\$ 2,582
Construction	125,000				125,000
TOTAL EXPENDITURES	\$ 175,000	\$	\$ 47,418	\$ 47,418	\$ 127,582
REVENUES AND OTHER FINANCING					
SOURCES:					
Grant proceeds	\$ 100,000	\$	\$	\$	\$ (100,000)
Contributions	25,000		25,000	25,000	
Investment income			109	109	109
Transfer from General Fund	50,000		50,000	50,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 175,000	\$	\$ 75,109	\$ 75,109	\$ (99,891)

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 CAVALIER TERRACE PARK RENOVATIONS CAPITAL PROJECT FUND (Project PK0072)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 50,000	\$	\$ 42,619	\$ 42,619	\$ 7,381
Construction	698,350				698,350
TOTAL EXPENDITURES	\$ 748,350	\$	\$ 42,619	\$ 42,619	\$ 705,731
REVENUES AND OTHER FINANCING					
SOURCES:					
NC Parks & Recreation Trust Fund (PARTF) Grant	\$ 374,170	\$	\$	\$	\$ (374,170)
Contributions	100,000		20,000	20,000	(80,000)
Investment income			729	729	729
Transfer from General Fund	274,180		274,180	274,180	
TOTAL REVENUES AND OTHER SOURCES	\$ 748,350	\$	\$ 294,909	\$ 294,909	\$ (453,441)

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 WIGGINS MILL PARK IMPROVEMENTS CAPITAL PROJECT FUND (Project PK0074)
 FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
EXPENDITURES -					
CAPITAL OUTLAY:					
Construction	\$ 100,000	\$	\$ 980	\$ 980	\$ 99,020
TOTAL EXPENDITURES	\$ 100,000	\$	\$ 980	\$ 980	\$ 99,020
REVENUES AND OTHER FINANCING					
SOURCES:					
Investment income	\$	\$	\$ 144	\$ 144	\$ 144
Transfer from General Fund	100,000		100,000	100,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 100,000	\$	\$ 100,144	\$ 100,144	\$ 144

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL

ECONOMIC DEVELOPMENT SHELL BUILDING PROJECT

FOR THE YEAR ENDED JUNE 30, 2018 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
REVENUES:				
Investment income	\$	\$ 488	\$ 488	\$ 656
Other		8,000	9,000	106,417
Total revenues		8,000	17,488	107,073
EXPENDITURES:				
Special programs		8,000	4,331	481,108
Total expenditures		8,000	4,331	481,108
OTHER FINANCING SOURCES/(USES):				
Transfers from (to) other funds				325,000
Total other financing sources/(uses)				325,000
NET CHANGE IN FUND BALANCES	\$	13,819	\$ 13,819	(49,035)
FUND BALANCE, BEGINNING OF YEAR				392,804
FUND BALANCE, END OF YEAR		\$ 357,588		\$ 343,769

CITY OF WILSON, NORTH CAROLINA

ENTERPRISE FUNDS

Electric Fund – Accounts for the operation of the City's electric power distribution system. The financial statements that follow present the main activities of this fund - operations, a rate stabilization reserve, and capital construction projects - separately in detailed schedules. The comparative financial statements for the fund as well as the columns in the combining statements reflect the three activities together as one fund.

Gas Fund – Accounts for the operation of the City's natural gas distribution system. The financial statements that follow present the main activities of this fund - operations and capital construction projects - separately in detailed schedules. The comparative financial statements for the fund as well as the columns in the combining statements reflect the two activities together as one fund.

Water Resources Fund – Accounts for the operation of the City's water and sewer system. The financial statements that follow present the main activities of this fund - operations, a revolving loan program, a capital reserve, and capital construction projects - separately in detailed schedules. The comparative financial statements for the fund as well as the columns in the combining statements reflect the four activities together as one fund.

Mass Transit Fund – Accounts for the operation of the City's transit system.

Industrial Air Center Fund – Accounts for the operations of the City's municipal airport.

Broadband Fund – Accounts for the operation of the City's broadband services providing video, voice and data services.

Stormwater Management Fund – Accounts for the operations of the City's stormwater run-off system. The financial statements that follow present the main activities of this fund - operations and capital construction projects - separately in detailed schedules. The comparative financial statements for the fund as well as the columns in the combining statements reflect the two activities together as one fund.

NOTE: The schedules for enterprise capital projects funds which have a capital project ordinance for the life of the project disclosed project authorization, current, as well as prior years' revenues and expenditures to date, and respective variances. The schedules for capital projects which are budgeted on an annual basis disclose current year budget, actual and respective variances.

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL STATEMENT OF FUND NET POSITION - ENTERPRISE FUNDS - ELECTRIC

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 35,866,705	\$ 37,086,149
Receivables (net of allowances for uncollectibles):		
Customer accounts	14,214,073	13,341,166
Accrued interest	46,545	39,406
Refundable sales and use tax	1,642,612	1,710,723
Other receivables	675,343	260,769
Due from other agencies and governments	39,416	157,663
Inventories	1,897,524	2,044,917
Prepaid insurance cost on debt issuance		197,963
Total current assets	54,382,218	54,838,756
NONCURRENT ASSETS:		
Restricted cash - Deposits	1,769,172	1,676,243
Capital assets:		
Land	5,712,240	5,712,240
Land improvements	10,651	10,651
Buildings	394,071	398,807
Distribution system	129,974,040	127,393,647
Rolling stock	12,365,617	9,922,298
Furniture, fixtures and equipment	20,343,711	18,701,494
Total capital assets	168,800,330	162,139,137
Less accumulated depreciation	(87,709,245)	(84,147,374)
Capital assets, net	81,091,085	77,991,763
Total noncurrent assets	82,860,257	79,668,006
TOTAL ASSETS	137,242,475	134,506,762
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources on refunding	163,368	
Pension deferrals - LGERS	499,242	1,022,450
Contributions subsequent to measurement - LGERS	341,450	320,910
OPEB deferrals	325,796	
Total deferred outflows of resources	1,329,856	1,343,360

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL STATEMENT OF FUND NET POSITION - ENTERPRISE FUNDS - ELECTRIC

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	9,773,770	8,567,521
Accrued wages and amounts withheld	258,100	249,732
Accrued interest	74,321	198,903
Customer deposits	1,769,172	1,676,243
Notes payable - current	261,756	261,756
Certificates of participation - current	945,000	760,000
Compensated absences - current	307,408	303,494
Total current liabilities	<u>13,389,527</u>	<u>12,017,649</u>
NONCURRENT LIABILITIES:		
Notes payable	785,269	1,047,025
Certificates of participation payable	17,991,000	21,286,124
Compensated absences - noncurrent	123,095	113,547
Total OPEB liability	6,972,501	1,498,747
Net pension liability - LGERS	1,126,386	1,597,195
Total noncurrent liabilities	<u>26,998,251</u>	<u>25,542,638</u>
Total liabilities	<u>40,387,778</u>	<u>37,560,287</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	97,738	113,888
Deferred inflow of resources on refunding	351,869	
Total deferred inflows of resources	<u>449,607</u>	<u>113,888</u>
NET POSITION		
Net investment in capital assets	60,919,559	54,636,858
Unrestricted	36,815,387	43,539,089
TOTAL NET POSITION	<u>\$ 97,734,946</u>	<u>\$ 98,175,947</u>

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - ELECTRIC
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Metered general consumers	\$ 117,952,171	\$ 118,337,711
Sales to other distributors	2,089,987	2,165,282
Sales to other utilities	1,996,350	2,010,409
Municipal street lights	350,000	350,000
Rental of area lights	1,957,017	1,871,032
Other	1,990,895	825,754
Total operating revenues	126,336,420	125,560,188
OPERATING EXPENSES:		
Cost of purchased electricity	84,697,883	86,460,419
Production and distribution	10,312,682	8,934,439
General and administrative	9,843,275	10,482,622
Engineering	2,418,224	1,867,290
Marketing & public relations	311,467	181,830
System control and communications	2,907,637	2,414,952
Depreciation	5,341,750	4,686,356
Total operating expenses	115,832,918	115,027,908
OPERATING INCOME (LOSS)	10,503,502	10,532,280
NONOPERATING REVENUES (EXPENSES):		
Investment income	53,368	2,313
Other income	118,794	4,783
Intergovernmental		157,663
Interest expense	(762,483)	(1,025,998)
Contributions to other agencies	(1,492,673)	(1,287,996)
Prepaid insurance cost on bond issuance		(12,738)
Total nonoperating revenue (expense)	(2,082,994)	(2,161,973)
INCOME (LOSS) BEFORE TRANSFERS	8,420,508	8,370,307
Transfers out	(3,129,200)	(3,679,030)
Capital contributions		693,695
CHANGE IN NET POSITION	5,291,308	5,384,972
NET POSITION - BEGINNING, As Previously Reported	98,175,947	92,790,975
Restatement	(5,732,309)	
NET POSITION - BEGINNING, As restated	92,443,638	
NET POSITION - ENDING	\$ 97,734,946	\$ 98,175,947

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS - ELECTRIC

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

(CONTINUED)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 125,209,979	\$ 125,793,716
Cash paid to suppliers	(101,561,945)	(103,161,189)
Cash paid to employees	(8,122,392)	(7,912,369)
Net cash provided by operating activities	15,525,642	14,720,158
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds	(3,129,200)	(3,679,030)
Grant funds received	118,247	
Contributions to other agencies	(1,492,673)	(1,287,996)
Net cash used for nonoperating activities	(4,503,626)	(4,967,026)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from debt refunding	19,761,000	
Acquisition and construction of capital assets	(8,445,057)	(9,593,244)
Principal paid on capital debt	(1,086,756)	(1,341,756)
Interest paid on capital debt	(900,529)	(1,132,806)
Proceeds from sales of capital assets	122,778	18,508
Contributed capital		693,695
Payment to refunding agent	(21,646,196)	
Net cash used for capital and related financing activities	(12,194,760)	(11,355,603)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	46,229	(466)
Net cash provided (used) in investing activities	46,229	(466)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/ INVESTMENTS	(1,126,515)	(1,602,937)
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - BEGINNING OF YEAR	38,762,392	40,365,329
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - END OF YEAR	\$ 37,635,877	\$ 38,762,392

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS - ELECTRIC
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

(CONCLUDED)

	2018	2017
Reconciliation of operating income to net cash provided (used) by operating activities		
Operating income (loss)	\$ 10,503,502	\$ 10,532,280
Adjustments to reconcile operating income (loss) to net cash provided (used in) operating activities		
Depreciation expense	5,341,750	4,686,356
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(1,219,370)	283,998
(Increase) decrease in inventory	147,393	(26,205)
(Increase) decrease in OPEB liability	(258,554)	
(Increase) decrease in deferred outflows of resources - OPEB	(325,796)	
Increase (decrease) in customer deposits	92,929	(50,470)
Increase (decrease) in accounts payable	1,206,249	(1,023,681)
Increase (decrease) in accrued wages and amounts withheld	21,830	227,801
(Increase) decrease in deferred outflows of resources for pensions - LGERS	502,668	(1,058,218)
Increase (decrease) in net pension liability	(470,809)	1,253,697
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(16,150)	(105,400)
Total adjustments	5,022,140	4,187,878
Net cash provided by (used in) operating activities	\$ 15,525,642	\$ 14,720,158
Noncash investing, capital, and financing activities:		
Capital assets contributed (to)/from other funds/customers	\$ (229,591)	\$ (15,315)
Capital assets acquired to be paid for in subsequent years	\$ (247,211)	\$ 147,261
Increase (decrease) in fair value of investments	\$ (150,660)	\$ (211,358)

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP) - ENTERPRISE FUNDS - ELECTRIC OPERATING FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Electric services:				
Metered general consumer sales	\$ 115,639,160	\$ 117,952,171	\$ 2,313,011	\$ 118,337,711
Sales to other distributors	2,158,460	2,089,987	(68,473)	2,165,282
Sales to other utilities	2,021,080	1,996,350	(24,730)	2,010,409
Municipal street lighting	350,000	350,000		350,000
Rental of area lights	1,858,000	1,957,017	99,017	1,871,032
Other	853,000	1,990,895	1,137,895	825,754
Total operating revenues	122,879,700	126,336,420	3,456,720	125,560,188
NONOPERATING REVENUES:				
Investment income	50,000	38,497	(11,503)	(30,489)
Grants				157,663
Other income		118,794	118,794	4,783
Certificates of Participation proceeds	19,761,000	19,761,000		
Total nonoperating revenues	19,811,000	19,918,291	107,291	131,957
TOTAL REVENUES	142,690,700	146,254,711	3,564,011	125,692,145
TRANSFERS FROM OTHER FUNDS		1,024,302	1,024,302	
FUND BALANCE APPROPRIATED	10,501,726		(10,501,726)	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	\$ 153,192,426	\$ 147,279,013	\$ (5,913,413)	\$ 125,692,145

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) - ENTERPRISE FUNDS - ELECTRIC OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONCLUDED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING EXPENDITURES:				
Electric power purchased	\$ 86,003,380	\$ 84,697,883	\$ 1,305,497	\$ 86,460,419
Production and distribution:				
City and County:				
Personnel Services	4,870,190	5,146,375	(276,185)	5,009,962
Operating Expenditures	4,587,506	5,166,307	(578,801)	3,924,477
Recovered Costs	(130,000)		(130,000)	
Capital outlay	7,904,344	6,484,831	1,419,513	3,465,118
Total	<u>17,232,040</u>	<u>16,797,513</u>	<u>434,527</u>	<u>12,399,557</u>
System control and communications:				
Personnel Services	1,212,920	1,216,395	(3,475)	1,186,560
Operating Expenditures	1,664,374	1,691,242	(26,868)	1,228,392
Capital outlay	4,966,172	1,484,370	3,481,802	1,338,887
Total	<u>7,843,466</u>	<u>4,392,007</u>	<u>3,451,459</u>	<u>3,753,839</u>
General and administrative:				
Personnel Services	511,550	351,531	160,019	334,213
Operating Expenditures	10,505,754	10,046,923	458,831	9,864,240
Capital outlay				85,844
Total	<u>11,017,304</u>	<u>10,398,454</u>	<u>618,850</u>	<u>10,284,297</u>
Engineering:				
Personnel Services	1,317,020	1,313,690	3,330	1,321,851
Operating Expenditures	1,444,453	1,104,534	339,919	545,439
Capital outlay	744,793	475,856	268,937	172,364
Total	<u>3,506,266</u>	<u>2,894,080</u>	<u>612,186</u>	<u>2,039,654</u>
Key Accounts & Marketing:				
Personnel Services	94,410	102,769	(8,359)	93,494
Operating Expenditures	231,870	208,698	23,172	88,336
Total	<u>326,280</u>	<u>311,467</u>	<u>14,813</u>	<u>181,830</u>
Total operating expenditures	<u>125,928,736</u>	<u>119,491,404</u>	<u>6,437,332</u>	<u>115,119,596</u>
INTEREST EXPENSE	<u>1,076,950</u>	<u>775,947</u>	<u>301,003</u>	<u>1,126,387</u>
OTHER EXPENDITURES AND USES:				
Contributions to other agencies	1,743,780	1,492,673	251,107	1,287,996
Transfers to other funds	3,160,200	3,160,200		6,860,030
Certificates of participation principal repayments	760,000	825,000	(65,000)	1,080,000
Debt refunding - Certificates of participation	19,761,000	19,646,196	114,804	
Lease purchase principal repayments	261,760	261,756	4	261,756
Contingency	500,000		500,000	
Total other expenditures and uses	<u>26,186,740</u>	<u>25,385,825</u>	<u>800,915</u>	<u>9,489,782</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 153,192,426</u>	<u>\$ 145,653,176</u>	<u>\$ 7,539,250</u>	<u>\$ 125,735,765</u>

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

ELECTRIC RATE STABILIZATION FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income	\$	\$ 5,931	\$ 5,931	\$ 1,315
TOTAL REVENUES AND OTHER SOURCES	\$	\$ 5,931	\$ 5,931	\$ 1,315

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 SUBSTATION NO. 14 & NO 15 DISTRIBUTION SYSTEM IMPROVEMENTS CAPITAL PROJECT FUND (Project ED0216)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Construction	\$ 7,531,720	\$ 7,531,719	\$	\$ 7,531,719	\$ 1
TOTAL EXPENDITURES -	\$ 7,531,720	\$ 7,531,719	\$	\$ 7,531,719	\$ 1
NONOPERATING EXPENDITURES AND					
OTHER USES:					
Administrative/Closing costs	\$ 152,400	\$ 152,372	\$	\$ 152,372	\$ 28
Transfer to other funds	1,381,200	521,270	859,928	1,381,198	2
Debt refunding - Certificates of participation	2,000,000		2,000,000	2,000,000	
TOTAL NONOPERATING EXPENDITURES AND OTHER USES	\$ 3,533,600	\$ 673,642	\$ 2,859,928	\$ 3,533,570	\$ 30
TOTAL EXPENDITURES	\$ 11,065,320	\$ 8,205,361	\$ 2,859,928	\$ 11,065,289	\$ 31
NONOPERATING REVENUES					
AND OTHER SOURCES:					
Transfer from other funds	\$ 6,512,920	\$ 6,512,919	\$	\$ 6,512,919	\$ (1)
Investment income	372,260	364,252	7,982	372,234	(26)
Bonds issued	4,180,140	4,180,136		4,180,136	(4)
TOTAL REVENUES AND OTHER SOURCES	\$ 11,065,320	\$ 11,057,307	\$ 7,982	\$ 11,065,289	\$ (31)

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ADVANCED METERING INFRASTRUCTURE AMI PILOT PROJECT CAPITAL PROJECT FUND (Project ED0336)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 1,282,940	\$ 1,282,938	\$	\$ 1,282,938	\$ 2
Equipment	1,312,345	1,312,344		1,312,344	1
TOTAL EXPENDITURES -					
CAPITAL OUTLAY	2,595,285	2,595,282		2,595,282	3
NONOPERATING EXPENDITURES AND					
OTHER USES:					
Transfer to other funds	164,375		164,374	164,374	1
TOTAL NONOPERATING EXPENDITURES					
AND OTHER USES	164,375		164,374	164,374	1
TOTAL EXPENDITURES AND					
OTHER USES	<u>\$ 2,759,660</u>	<u>\$ 2,595,282</u>	<u>\$ 164,374</u>	<u>\$ 2,759,656</u>	<u>\$ 4</u>
NONOPERATING REVENUES					
AND OTHER SOURCES:					
Transfer from other funds	\$ 2,750,000	\$ 2,750,000	\$	\$ 2,750,000	\$
Investment income	9,660	9,017	639	9,656	(4)
TOTAL REVENUES AND					
OTHER SOURCES	<u>\$ 2,759,660</u>	<u>\$ 2,759,017</u>	<u>\$ 639</u>	<u>\$ 2,759,656</u>	<u>\$ (4)</u>

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 INTERCONNECTION LINES TO SUBSTATIONS #2, #3, #4, #5, #8, #10, #14, RW (MT. OLIVE, LLC) CAPITAL PROJECT FUND
 (Project ED0347)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Construction	\$ 1,720,650	\$ 1,720,648	\$	\$ 1,720,648	\$ 2
TOTAL EXPENDITURES AND OTHER USES	\$ 1,720,650	\$ 1,720,648	\$	\$ 1,720,648	\$ 2
NONOPERATING REVENUES AND OTHER SOURCES:					
Transfer from other funds	\$ 331,000	\$ 331,000	\$	\$ 331,000	\$
Investment income	17,323	17,324	\$	17,324	1
Contributions	1,372,327	1,372,324	\$	1,372,324	(3)
TOTAL REVENUES AND OTHER SOURCES	\$ 1,720,650	\$ 1,720,648	\$	\$ 1,720,648	\$ (2)

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 301 INFRASTRUCTURE/CORRIDOR IMPROVEMENTS CAPITAL PROJECT FUND (Project ED0371)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Project Development	\$ 62,000	\$	\$	\$	\$ 62,000
TOTAL EXPENDITURES -	<u>\$ 62,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 62,000</u>
NONOPERATING REVENUES					
AND OTHER SOURCES:					
Transfer from other funds	\$ 62,000	\$ 31,000	\$ 31,000	\$ 62,000	\$
Investment income	<u></u>	<u>101</u>	<u>319</u>	<u>420</u>	<u>420</u>
TOTAL REVENUES AND	<u>\$ 62,000</u>	<u>\$ 31,101</u>	<u>\$ 31,319</u>	<u>\$ 62,420</u>	<u>\$ 420</u>
OTHER SOURCES					

CITY OF WILSON, NORTH CAROLINA

ELECTRIC FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
ENTERPRISE FUNDS - ELECTRIC
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS:

Operating Fund	\$ 147,279,013
Electric Rate Stabilization Fund	5,931
Substation No. 14 & No. 15 Distribution System Improvements Capital Project Fund	7,982
Advanced Metering Infrastructure AMI Pilot Program Capital Project Fund	639
301 Infrastructure/Corridor Improvements Capital Project Fund	31,319

147,324,884

TOTAL EXPENDITURES AND OTHER USES - MODIFIED ACCRUAL BASIS:

Operating Fund	145,653,176
Substation No. 14 & No. 15 Distribution System Improvements Capital Project Fund	2,859,928
Advanced Metering Infrastructure AMI Pilot Program Capital Project Fund	164,374

148,677,478

EXCESS OF REVENUES & OTHER SOURCES OVER
EXPENDITURES AND OTHER USES

(1,352,594)

ADJUSTMENTS TO FULL ACCRUAL BASIS:

Depreciation	(5,341,750)
Capital outlay	8,445,057
Notes payable principal retirements	22,711,756
Deferred charge on refunding	21,196
(Increase) decrease in accrued vacation	(13,462)
Increase (decrease) in deferred outflows of resources - OPEB	325,796
(Increase) decrease in total OPEB liability	258,554
Certificates of Participation refunding	(19,761,000)
Amortization of refunding bond reacquisition price difference	13,464
Increase (decrease) in deferred outflows of resources - LGERS pensions	(502,668)
(Increase) decrease in deferred inflows of resources - LGERS pensions	16,150
(Increase) decrease in net pension liability - LGERS pensions	470,809

CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

\$ 5,291,308

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - GAS

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 6,515,783	\$ 5,240,605
Customer accounts	981,437	968,739
Accrued interest	8,294	5,333
Other receivables	933	765
Due from other agencies and governments	495	1,981
Inventories	160,377	177,306
Prepaid insurance cost on debt issuance	1,216	2,431
Total current assets	7,668,535	6,397,160
NONCURRENT ASSETS:		
Restricted cash - Deposits	195,353	196,937
Advances to other funds	2,580,000	2,780,000
Capital Assets:		
Land	234,948	234,948
Buildings	20,749	20,749
Distribution system	28,734,679	27,856,782
Rolling stock	1,491,571	1,482,383
Furniture, fixtures and equipment	1,106,465	869,985
Total capital assets	31,588,412	30,464,847
Less accumulated depreciation	(11,412,893)	(10,599,116)
Capital assets, net	20,175,519	19,865,731
Total noncurrent assets	22,950,872	22,842,668
TOTAL ASSETS	30,619,407	29,239,828
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals - LGERS	136,157	278,850
Contributions subsequent to measurement - LGERS	93,123	87,521
OPEB deferrals	88,853	
Total deferred outflows of resources	318,133	366,371

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - GAS

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	432,795	515,485
Accrued wages and amounts withheld	70,368	71,459
Accrued interest	9,692	10,455
Customer deposits	195,353	196,937
Revenue bonds - current	169,650	166,275
Notes payable - current	190,656	190,656
Compensated absences - current	85,776	83,070
Total current liabilities	<u>1,154,290</u>	<u>1,234,337</u>
NONCURRENT LIABILITIES:		
Revenue bonds payable	2,035,903	2,205,744
Notes payable	381,417	572,073
Compensated absences - noncurrent		20,416
Total OPEB liability	1,901,591	391,020
Net pension liability - LGERS	307,195	435,598
Total noncurrent liabilities	<u>4,626,106</u>	<u>3,624,851</u>
Total liabilities	<u>5,780,396</u>	<u>4,859,188</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	26,654	31,059
Total deferred inflows of resources	<u>26,654</u>	<u>31,059</u>
NET POSITION		
Net investment in capital assets	17,397,893	16,730,983
Unrestricted	7,732,597	7,984,969
TOTAL NET POSITION	<u>\$ 25,130,490</u>	<u>\$ 24,715,952</u>

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - GAS
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Metered general consumers	\$ 18,462,522	\$ 14,718,386
Sales to other utilities	190,386	136,172
Other	76,279	19,900
Total operating revenues	<u>18,729,187</u>	<u>14,874,458</u>
OPERATING EXPENSES:		
Cost of purchased gas	9,238,316	8,271,269
Production and distribution	2,760,590	2,628,695
General and administrative	2,463,867	2,627,909
Depreciation	810,015	731,108
Total operating expenses	<u>15,272,788</u>	<u>14,258,981</u>
OPERATING INCOME (LOSS)	<u>3,456,399</u>	<u>615,477</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	(2,330)	(7,415)
Other income		48,823
Intergovernmental		1,981
Interest expense	(88,499)	(100,639)
Contributions to other agencies	(9,570)	(9,570)
Prepaid insurance cost on bond issuance	(1,216)	(1,216)
Total nonoperating revenue (expense)	<u>(101,615)</u>	<u>(68,036)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	3,354,784	547,441
Transfers out	<u>(1,359,160)</u>	<u>(1,343,020)</u>
CHANGE IN NET POSITION	1,995,624	(795,579)
NET POSITION - BEGINNING, As Previously Reported	24,715,952	25,511,531
Restatement	<u>(1,581,086)</u>	
NET POSITION - BEGINNING, As restated	<u>23,134,866</u>	
NET POSITION - ENDING	<u>\$ 25,130,490</u>	<u>\$ 24,715,952</u>

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - GAS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 18,716,321	\$ 14,663,219
Cash paid to suppliers	(12,397,161)	(11,115,738)
Cash paid to employees	(2,306,843)	(2,179,012)
Net cash provided by operating activities	<u>4,012,317</u>	<u>1,368,469</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds	(1,359,160)	(1,343,020)
Grant funds received	1,486	
Contributions to other agencies	(9,570)	(9,570)
Interfund receivable from other funds	200,000	200,000
Net cash used for noncapital financing activities	<u>(1,167,244)</u>	<u>(1,152,590)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(1,119,804)	(1,452,669)
Principal paid on capital debt	(356,931)	(355,806)
Interest paid on capital debt	(89,453)	(97,921)
Proceeds from sales of capital assets		37,041
Net cash used for capital and related financing activities	<u>(1,566,188)</u>	<u>(1,869,355)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	(5,291)	(6,430)
Net cash provided (used) in investing activities	<u>(5,291)</u>	<u>(6,430)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS		
	<u>1,273,594</u>	<u>(1,659,906)</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - BEGINNING OF YEAR		
	<u>5,437,542</u>	<u>7,097,448</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - END OF YEAR		
	<u>\$ 6,711,136</u>	<u>\$ 5,437,542</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 3,456,399	\$ 615,477
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	810,015	731,108
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(12,866)	(211,239)
(Increase) decrease in inventory	16,929	76,018
(Increase) decrease in OPEB liability	(70,515)	
(Increase) decrease in deferred outflows of resources - OPEB	(88,853)	
Increase (decrease) in customer deposits	(1,584)	(5,198)
Increase (decrease) in accounts payable	(82,690)	79,431
Increase (decrease) in accrued wages and amounts withheld	(18,801)	58,306
(Increase) decrease in deferred outflows of resources for pensions - LGERS	137,091	(288,605)
Increase (decrease) in net pension liability	(128,403)	341,917
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(4,405)	(28,746)
Total adjustments	<u>555,918</u>	<u>752,992</u>
Net cash provided by (used in) operating activities	<u>\$ 4,012,317</u>	<u>\$ 1,368,469</u>
Noncash investing, capital, and financing activities:		
Capital assets contributed (to)/from other funds/customers	\$ 9,188	\$ 66,969
Capital assets acquired to be paid for in subsequent years	\$ (8,305)	\$ 10,174
Increase (decrease) in fair value of investments	<u>\$ (29,089)</u>	<u>\$ (34,513)</u>

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP) - ENTERPRISE FUNDS - GAS
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Gas services:				
Metered general consumer sales	\$ 17,462,550	\$ 18,462,522	\$ 999,972	\$ 14,718,386
Sales to other utilities	130,740	190,386	59,646	136,172
Other income	9,000	76,279	67,279	19,900
Total operating revenues	<u>17,602,290</u>	<u>18,729,187</u>	<u>1,126,897</u>	<u>14,874,458</u>
NONOPERATING REVENUES:				
Investment income		(3,372)	(3,372)	(8,855)
Other income				48,823
Grants				1,981
Total nonoperating revenues		<u>(3,372)</u>	<u>(3,372)</u>	<u>41,949</u>
TOTAL REVENUES	17,602,290	18,725,815	1,123,525	14,916,407
TRANSFERS FROM OTHER FUNDS		271,450	271,450	
REPAYMENT OF ADVANCES FROM OTHER FUNDS		200,000	200,000	200,000
FUND BALANCE APPROPRIATED	<u>1,088,635</u>		<u>(1,088,635)</u>	
TOTAL REVENUES AND OTHER SOURCES				
FUND BALANCE APPROPRIATIONS	<u>\$ 18,690,925</u>	<u>\$ 19,197,265</u>	<u>\$ 506,340</u>	<u>\$ 15,116,407</u>
OPERATING EXPENDITURES:				
Cost of purchased gas	\$ 9,625,000	\$ 9,238,316	\$ 386,684	\$ 8,271,269
Production and distribution:				
Personnel Services	2,203,760	2,159,926	43,834	2,037,725
Operating Expenditures	650,885	636,120	14,765	622,853
Recovered Costs	(224,550)	(35,456)	(189,094)	(31,883)
Capital outlay	1,674,432	1,119,804	554,628	1,452,669
Total	<u>4,304,527</u>	<u>3,880,394</u>	<u>424,133</u>	<u>4,081,364</u>
General and administrative:				
Personnel Services	190,260	145,826	44,434	151,768
Operating Expenditures	2,599,888	2,490,836	109,052	2,403,750
Total	<u>2,790,148</u>	<u>2,636,662</u>	<u>153,486</u>	<u>2,555,518</u>
Total operating expenditures	<u>16,719,675</u>	<u>15,755,372</u>	<u>964,303</u>	<u>14,908,151</u>
INTEREST EXPENSE	<u>90,830</u>	<u>88,689</u>	<u>2,141</u>	<u>100,829</u>
OTHER EXPENDITURES AND USES:				
Contributions to other agencies	14,320	9,570	4,750	9,570
Transfers to other funds	1,359,160	1,359,160		1,343,020
Bond retirements	166,280	166,275	5	165,150
Lease purchase principal repayments	190,660	190,656	4	190,656
Contingency	150,000		150,000	
Total other expenditures and uses	<u>1,880,420</u>	<u>1,725,661</u>	<u>154,759</u>	<u>1,708,396</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 18,690,925</u>	<u>\$ 17,569,722</u>	<u>\$ 1,121,203</u>	<u>\$ 16,717,376</u>

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 GAS PEAK SHAVING FACILITY CAPITAL PROJECT FUND (Project GD0005)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 125,000	\$	\$	\$	\$ 125,000
Land	75,000				75,000
Construction	650,000				650,000
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>850,000</u>				<u>850,000</u>
NONOPERATING EXPENDITURES AND OTHER USES:					
Transfer to other funds	271,545		271,450	271,450	95
TOTAL NONOPERATING EXPENDITURES AND OTHER USES	<u>271,545</u>		<u>271,450</u>	<u>271,450</u>	<u>95</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 1,121,545</u>	<u>\$</u>	<u>\$ 271,450</u>	<u>\$ 271,450</u>	<u>\$ 850,095</u>
NONOPERATING REVENUES AND OTHER SOURCES:					
Investment income	\$ 121,545	\$ 120,408	\$ 1,042	\$ 121,450	\$ (95)
Transfer from other funds	150,000	150,000		150,000	
Installment contracts issued	850,000				(850,000)
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 1,121,545</u>	<u>\$ 270,408</u>	<u>\$ 1,042</u>	<u>\$ 271,450</u>	<u>\$ (850,095)</u>

CITY OF WILSON, NORTH CAROLINA

GAS FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
ENTERPRISE FUNDS - GAS
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES - MODIFIED ACCRUAL BASIS

Operating Fund	\$ 19,197,265
Gas Peak Shaving Facility Capital Project Fund	<u>1,042</u>
	<u>19,198,307</u>

TOTAL EXPENDITURES AND OTHER USES - MODIFIED ACCRUAL BASIS

Operating Fund	17,569,722
Gas Peak Shaving Facility Capital Project Fund	<u>271,450</u>
	<u>17,841,172</u>

EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES 1,357,135

ADJUSTMENTS TO FULL ACCRUAL BASIS:

Depreciation	(810,015)
Capital outlay	1,119,804
Bond retirements	166,275
Notes payable payments	190,656
Repayment of advance to other funds	(200,000)
Amortization of bond premium	190
(Increase) decrease in accrued vacation	17,710
Increase (decrease) in deferred outflows of resources - OPEB	88,853
(Increase) decrease in total OPEB liability	70,515
Increase (decrease) in deferred outflows of resources - LGERS pensions	(137,091)
(Increase) decrease in deferred inflows of resources - LGERS pensions	4,405
(Increase) decrease in net pension liability - LGERS pensions	128,403
Amortization of prepaid insurance costs on bonds	<u>(1,216)</u>

CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

\$ 1,995,624

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - WATER RESOURCES (CONTINUED)

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 16,327,842	\$ 14,991,507
Receivables (net of allowances for uncollectibles):		
Customer accounts	3,064,667	2,855,919
Assessments - water and sewer	498	5,685
Accrued interest	21,108	15,868
Other receivables	6,654	4,740
Due from other agencies and governments	227,997	177,663
Inventories	193,384	181,430
Prepaid insurance cost on debt issuance	60,513	75,883
	19,902,663	18,308,695
NONCURRENT ASSETS:		
Restricted cash - Deposits	362,593	349,349
Capital Assets:		
Land	20,400,159	21,590,962
Land improvements	5,368,385	5,368,385
Buildings	11,469,153	9,111,818
Distribution system	187,661,424	182,464,927
Rolling stock	4,746,677	4,362,206
Furniture, fixtures and equipment	5,103,367	4,994,259
	234,749,165	227,892,557
Less accumulated depreciation	(92,568,723)	(88,869,732)
Capital assets, net	142,180,442	139,022,825
Total noncurrent assets	142,543,035	139,372,174
TOTAL ASSETS	162,445,698	157,680,869
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources on refunding	50,987	61,184
Pension deferrals - LGERS	590,012	1,208,350
Contributions subsequent to measurement - LGERS	429,892	405,617
OPEB deferrals	325,796	
Total deferred outflows of resources	1,396,687	1,675,151
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	1,304,073	471,872
Accrued wages and amounts withheld	241,275	239,826
Accrued interest	101,412	108,217
Customer deposits	362,593	349,349
General obligation bonds - current	1,205,000	1,205,000
Revenue bonds - current	584,350	572,725
Notes payable - current	1,673,575	1,673,575
Compensated absences - current	285,433	289,430
Total current liabilities	5,757,711	4,909,994

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - WATER RESOURCES (CONCLUDED)

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
NONCURRENT LIABILITIES:		
General obligation bonds payable	\$ 4,006,823	\$ 5,271,188
Revenue bonds payable	7,012,396	7,597,385
Notes payable	8,532,983	10,206,558
Compensated absences - noncurrent	124,005	107,521
Total OPEB liability	6,972,501	1,446,633
Net pension liability - LGERS	1,289,578	1,845,989
Total noncurrent liabilities	<u>27,938,286</u>	<u>26,475,274</u>
 Total liabilities	 <u>33,695,997</u>	 <u>31,385,268</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	218,757	237,843
Total deferred inflows of resources	<u>218,757</u>	<u>237,843</u>
NET POSITION		
Net investment in capital assets	119,216,302	112,557,578
Unrestricted	10,711,329	15,175,331
Total net position	<u>\$ 129,927,631</u>	<u>\$ 127,732,909</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - WATER RESOURCES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Metered general consumers	\$ 11,680,964	\$ 11,554,843
Sales to other utilities	120,281	120,371
Municipal hydrants	23,814	23,814
Sewer services	13,076,265	12,908,760
Other	1,665,494	455,701
Total operating revenues	26,566,818	25,063,489
OPERATING EXPENSES:		
Production and distribution	6,609,063	6,691,981
General and administrative	3,043,743	3,708,347
Water reclamation	4,880,324	4,600,835
Wastewater collection	2,066,996	2,032,083
Depreciation	4,209,632	4,084,522
Total operating expenses	20,809,758	21,117,768
OPERATING INCOME (LOSS)	5,757,060	3,945,721
NONOPERATING REVENUE (EXPENSES):		
Investment income	25,782	14,173
Other income	428,088	81,769
Intergovernmental	62,894	325,360
Other expenses	(43,511)	
Interest expense	(675,876)	(774,333)
Prepaid insurance cost on bond issuance	(15,370)	(15,370)
Total nonoperating revenue (expense)	(217,993)	(368,401)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	5,539,067	3,577,320
Transfers in		20,200
Transfers out		(80,000)
Capital contributions	2,440,076	2,960,592
CHANGE IN NET POSITION	7,979,143	6,478,112
NET POSITION - BEGINNING, As Previously Reported	127,732,909	121,254,797
Restatement	(5,784,421)	
NET POSITION - BEGINNING, As restated	121,948,488	
NET POSITION - ENDING	\$ 129,927,631	\$ 127,732,909

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - WATER RESOURCES
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

(CONTINUED)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 26,374,587	\$ 25,057,147
Cash paid to suppliers	(9,411,120)	(9,795,614)
Cash paid to employees	<u>(6,920,607)</u>	<u>(6,844,846)</u>
Net cash provided by (used for) operating activities	<u>10,042,860</u>	<u>8,416,687</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(80,000)
Grant funds received	12,560	147,697
Insurance refund	<u>189,581</u>	
Net cash provided (used) by noncapital financing activities	<u>202,141</u>	<u>67,697</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(4,970,685)	(2,795,056)
Principal paid on capital debt	(3,451,300)	(3,447,425)
Interest paid on capital debt	(732,488)	(842,503)
Proceeds from sales of capital assets	238,509	81,769
Contributed capital		<u>20,200</u>
Net cash provided by (used for) capital and related financing activities	<u>(8,915,964)</u>	<u>(6,983,015)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	<u>20,542</u>	<u>10,194</u>
Net cash provided (used) in investing activities	<u>20,542</u>	<u>10,194</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/ INVESTMENTS	<u>1,349,579</u>	<u>1,511,563</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDED RESTRICTED CASH) - BEGINNING OF YEAR	<u>15,340,856</u>	<u>13,829,293</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - END OF YEAR	<u>\$ 16,690,435</u>	<u>\$ 15,340,856</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - WATER RESOURCES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

(CONCLUDED)

	2018	2017
Reconciliation of operating income (loss) to net cash provided by (used in)		
operating activities		
Operating income (loss)	\$ 5,757,060	\$ 3,945,721
Adjustments to reconcile operating income (loss) to net cash provided by (used in)		
operating activities:		
Depreciation expense	4,209,632	4,084,522
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(205,475)	4,822
(Increase) decrease in inventory	(11,954)	8,348
(Increase) decrease in OPEB liability	(258,554)	
(Increase) decrease in deferred outflows of resources - OPEB	(325,796)	
Increase (decrease) in customer deposits	13,244	(11,164)
Increase (decrease) in accounts payable	832,201	96,128
Increase (decrease) in accrued wages and amounts withheld	13,936	181,852
(Increase) decrease in deferred outflows of resources for pensions - LGERS	594,063	(1,250,620)
Increase (decrease) in net pension liability	(556,411)	1,481,642
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(19,086)	(124,564)
Total adjustments	4,285,800	4,470,966
Net cash provided by (used in) operating activities	\$ 10,042,860	\$ 8,416,687
Noncash investing, capital, and financing activities:		
Capital assets contributed (to)/from other funds/customers	\$ 2,424,923	\$ 2,960,592
Capital assets acquired to be paid for in subsequent years	\$ (798,428)	\$ 63,879
Increase (decrease) in fair value of investments	\$ (70,978)	\$ (72,695)

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -

ENTERPRISE FUNDS - WATER RESOURCES OPERATING FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Water services:				
Metered general consumer charges	\$ 12,350,560	\$ 11,680,964	\$ (669,596)	\$ 11,554,843
Sales to other utilities	100,000	120,281	20,281	120,371
Municipal hydrants	24,000	23,814	(186)	23,814
Sewer services	13,103,510	13,076,265	(27,245)	12,908,760
Other	726,440	1,665,494	939,054	455,701
Total operating revenues	<u>26,304,510</u>	<u>26,566,818</u>	<u>262,308</u>	<u>25,063,489</u>
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income		(9,662)	(9,662)	(6,040)
Other		325,939	325,939	81,769
Grants		31,316	31,316	325,360
Total nonoperating revenues and other sources		<u>347,593</u>	<u>347,593</u>	<u>401,089</u>
TOTAL REVENUES AND OTHER SOURCES	26,304,510	26,914,411	609,901	25,464,578
TRANSFERS FROM OTHER FUNDS				1,214,000
FUND BALANCE APPROPRIATED	<u>1,384,717</u>		<u>(1,384,717)</u>	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	<u>\$ 27,689,227</u>	<u>\$ 26,914,411</u>	<u>\$ (774,816)</u>	<u>\$ 26,678,578</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -

ENTERPRISE FUNDS - WATER RESOURCES OPERATING FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONCLUDED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING EXPENDITURES:				
Water production:				
Personnel Services	\$ 1,590,610	\$ 1,439,199	\$ 151,411	\$ 1,435,376
Operating Expenditures	2,901,486	2,398,354	503,132	2,531,996
Capital outlay	1,256,456	493,212	763,244	342,575
Total	<u>5,748,552</u>	<u>4,330,765</u>	<u>1,417,787</u>	<u>4,309,947</u>
Water distribution:				
Personnel Services	1,518,980	1,401,727	117,253	1,389,855
Operating Expenditures	1,440,306	1,370,187	70,119	1,334,754
Recovered Costs	(100,000)	(404)	(99,596)	
Capital outlay	920,000	1,010,515	(90,515)	990,092
Total	<u>3,779,286</u>	<u>3,782,025</u>	<u>(2,739)</u>	<u>3,714,701</u>
Total production and distribution	<u>9,527,838</u>	<u>8,112,790</u>	<u>1,415,048</u>	<u>8,024,648</u>
General and administrative:				
Personnel Services	173,040	165,469	7,571	146,591
Operating Expenditures	3,555,623	3,431,572	124,051	3,302,046
Total	<u>3,728,663</u>	<u>3,597,041</u>	<u>131,622</u>	<u>3,448,637</u>
Water reclamation:				
Personnel Services	2,235,810	2,128,909	106,901	2,138,632
Operating Expenditures	3,123,093	2,751,415	371,678	2,462,203
Capital outlay	340,903	333,616	7,287	543,240
Total	<u>5,699,806</u>	<u>5,213,940</u>	<u>485,866</u>	<u>5,144,075</u>
Wastewater collection:				
Personnel Services	1,923,970	1,786,753	137,217	1,762,992
Operating Expenditures	1,074,678	1,020,364	54,314	1,065,385
Recovered Costs	(650,000)	(740,121)	90,121	(796,294)
Capital outlay	1,114,582	869,611	244,971	418,182
Total	<u>3,463,230</u>	<u>2,936,607</u>	<u>526,623</u>	<u>2,450,265</u>
Total operating expenditures	<u>22,419,537</u>	<u>19,860,378</u>	<u>2,559,159</u>	<u>19,067,625</u>
INTEREST EXPENSE	<u>731,610</u>	<u>725,683</u>	<u>5,927</u>	<u>843,393</u>
OTHER EXPENDITURES AND USES:				
Bond retirements	1,777,720	1,777,725	(5)	1,773,850
Lease purchase principal repayments	1,673,580	1,673,575	5	1,673,575
Transfer to other funds	886,780	886,780		3,149,600
Contingency	200,000		200,000	
Total other expenditures and uses	<u>4,538,080</u>	<u>4,338,080</u>	<u>200,000</u>	<u>6,597,025</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 27,689,227</u>	<u>\$ 24,924,141</u>	<u>\$ 2,765,086</u>	<u>\$ 26,508,043</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
ENTERPRISE FUNDS - WATER RESOURCES REVOLVING LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018		Variance	2017
	Budget	Actual	Positive (Negative)	Actual
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income	\$	\$ 363	\$ 363	\$ 81

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ENTERPRISE FUNDS - WATER RESOURCES CAPITAL RESERVE FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income	\$	\$ 2,109	\$ 2,109	\$ (1,229)
Fund balance appropriated	1,500,000		(1,500,000)	
Transfer from other funds		369,007	369,007	553,572
Total nonoperating revenues and other sources	<u>1,500,000</u>	<u>371,116</u>	<u>(1,128,884)</u>	<u>552,343</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 1,500,000</u>	<u>\$ 371,116</u>	<u>\$ (1,128,884)</u>	<u>\$ 552,343</u>
EXPENDITURES AND OTHER USES:				
Transfers to other funds	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$</u>	<u>\$ 1,214,000</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$</u>	<u>\$ 1,214,000</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ENTERPRISE FUNDS - BUCKHORN RESERVOIR WETLANDS FUND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income	\$	\$ 13,274	\$ 13,274	\$ 12,707
TOTAL REVENUES AND OTHER SOURCES	\$	\$ 13,274	\$ 13,274	\$ 12,707

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 STEEL MAIN REPLACEMENTS CAPITAL PROJECT FUND (Project WD0081)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 380,130	\$ 380,127	\$	\$ 380,127	\$ 3
Land improvements	6,120	6,116		6,116	4
Construction	1,892,530	1,892,524		1,892,524	6
TOTAL EXPENDITURES -					
CAPITAL OUTLAY	<u>\$ 2,278,780</u>	<u>\$ 2,278,767</u>	<u>\$</u>	<u>\$ 2,278,767</u>	<u>\$ 13</u>
NONOPERATING EXPENDITURES AND					
OTHER USES:					
Transfer to other funds	212,230		212,227	212,227	3
TOTAL EXPENDITURES AND					
OTHER USES	<u>\$ 2,491,010</u>	<u>\$ 2,278,767</u>	<u>\$ 212,227</u>	<u>\$ 2,490,994</u>	<u>\$ 16</u>
NONOPERATING REVENUES					
AND OTHER SOURCES:					
Investment income	\$ 12,970	\$ 12,178	\$ 776	\$ 12,954	\$ (16)
Transfers from other funds	2,478,040	2,478,040		2,478,040	
TOTAL REVENUES AND					
OTHER SOURCES	<u>\$ 2,491,010</u>	<u>\$ 2,490,218</u>	<u>\$ 776</u>	<u>\$ 2,490,994</u>	<u>\$ (16)</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 LONGVIEW AND STANTONSBURG PUMP STATION UPGRADES CAPITAL PROJECT FUND (Project WM0144)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Construction	\$ 2,969,000	\$ 91,949	\$ 15,751	\$ 107,700	\$ 2,861,300
TOTAL EXPENDITURES AND					
OTHER USES					
	<u>\$ 2,969,000</u>	<u>\$ 91,949</u>	<u>\$ 15,751</u>	<u>\$ 107,700</u>	<u>\$ 2,861,300</u>
NONOPERATING REVENUES					
AND OTHER SOURCES:					
Investment income	\$	\$ 2,019	\$ 9,396	\$ 11,415	\$ 11,415
Transfer from Water Resources Fund	1,469,000	669,000		669,000	(800,000)
Transfer from Water Resources Capital Reserve Fund	<u>1,500,000</u>		<u>1,500,000</u>	<u>1,500,000</u>	
TOTAL REVENUES AND					
OTHER SOURCES					
	<u>\$ 2,969,000</u>	<u>\$ 671,019</u>	<u>\$ 1,509,396</u>	<u>\$ 2,180,415</u>	<u>\$ (788,585)</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 NEW BLOWER AND AERATION CONTROLS CAPITAL PROJECT FUND (Project WM0146)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 122,000	\$	\$ 13,117	\$ 13,117	\$ 108,883
Construction	1,328,000		1,140,512	1,140,512	187,488
TOTAL EXPENDITURES AND OTHER USES	\$ 1,450,000	\$	\$ 1,153,629	\$ 1,153,629	\$ 296,371
NONOPERATING REVENUES AND OTHER SOURCES:					
Investment income	\$ 6,000	\$ 1,472	\$ 4,757	\$ 6,229	\$ 229
Transfer from Water Resources Fund	1,444,000	1,214,000	230,000	1,444,000	
TOTAL REVENUES AND OTHER SOURCES	\$ 1,450,000	\$ 1,215,472	\$ 234,757	\$ 1,450,229	\$ 229

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -

WOODARD PARKWAY INFRASTRUCTURE CAPITAL PROJECT FUND (Project WD0095)

FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$	\$	\$	\$	\$
Land					
Construction	1,697,960	270,151	1,391,159	1,661,310	36,650
TOTAL EXPENDITURES AND OTHER USES	\$ 1,697,960	\$ 270,151	\$ 1,391,159	\$ 1,661,310	\$ 36,650
NONOPERATING REVENUES AND OTHER SOURCES:					
NC Rural Center Industrial Development Fund Grant	\$ 1,377,760	\$	\$ 1,377,759	\$ 1,377,759	\$ (1)
Investment income		1,061	120	1,181	1,181
Transfer from Water Resources Fund	300,000	300,000		300,000	
Transfer from Stormwater Management Fund	20,200	20,200		20,200	
TOTAL REVENUES AND OTHER SOURCES	\$ 1,697,960	\$ 321,261	\$ 1,377,879	\$ 1,699,140	\$ 1,180

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 BASIN RENOVATION, FILTER REBUILD WIGGINS MILL AND TOISNOT CAPITAL PROJECT FUND (Project WP0090)
 FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES - CAPITAL OUTLAY:					
Construction	\$ 2,280,000	\$	\$ 947,221	\$ 947,221	\$ 1,332,779
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 2,280,000</u>	<u>\$</u>	<u>\$ 947,221</u>	<u>\$ 947,221</u>	<u>\$ 1,332,779</u>
NONOPERATING REVENUES AND OTHER SOURCES:					
Investment income	\$	\$ 1,969	\$ 4,649	\$ 6,618	\$ 6,618
Transfer from Water Resources Fund	2,280,000	580,000	500,000	1,080,000	(1,200,000)
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 2,280,000</u>	<u>\$ 581,969</u>	<u>\$ 504,649</u>	<u>\$ 1,086,618</u>	<u>\$ (1,193,382)</u>

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -

WIGGINS MILL DAM AND PUMP STATION RESTORATION CAPITAL PROJECT FUND (Project WP9997)

FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 278,230	\$	\$ 198,472	\$ 198,472	\$ 79,758
Construction	1,071,160		968,060	968,060	103,100
TOTAL EXPENDITURES AND OTHER USES	\$ 1,349,390	\$	\$ 1,166,532	\$ 1,166,532	\$ 182,858
NONOPERATING REVENUES AND OTHER SOURCES:					
Federal Grant Proceeds - FEMA	\$ 1,012,040	\$	\$ 798,287	\$ 798,287	\$ (213,753)
State Grant Proceeds - FEMA	337,350		266,096	266,096	(71,254)
Insurance Claim Proceeds			102,149	102,149	102,149
TOTAL REVENUES AND OTHER SOURCES	\$ 1,349,390	\$	\$ 1,166,532	\$ 1,166,532	\$ (182,858)

CITY OF WILSON, NORTH CAROLINA

WATER RESOURCES FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
 ENTERPRISE FUNDS - WATER RESOURCES
 FOR THE YEAR ENDED JUNE 30, 2018

REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS:

Operating Fund	\$ 26,914,411
Revolving Loan Fund	363
Water Resources Capital Reserve Fund	371,116
Buckhorn Reservoir Wetlands Fund	13,274
Steel Main Replacements Capital Project Fund	776
Woodard Parkway Infrastructure Capital Project Fund	1,377,879
Longview and Stantonsburg Pump Station Upgrades Capital Project Fund	1,509,396
New Blower and Aeration Controls Capital Project Fund	234,757
Basin renovation, Filter Rebuild Wiggins Mill and Toisnot Capital Project Fund	504,649
Wiggins Mill Dam and Pump Station Restoration Capital Project Fund	<u>1,166,532</u>
	<u>32,093,153</u>

EXPENDITURES AND OTHER USES - MODIFIED ACCRUAL BASIS:

Operating Fund	24,924,141
Water Resources Capital Reserve Fund	1,500,000
Steel Main Replacements Capital Project Fund	212,227
Woodard Parkway Infrastructure Capital Project Fund	1,391,159
Longview and Stantonsburg Pump Station Upgrades Capital Project Fund	15,751
New Blower and Aeration Controls Capital Project Fund	1,153,629
Basin renovation, Filter Rebuild Wiggins Mill and Toisnot Capital Project Fund	947,221
Wiggins Mill Dam and Pump Station Restoration Capital Project Fund	<u>1,166,532</u>
	<u>31,310,660</u>

EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES
 OVER (UNDER) EXPENDITURES AND OTHER USES

\$ 782,493

ADJUSTMENTS TO FULL ACCRUAL BASIS:

Bond retirements	1,777,725
Depreciation	(4,209,632)
Capital outlay	7,381,246
Loss on disposal of capital assets	(43,511)
Notes payable payments	1,673,575
(Increase) decrease in accrued vacation	(12,486)
Increase (decrease) in deferred outflows of resources - OPEB	325,796
(Increase) decrease in total OPEB liability	258,554
Increase (decrease) in deferred outflows of resources - LGERS pensions	(594,063)
(Increase) decrease in deferred inflows of resources - LGERS pensions	19,086
(Increase) decrease in net pension liability - LGERS pensions	556,411
Amortization of bond premium	60,004
Amortization of refunding bond reacquisition price difference	(10,197)
Amortization of prepaid insurance costs on bonds	(15,370)
Grant capital	(2,410,564)
Contributed capital	<u>2,440,076</u>

CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION

\$ 7,979,143

CITY OF WILSON, NORTH CAROLINA

MASS TRANSIT FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - MASS TRANSIT

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 682,830	\$ 607,314
Receivables (net of allowances for uncollectibles):		
Accrued interest	812	587
Due from other agencies and governments	52,020	70,607
Total current assets	735,662	678,508
NONCURRENT ASSETS:		
Restricted cash - Deposits	168	134
CAPITAL ASSETS:		
Land	77,981	77,981
Buildings	1,116,290	1,116,290
Rolling stock	1,329,274	1,329,274
Furniture, fixtures and equipment	14,299	14,299
Total capital assets	2,537,844	2,537,844
Less accumulated depreciation	(1,881,868)	(1,852,210)
Capital assets, net	655,976	685,634
TOTAL ASSETS	1,391,806	1,364,276
DEFERRED OUTFLOW OF RESOURCES		
Pension deferrals - LGERS	45,386	92,950
Contributions subsequent to measurement - LGERS	31,041	29,174
OPEB deferrals	29,618	
Total deferred outflows of resources	106,045	122,124
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	27,913	27,987
Accrued wages and amounts withheld	22,475	19,919
Customer deposits	168	134
Compensated absences - current	13,530	12,640
Total current liabilities	64,086	60,680
NONCURRENT LIABILITIES:		
Compensated absences - noncurrent	26,696	21,389
Total OPEB liability	633,864	167,580
Net pension liability - LGERS	102,398	145,199
Total noncurrent liabilities	762,958	334,168
Total liabilities	827,044	394,848
DEFERRED INFLOW OF RESOURCES		
Pension deferrals - LGERS	8,885	10,353
Total deferred inflows of resources	8,885	10,353
NET POSITION		
Net investment in capital assets	655,976	685,634
Unrestricted	5,946	395,565
TOTAL NET POSITION	\$ 661,922	\$ 1,081,199

CITY OF WILSON, NORTH CAROLINA

MASS TRANSIT FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - MASS TRANSIT
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Bus fares	\$ 68,601	\$ 73,177
Other	181,211	143,197
Total operating revenues	249,812	216,374
OPERATING EXPENSES:		
General and administrative	507,827	346,697
Maintenance	968,525	878,595
Special projects	6,516	8,652
Depreciation	29,658	103,088
Total operating expenses	1,512,526	1,337,032
OPERATING INCOME (LOSS)	(1,262,714)	(1,120,658)
NONOPERATING REVENUES (EXPENSES):		
Investment income	177	181
Intergovernmental	1,020,549	652,098
Total nonoperating revenue (expense)	1,020,726	652,279
INCOME (LOSS) BEFORE TRANSFERS	(241,988)	(468,379)
Transfers in	312,500	289,500
Capital contributions		3,657
CHANGE IN NET POSITION	70,512	(175,222)
NET POSITION - BEGINNING, As Previously Reported	1,081,199	1,256,421
Restatement	(489,789)	
NET POSITION - BEGINNING, As restated	591,410	1,256,421
NET POSITION - ENDING	\$ 661,922	\$ 1,081,199

CITY OF WILSON, NORTH CAROLINA

MASS TRANSIT FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - MASS TRANSIT

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 249,846	\$ 216,395
Cash paid to suppliers	(885,122)	(645,305)
Cash paid to employees	(640,762)	(573,386)
Net cash provided by (used in) operating activities	<u>(1,276,038)</u>	<u>(1,002,296)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from other funds	312,500	289,500
Grant funds received	1,039,136	735,043
Net cash provided (used) by noncapital financing activities	<u>1,351,636</u>	<u>1,024,543</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital		3,657
Net cash provided (used) by capital and related financing activities		<u>3,657</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	(48)	57
Net cash provided (used) in investing activities	<u>(48)</u>	<u>57</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS	<u>75,550</u>	<u>25,961</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, BEGINNING OF YEAR	<u>607,448</u>	<u>581,487</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, END OF YEAR	<u>\$ 682,998</u>	<u>\$ 607,448</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (1,262,714)	\$ (1,120,658)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	29,658	103,088
Change in assets and liabilities		
(Increase) decrease in accounts receivable		651
(Increase) decrease in OPEB liability	(23,505)	
(Increase) decrease in deferred outflows of resources - OPEB	(29,618)	
Increase (decrease) in customer deposits	34	21
Increase (decrease) in accounts payable	(74)	(18,614)
Increase (decrease) in accrued wages and amounts withheld	8,753	25,028
(Increase) decrease in deferred outflows of resources for pensions - LGERS	45,697	(96,202)
Increase (decrease) in net pension liability	(42,801)	113,972
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(1,468)	(9,582)
Total adjustments	<u>(13,324)</u>	<u>118,362</u>
Net cash provided by (used in) operating activities	<u>\$ (1,276,038)</u>	<u>\$ (1,002,296)</u>
Noncash investing, capital, and financing activities:		
Increase (decrease) in fair value of investments	<u>\$ (2,764)</u>	<u>\$ (2,791)</u>

CITY OF WILSON, NORTH CAROLINA

MASS TRANSIT FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP) - ENTERPRISE FUNDS - MASS TRANSIT
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Mass transit services:				
Bus fares	\$ 84,200	\$ 68,601	\$ (15,599)	\$ 73,177
Other	116,000	181,211	65,211	143,197
Total operating revenues	200,200	249,812	49,612	216,374
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income	1,350	177	(1,173)	181
Grants	907,880	1,020,549	112,669	655,755
Total nonoperating revenues and other sources	909,230	1,020,726	111,496	655,936
TRANSFERS FROM OTHER FUNDS:				
Transfer from General Fund	35,000	35,000		12,000
Transfer from Electric Fund	166,500	166,500		166,500
Transfer from Gas Fund	111,000	111,000		111,000
Total transfers from other funds	312,500	312,500		289,500
TOTAL REVENUES AND OTHER SOURCES	1,421,930	1,583,038	161,108	1,161,810
FUND BALANCE APPROPRIATED	312,062		(312,062)	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	\$ 1,733,992	\$ 1,583,038	\$ (150,954)	\$ 1,161,810
OPERATING EXPENDITURES:				
General and administrative:				
Personnel Services	\$ 267,170	\$ 206,593	\$ 60,577	\$ 203,629
Operating Expenditures	405,132	346,731	58,401	113,674
Total	672,302	553,324	118,978	317,303
Maintenance:				
Personnel Services	449,270	436,724	12,546	373,579
Operating Expenditures	591,690	531,801	59,889	505,016
Total	1,040,960	968,525	72,435	878,595
Special projects:				
Operating Expenditures	20,730	6,516	14,214	8,652
Total	20,730	6,516	14,214	8,652
Total operating expenditures	1,733,992	1,528,365	205,627	1,204,550
TOTAL EXPENDITURES	\$ 1,733,992	\$ 1,528,365	\$ 205,627	\$ 1,204,550

CITY OF WILSON, NORTH CAROLINA

MASS TRANSIT FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS-
ENTERPRISE FUNDS - MASS TRANSIT
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS	\$ 1,583,038
TOTAL EXPENDITURES - MODIFIED ACCRUAL BASIS	<u>1,528,365</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	54,673
ADJUSTMENTS TO FULL ACCRUAL BASIS:	
Depreciation	(29,658)
(Increase) decrease in accrued vacation	(6,198)
Increase (decrease) in deferred outflows of resources - OPEB	29,618
(Increase) decrease in total OPEB liability	23,505
Increase (decrease) in deferred outflows of resources - LGERS pensions	(45,697)
(Increase) decrease in deferred inflows of resources - LGERS pensions	1,468
(Increase) decrease in net pension liability - LGERS pensions	<u>42,801</u>
CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	<u>\$ 70,512</u>

CITY OF WILSON, NORTH CAROLINA

INDUSTRIAL AIR CENTER FUND

SUPPLEMENTAL STATEMENT OF NET POSITION - ENTERPRISE FUNDS - INDUSTRIAL AIR CENTER

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 263,897	\$ 292,302
Receivables (net of allowances for uncollectibles):		
Accrued interest	322	295
Other receivables	<u>1,346</u>	<u>2,350</u>
Total current assets	<u>265,565</u>	<u>294,947</u>
CAPITAL ASSETS:		
Land	314,867	314,867
Land improvements	540,527	540,527
Buildings	397,574	312,925
Rolling stock	46,141	74,682
Furniture, fixtures and equipment	<u>20,832</u>	<u>20,000</u>
Total capital assets	1,319,941	1,263,001
Less accumulated depreciation	<u>(697,846)</u>	<u>(722,328)</u>
Capital assets, net	<u>622,095</u>	<u>540,673</u>
TOTAL ASSETS	<u>887,660</u>	<u>835,620</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	<u>3,713</u>	
Total liabilities	<u>3,713</u>	
NET POSITION		
Net investment in capital assets	622,095	540,673
Unrestricted	<u>261,852</u>	<u>294,947</u>
TOTAL NET POSITION	<u>\$ 883,947</u>	<u>\$ 835,620</u>

CITY OF WILSON, NORTH CAROLINA

INDUSTRIAL AIR CENTER FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - INDUSTRIAL AIR CENTER

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Airport rental income	\$ 25,258	\$ 26,206
Total operating revenues	<u>25,258</u>	<u>26,206</u>
OPERATING EXPENSES:		
General and administrative	118,495	109,476
Maintenance	28,717	31,291
Depreciation	<u>10,659</u>	<u>9,514</u>
Total operating expenses	<u>157,871</u>	<u>150,281</u>
OPERATING INCOME (LOSS)	<u>(132,613)</u>	<u>(124,075)</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	576	225
Other income	<u>5,484</u>	<u>2,000</u>
Total nonoperating revenue (expense)	<u>6,060</u>	<u>2,225</u>
INCOME (LOSS) BEFORE TRANSFERS	(126,553)	(121,850)
Transfers in	<u>174,880</u>	<u>118,000</u>
CHANGE IN NET POSITION	48,327	(3,850)
NET POSITION - BEGINNING	<u>835,620</u>	<u>839,470</u>
NET POSITION - ENDING	<u>\$ 883,947</u>	<u>\$ 835,620</u>

CITY OF WILSON, NORTH CAROLINA

INDUSTRIAL AIR CENTER FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - INDUSTRIAL AIR CENTER
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 26,262	\$ 26,035
Cash paid to suppliers	(114,414)	(103,159)
Cash paid to employees	(29,085)	(38,760)
Net cash provided by (used in) operating activities	(117,237)	(115,884)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer from other funds	174,880	118,000
Contributions	101	2,000
Net cash provided (used) by noncapital financing activities	174,981	120,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(92,082)	(7,638)
Net cash provided (used) by capital and related financing activities	(86,698)	(7,638)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	549	179
Net cash provided (used) in investing activities	549	179
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS	(28,405)	(3,343)
CASH AND CASH EQUIVALENTS/INVESTMENTS, BEGINNING OF YEAR	292,302	295,645
CASH AND CASH EQUIVALENTS/INVESTMENTS, END OF YEAR	\$ 263,897	\$ 292,302
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (132,613)	\$ (124,075)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	10,659	9,514
Change in assets and liabilities		
(Increase) decrease in accounts receivable	1,004	(171)
Increase (decrease) in accounts payable	3,713	(1,152)
Total adjustments	15,376	8,191
Net cash provided by (used in) operating activities	\$ (117,237)	\$ (115,884)
Noncash investing, capital, and financing activities:		
Increase (decrease) in fair value of investments	\$ (1,010)	\$ (1,472)

CITY OF WILSON, NORTH CAROLINA

INDUSTRIAL AIR CENTER FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ENTERPRISE FUNDS - INDUSTRIAL AIR CENTER
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Airport rental income	\$ 25,000	\$ 25,258	\$ 258	\$ 26,206
Total operating revenues	25,000	25,258	258	26,206
NONOPERATING REVENUES:				
Investment income		576	576	225
Miscellaneous income	7,930	5,484	(2,446)	2,000
Total nonoperating revenues	7,930	6,060	(1,870)	2,225
TRANSFER FROM OTHER FUNDS:				
Transfer from General Fund	54,880	174,880	120,000	118,000
TOTAL REVENUES AND OTHER SOURCES	87,810	206,198	118,388	146,431
FUND BALANCE APPROPRIATED	342,080		(342,080)	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	\$ 429,890	\$ 206,198	\$ (223,692)	\$ 146,431
OPERATING EXPENDITURES:				
Personnel Services	\$ 38,780	\$ 29,085	\$ 9,695	\$ 38,760
Operating Expenditures	177,860	118,127	59,733	102,007
Capital outlay	213,250	92,082	121,168	7,638
TOTAL EXPENDITURES (USES)	\$ 429,890	\$ 239,294	\$ 190,596	\$ 148,405

CITY OF WILSON, NORTH CAROLINA

INDUSTRIAL AIR CENTER FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
ENTERPRISE FUNDS - INDUSTRIAL AIR CENTER
FOR THE YEAR ENDED JUNE 30, 2018

REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS:	
Operating Fund	\$ 206,198
TOTAL EXPENDITURES AND OTHER USES - MODIFIED ACCRUAL BASIS	
Operating fund	<u>239,294</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(33,096)
ADJUSTMENTS TO FULL ACCRUAL BASIS:	
Depreciation	(10,659)
Capital outlay	<u>92,082</u>
CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	<u>\$ 48,327</u>

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - BROADBAND

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 2,098,447	\$ 1,918,097
Receivables (net of allowances for uncollectibles):		
Customer accounts	1,712,340	1,614,773
Accrued interest	2,664	2,208
Other receivables	281,613	162,603
Due from other agencies and governments	6,351	70,939
Inventories	1,640,675	1,836,148
Prepaid insurance cost on debt issuance		74,456
Total current assets	5,742,090	5,679,224
NONCURRENT ASSETS:		
Restricted cash - Deposits	136,916	143,499
Capital assets:		
Buildings	232,634	232,634
Distribution system	26,293,995	26,293,995
Rolling stock	413,148	459,203
Furniture, fixtures and equipment	15,742,966	14,995,713
Total capital assets	42,682,743	41,981,545
Less accumulated depreciation	(22,846,833)	(21,170,208)
Capital assets, net	19,835,910	20,811,337
Total noncurrent assets	19,972,826	20,954,836
TOTAL ASSETS	25,714,916	26,634,060
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources on refunding	338,405	
Pension deferrals - LGERS	90,771	185,900
Contributions subsequent to measurement - LGERS	62,081	58,347
Total deferred outflows of resources	491,257	244,247

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - BROADBAND

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	725,845	610,240
Accrued wages and amounts withheld	132,710	131,800
Accrued interest	60,639	158,956
Customer deposits	136,916	143,499
Certificates of participation - current	2,980,206	2,687,633
Compensated absences - current	140,350	136,183
	<u>4,176,666</u>	<u>3,868,311</u>
Total current liabilities		
NONCURRENT LIABILITIES:		
Certificates of participation payable	14,231,170	17,071,967
Compensated absences - noncurrent	84,788	63,529
Net pension liability - LGERS	204,797	290,399
Advances from other funds	2,580,000	2,780,000
Total noncurrent liabilities	<u>17,100,755</u>	<u>20,205,895</u>
Total liabilities	<u>21,277,421</u>	<u>24,074,206</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	17,771	20,707
Deferred inflow of resources on refunding	71,495	
Total deferred inflows of resources	<u>89,266</u>	<u>20,707</u>
NET POSITION		
Net investment in capital assets	2,891,444	1,051,737
Unrestricted	1,948,042	1,731,657
	<u>4,839,486</u>	<u>2,783,394</u>
TOTAL NET POSITION	<u>\$ 4,839,486</u>	<u>\$ 2,783,394</u>

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - BROADBAND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Broadband services	\$ 14,916,119	\$ 13,961,364
Other	1,204,223	1,544,878
Total operating revenues	<u>16,120,342</u>	<u>15,506,242</u>
OPERATING EXPENSES:		
Broadband inside plant	1,094,734	905,755
General and administrative	1,076,098	1,115,603
Broadband programming fees	7,142,233	6,478,479
Technical support services	(44,577)	(132,243)
Unified Communications Center	99,691	137,357
Broadband operations	2,325,985	2,849,991
Depreciation	1,720,487	1,675,155
Total operating expenses	<u>13,414,651</u>	<u>13,030,097</u>
OPERATING INCOME (LOSS)	<u>2,705,691</u>	<u>2,476,145</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	6,917	4,688
Other income	16,684	126
Intergovernmental	19,900	127,712
Interest expense	(693,100)	(920,605)
Prepaid insurance cost on bond issuance		(13,646)
Total nonoperating revenue (expense)	<u>(649,599)</u>	<u>(801,725)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>2,056,092</u>	<u>1,674,420</u>
CHANGE IN NET POSITION	2,056,092	1,674,420
NET POSITION - BEGINNING	<u>2,783,394</u>	<u>1,108,974</u>
NET POSITION - ENDING	<u>\$ 4,839,486</u>	<u>\$ 2,783,394</u>

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - BROADBAND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 15,897,182	\$ 15,517,897
Cash paid to suppliers	(8,653,157)	(8,899,056)
Cash paid to employees	<u>(2,700,736)</u>	<u>(2,455,404)</u>
Net cash provided by (used in) operating activities	<u>4,543,289</u>	<u>4,163,437</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grant funds received	84,488	56,773
Interfund payable to other funds	<u>(200,000)</u>	<u>(200,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(115,512)</u>	<u>(143,227)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from debt refunding	20,085,008	
Acquisition and construction of capital assets	(747,253)	(667,010)
Principal paid on capital debt	(2,873,633)	(2,217,031)
Interest paid on capital debt	(760,948)	(1,014,830)
Proceeds from sales of capital assets	18,877	126
Payment to refunding agent	<u>(19,982,522)</u>	
Net cash provided (used) by capital and related financing activities	<u>(4,260,471)</u>	<u>(3,898,745)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	<u>6,461</u>	<u>4,111</u>
Net cash provided (used) in investing activities	<u>6,461</u>	<u>4,111</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS	<u>173,767</u>	<u>125,576</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - BEGINNING OF YEAR	<u>2,061,596</u>	<u>1,936,020</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - END OF YEAR	<u>\$ 2,235,363</u>	<u>\$ 2,061,596</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 2,705,691	\$ 2,476,145
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	1,720,487	1,675,155
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(216,577)	(11,642)
(Increase) decrease in inventory	195,473	(178,178)
Increase (decrease) in customer deposits	(6,583)	23,297
Increase (decrease) in accounts payable	115,605	151,209
Increase (decrease) in accrued wages and amounts withheld	26,336	11,073
(Increase) decrease in deferred outflows of resources for pensions - LGERS	91,395	(192,403)
Increase (decrease) in net pension liability	(85,602)	227,945
Increase (decrease) in deferred inflows of resources for pensions - LGERS	<u>(2,936)</u>	<u>(19,164)</u>
Total adjustments	<u>1,837,598</u>	<u>1,687,292</u>
Net cash provided by (used in) operating activities	<u>\$ 4,543,289</u>	<u>\$ 4,163,437</u>
Capital assets acquired to be paid for in subsequent years	<u>\$ (737,019)</u>	
Increase (decrease) in fair value of investments	<u>\$ (8,686)</u>	<u>\$ (10,015)</u>

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ENTERPRISE FUNDS - BROADBAND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONTINUED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Broadband services:				
Telephone service	\$ 2,690,500	\$ 2,689,763	\$ (737)	\$ 2,646,428
Internet service	4,400,000	4,535,035	135,035	4,111,232
Video service	5,450,000	5,379,415	(70,585)	4,908,591
Metronet service/infrastructure	2,336,360	2,311,906	(24,454)	2,295,113
Other	1,158,020	1,204,223	46,203	1,544,878
Total operating revenues	16,034,880	16,120,342	85,462	15,506,242
NONOPERATING REVENUES:				
Investment income	10,000	6,917	(3,083)	4,688
Grants		19,900	19,900	127,712
Miscellaneous income		16,684	16,684	126
Certificates of Participation refunding	20,085,010	20,085,008	(2)	
Total nonoperating revenues	20,095,010	20,128,509	33,499	132,526
TOTAL REVENUES AND OTHER SOURCES	36,129,890	36,248,851	118,961	15,638,768
FUND BALANCE APPROPRIATED	293,136		(293,136)	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	\$ 36,423,026	\$ 36,248,851	\$ (174,175)	\$ 15,638,768
OPERATING EXPENDITURES:				
General and administrative:				
Personnel Services	\$ 396,980	\$ 394,272	\$ 2,708	\$ 384,614
Operating Expenditures	633,376	653,543	(20,167)	720,088
Total	1,030,356	1,047,815	(17,459)	1,104,702
Operations				
Personnel Services	1,007,570	946,856	60,714	869,811
Operating Expenditures	2,080,550	1,379,129	701,421	1,980,180
Capital outlay		737,019	(737,019)	653,861
Total	3,088,120	3,063,004	25,116	3,503,852
Inside Plant				
Personnel Services	449,840	458,100	(8,260)	419,176
Operating Expenditures	562,460	636,634	(74,174)	486,579
Total	1,012,300	1,094,734	(82,434)	905,755
Broadband Services				
Operating Expenditures	7,069,500	7,142,233	(72,733)	6,478,479
Total	7,069,500	7,142,233	(72,733)	6,478,479
Technical Support Services				
Personnel Services	815,990	815,571	419	717,222
Operating Expenditures	1,873,000	1,620,282	252,718	1,579,835
Recovered Costs	(2,462,150)	(2,480,430)	18,280	(2,429,300)
Capital outlay	14,150	10,234	3,916	13,149
Total	240,990	(34,343)	275,333	(119,094)
Unified Communications Center				
Personnel Services	88,880	86,847	2,033	81,131
Operating Expenditures	124,020	161,546	(37,526)	191,001
Recovered Costs	(114,100)	(148,702)	34,602	(134,775)
Total	98,800	99,691	(891)	137,357
Total operating expenditures	12,540,066	12,413,134	126,932	12,011,051

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
 ENTERPRISE FUNDS - BROADBAND
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017) (CONCLUDED)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
INTEREST EXPENSE	910,320	662,631	247,689	998,182
OTHER EXPENDITURE AND USES:				
Debt service costs	\$	\$	\$	\$ 1,000
Certificates of participation principal repayments	2,687,630	2,873,633	(186,003)	2,217,031
Debt refunding - Certificates of participation	20,085,010	19,982,522	102,488	
Advances from other funds repayment	200,000	200,000		200,000
Total other expenditures (uses)	22,972,640	23,056,155	(83,515)	2,418,031
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 36,423,026</u>	<u>\$ 36,131,920</u>	<u>\$ 291,106</u>	<u>\$ 15,427,264</u>

CITY OF WILSON, NORTH CAROLINA

BROADBAND FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
ENTERPRISE FUNDS - BROADBAND
FOR THE YEAR ENDED JUNE 30, 2018

REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS:

Operating Fund \$ 36,248,851

TOTAL EXPENDITURES AND OTHER USES - MODIFIED ACCRUAL BASIS

Operating Fund 36,131,920

EXCESS OF REVENUES AND OTHER SOURCES OVER
EXPENDITURES

116,931

ADJUSTMENTS TO FULL ACCRUAL BASIS:

Depreciation (1,720,487)
Capital outlay 747,253
Notes payable principal retirements 22,406,640
(Increase) decrease in accrued vacation (25,426)
Increase (decrease) in deferred outflows of resources - LGERS pensions (91,395)
(Increase) decrease in deferred inflows of resources - LGERS pensions 2,936
(Increase) decrease in net pension liability - LGERS pensions 85,602
Certificates of Participation refunding (20,085,008)
Advances from other funds repayment 200,000
Deferred charge on refunding 449,515
Amortization of refunding bond reacquisition price difference (30,469)

CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

\$ 2,056,092

CITY OF WILSON, NORTH CAROLINA
STORMWATER MANAGEMENT FUND
SUPPLEMENTAL STATEMENT OF NET FUND POSITION - ENTERPRISE FUNDS - STORMWATER MANAGEMENT
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 2,726,642	\$ 2,405,374
Receivables (net of allowances for uncollectibles):		
Accrued interest	2,738	2,113
Other receivables	319,819	289,763
Total current assets	3,049,199	2,697,250
NONCURRENT ASSETS:		
CAPITAL ASSETS:		
Land	381,715	381,715
Buildings	94,834	94,834
Distribution system	13,171,313	12,745,955
Rolling stock	1,047,141	1,047,141
Furniture, fixtures and equipment	41,181	59,100
Total capital assets	14,736,184	14,328,745
Less accumulated depreciation	(5,301,300)	(5,034,633)
Capital assets, net	9,434,884	9,294,112
TOTAL ASSETS	12,484,083	11,991,362
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals - LGERS	90,771	185,900
Contributions subsequent to measurement - LGERS	62,081	58,347
Total deferred outflows of resources	152,852	244,247
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	69,609	370,513
Accrued wages and amounts withheld	17,336	19,638
Compensated absences - current	14,008	14,214
Total current liabilities	100,953	404,365
NONCURRENT LIABILITIES:		
Compensated absences - noncurrent	14,438	17,322
Net pension liability - LGERS	204,797	290,399
Total noncurrent liabilities	219,235	307,721
Total liabilities	320,188	712,086
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	17,771	20,707
Total deferred inflows of resources	17,771	20,707
NET POSITION		
Net investment in capital assets	9,434,884	9,294,112
Unrestricted	2,864,092	2,208,704
TOTAL NET POSITION	\$ 12,298,976	\$ 11,502,816

CITY OF WILSON, NORTH CAROLINA

STORMWATER MANAGEMENT FUND

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS - STORMWATER MANAGEMENT

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Stormwater management fee	\$ 3,561,890	\$ 3,195,264
Other	41,460	26,672
Total operating revenues	3,603,350	3,221,936
OPERATING EXPENSES:		
Stormwater management	2,531,880	2,503,341
Depreciation	284,586	285,314
Total operating expenses	2,816,466	2,788,655
OPERATING INCOME (LOSS)	786,884	433,281
NONOPERATING REVENUES (EXPENSES):		
Investment income	1,495	(3,121)
Other income	3,985	
Total nonoperating revenue (expense)	5,480	(3,121)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	792,364	430,160
Transfers out		(20,200)
Capital contributions	3,796	1,500
CHANGE IN NET POSITION	796,160	411,460
NET POSITION - BEGINNING	11,502,816	11,091,356
NET POSITION - ENDING	\$ 12,298,976	\$ 11,502,816

CITY OF WILSON, NORTH CAROLINA

STORMWATER MANAGEMENT FUND

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - ENTERPRISE FUNDS - STORMWATER MANAGEMENT

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 3,573,294	\$ 3,192,392
Cash paid to suppliers	(2,248,580)	(1,531,451)
Cash paid to employees	(586,739)	(588,709)
Net cash provided by (used in) operating activities	<u>737,975</u>	<u>1,072,232</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to other funds		(20,200)
Net cash provided (used) by noncapital financing activities		<u>(20,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(421,562)	(850,523)
Proceeds from sales of capital assets	3,985	
Net cash provided (used) by capital and related financing activities	<u>(417,577)</u>	<u>(850,523)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	870	(3,540)
Net cash provided (used) in investing activities	<u>870</u>	<u>(3,540)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/ INVESTMENTS	<u>321,268</u>	<u>197,969</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, BEGINNING OF YEAR	<u>2,405,374</u>	<u>2,207,405</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, END OF YEAR	<u>\$ 2,726,642</u>	<u>\$ 2,405,374</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 786,884	\$ 433,281
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	284,586	285,314
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(30,056)	(29,544)
Increase (decrease) in accounts payable	(300,904)	357,780
Increase (decrease) in accrued wages and amounts withheld	(5,392)	9,023
(Increase) decrease in deferred outflows of resources for pensions - LGERS	91,395	(192,403)
Increase (decrease) in net pension liability	(85,602)	227,945
Increase (decrease) in deferred inflows of resources for pensions - LGERS	(2,936)	(19,164)
Total adjustments	<u>(48,909)</u>	<u>638,951</u>
Net cash provided by (used in) operating activities	<u>\$ 737,975</u>	<u>\$ 1,072,232</u>
Noncash investing, capital, and financing activities:		
Capital assets contributed (to)/from other funds/customers	\$ 3,796	\$ 1,500
Capital assets acquired to be paid for in subsequent years	<u>(54,960)</u>	<u>(9,159)</u>
Increase (decrease) in fair value of investments	<u>(9,137)</u>	<u>(10,159)</u>

CITY OF WILSON, NORTH CAROLINA

STORMWATER MANAGEMENT FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -

ENTERPRISE FUNDS - STORMWATER MANAGEMENT

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Stormwater Management fee	\$ 3,480,000	\$ 3,561,890	\$ 81,890	\$ 3,195,264
Other	16,810	41,460	24,650	26,672
Total operating revenues	<u>3,496,810</u>	<u>3,603,350</u>	<u>106,540</u>	<u>3,221,936</u>
NONOPERATING REVENUES:				
Investment income		1,495	1,495	(3,121)
Miscellaneous income		3,985	3,985	
Total nonoperating revenues		<u>5,480</u>	<u>5,480</u>	<u>(3,121)</u>
TOTAL REVENUES	3,496,810	3,608,830	112,020	3,218,815
TRANSFER FROM OTHER FUNDS		<u>209,983</u>	<u>209,983</u>	<u>28,281</u>
FUND BALANCE APPROPRIATED	<u>145,074</u>		<u>(145,074)</u>	
TOTAL REVENUES, OTHER SOURCES AND FUND BALANCE APPROPRIATIONS	<u>\$ 3,641,884</u>	<u>\$ 3,818,813</u>	<u>\$ 176,929</u>	<u>\$ 3,247,096</u>
OPERATING EXPENDITURES:				
Personnel Services	\$ 599,490	\$ 584,437	\$ 15,053	\$ 590,200
Operating Expenditures	1,996,851	1,947,676	49,175	1,889,231
Capital outlay	1,045,543	315,509	730,034	166,770
Total operating expenditures	<u>3,641,884</u>	<u>2,847,622</u>	<u>794,262</u>	<u>2,646,201</u>
OTHER EXPENDITURE AND USES:				
Transfers to other funds				20,200
Total other expenditures (uses)				<u>20,200</u>
TOTAL EXPENDITURES (USES)	<u>\$ 3,641,884</u>	<u>\$ 2,847,622</u>	<u>\$ 794,262</u>	<u>\$ 2,666,401</u>

CITY OF WILSON, NORTH CAROLINA

STORMWATER MANAGEMENT FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
MERRIMONT PARK DRAINAGE CAPITAL PROJECT FUND (Project SM0058)
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
OPERATING EXPENDITURES -					
CAPITAL OUTLAY:					
Engineering	\$ 35,500	\$ 26,177	\$ 9,323	\$ 35,500	\$
Drainage improvements	<u>754,520</u>	<u>657,787</u>	<u>96,730</u>	<u>754,517</u>	<u>3</u>
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>790,020</u>	<u>683,964</u>	<u>106,053</u>	<u>790,017</u>	<u>3</u>
NONOPERATING EXPENDITURES AND OTHER USES:					
Transfer to other funds	<u>209,980</u>		<u>209,983</u>	<u>209,983</u>	<u>(3)</u>
TOTAL NONOPERATING EXPENDITURES AND OTHER USES	<u>209,980</u>		<u>209,983</u>	<u>209,983</u>	<u>(3)</u>
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 1,000,000</u>	<u>\$ 683,964</u>	<u>\$ 316,036</u>	<u>\$ 1,000,000</u>	<u>\$</u>
NONOPERATING REVENUES AND OTHER SOURCES:					
Transfer from other funds	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$</u>	<u>\$ 1,000,000</u>	<u>\$</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$</u>	<u>\$ 1,000,000</u>	<u>\$</u>

CITY OF WILSON, NORTH CAROLINA

STORMWATER MANAGEMENT FUND

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
ENTERPRISE FUNDS - STORMWATER MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2018

REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS:

Operating Fund	\$ 3,818,813
	<u>3,818,813</u>

TOTAL EXPENDITURES - MODIFIED ACCRUAL BASIS

Operating fund	2,847,622
Merrimont Park Drainage Capital Project	316,036
	<u>3,163,658</u>

EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES

655,155

ADJUSTMENTS TO FULL ACCRUAL BASIS:

Depreciation	(284,586)
Capital outlay	421,562
(Increase) decrease in accrued vacation	3,090
Increase (decrease) in deferred outflows of resources - LGERS pensions	(91,395)
(Increase) decrease in deferred inflows of resources - LGERS pensions	2,936
(Increase) decrease in net pension liability - LGERS pensions	85,602
Contributed Capital	<u>3,796</u>

CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

\$ 796,160

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

Risk Management – A separate fund to supplement the \$15 million excess liability insurance policy for general liability, automotive and public official insurance coverage. The fund was established by a 1980 City Council ordinance and was accounted for as an Expendable Trust Fund until implementation of GASB No. 10 in 1995. With the City's move to self-insurance in 1997, the workers compensation fund was incorporated into the Risk Management Fund to account for all City self-insurance risk except health, dental and vision benefits.

Group Insurance Benefits – Accounts for the City's limited risk self-insurance for health, dental and vision benefits for City employees and their dependents, along with life insurance benefits for employees.

Operations Center – Accounts for costs of operating and maintaining the Operations Center, which is used by departments of several funds.

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICES FUNDS

SUPPLEMENTAL COMBINING STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS

JUNE 30, 2018

	Risk Management	Group Insurance Benefits	Operations Center	Total
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents/investments	\$ 6,568,328	\$ 9,016,339	\$ 2,082,266	\$ 17,666,933
Accrued interest	8,708	10,984	2,664	22,356
Other receivables	11,471	16,079		27,550
Prepaid expenses	21,009			21,009
Total current assets	6,609,516	9,043,402	2,084,930	17,737,848
NONCURRENT ASSETS:				
Capital assets:				
Land			463,998	463,998
Land improvements			1,941,894	1,941,894
Buildings			10,215,330	10,215,330
Rolling stock	20,643			20,643
Furniture, fixtures and equipment	339,125		845,243	1,184,368
Total capital assets	359,768		13,466,465	13,826,233
Less accumulated depreciation	(211,012)		(5,920,367)	(6,131,379)
Capital assets, net	148,756		7,546,098	7,694,854
Total noncurrent assets	148,756		7,546,098	7,694,854
TOTAL ASSETS	6,758,272	9,043,402	9,631,028	25,432,702
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable			271,969	271,969
Accrued wages and amounts withheld	5,346			5,346
Accrued interest			8,460	8,460
Insurance claims payable	1,238,491	1,444,307		2,682,798
Certificates of participation - current			317,794	317,794
Compensated absences - current	8,346			8,346
Total current liabilities	1,252,183	1,444,307	598,223	3,294,713
NONCURRENT LIABILITIES:				
Certificates of participation payable			1,041,830	1,041,830
Compensated absences - noncurrent	7,139			7,139
Total noncurrent liabilities	7,139		1,041,830	1,048,969
Total liabilities	1,259,322	1,444,307	1,640,053	4,343,682
DEFERRED INFLOWS OF RESOURCES				
Retiree insurance premium prepayments		1,060		1,060
Deferred inflow of resources on refunding			13,898	13,898
Total deferred inflows of resources		1,060	13,898	14,958
NET POSITION				
Net investment in capital assets	148,756		6,172,576	6,321,332
Unrestricted	5,350,194	7,598,035	1,804,501	14,752,730
TOTAL NET POSITION	\$ 5,498,950	\$ 7,598,035	\$ 7,977,077	\$ 21,074,062

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICES FUNDS

SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2018

	Risk Management	Group Insurance Benefits	Operations Center	Total
OPERATING REVENUES:				
Contributions from various funds	\$ 3,074,470	\$ 11,445,049	\$ 1,151,439	\$ 15,670,958
Contributions from employees		1,286,206		1,286,206
Contributions from retirees		212,038		212,038
Other	247,218			247,218
Total operating revenues	3,321,688	12,943,293	1,151,439	17,416,420
OPERATING EXPENSES:				
Maintenance			376,895	376,895
Administrative fees	566,600	499,775		1,066,375
Insurance claims	722,384	1,610,403	104,530	2,437,317
Benefits claim payments	2,229,650	10,016,183		12,245,833
Depreciation	40,151		288,310	328,461
Total operating expenses	3,558,785	12,126,361	769,735	16,454,881
OPERATING INCOME (LOSS)	(237,097)	816,932	381,704	961,539
NONOPERATING REVENUES (EXPENSES):				
Investment income	5,090	12,615	3,943	21,648
Other income		325		325
Interest expense			(78,168)	(78,168)
Total nonoperating revenue (expense)	5,090	12,940	(74,225)	(56,195)
CHANGE IN NET POSITION	(232,007)	829,872	307,479	905,344
NET POSITION - BEGINNING	5,730,957	6,768,163	7,669,598	20,168,718
NET POSITION - ENDING	\$ 5,498,950	\$ 7,598,035	\$ 7,977,077	\$ 21,074,062

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2018

	Risk Management	Group Insurance Benefits	Operations Center	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 3,074,470	\$ 12,941,164	\$ 1,151,439	\$ 17,167,073
Insurance claim reimbursements	247,218			247,218
Cash paid to suppliers	(2,704,188)	(12,132,004)	(232,796)	(15,068,988)
Cash paid to employees	(232,565)			(232,565)
Net cash provided by (used in) operating activities	<u>384,935</u>	<u>809,160</u>	<u>918,643</u>	<u>2,112,738</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from debt refunding			1,661,992	1,661,992
Acquisition and construction of capital assets	(84,807)		(537,737)	(622,544)
Principal paid on capital debt			(311,077)	(311,077)
Interest paid on capital debt			(78,460)	(78,460)
Payment to refunding agent			(1,653,328)	(1,653,328)
Net cash provided (used) by capital and related financing activities	<u>(84,807)</u>		<u>(918,610)</u>	<u>(1,003,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	2,736	9,876	3,524	16,136
Net cash provided (used) in investing activities	<u>2,736</u>	<u>9,876</u>	<u>3,524</u>	<u>16,136</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>302,864</u>	<u>819,036</u>	<u>3,557</u>	<u>1,125,457</u>
Cash and cash equivalents/investments, (Including restricted cash) - beginning of year	<u>6,265,464</u>	<u>8,197,303</u>	<u>2,078,709</u>	<u>16,541,476</u>
Restatement				
Cash and cash equivalents/investments, (Including restricted cash) - beginning of year as restated	6,265,464	8,197,303	2,078,709	16,541,476
Cash and cash equivalents/investments, (Including restricted cash) - end of year	<u>\$ 6,568,328</u>	<u>\$ 9,016,339</u>	<u>\$ 2,082,266</u>	<u>\$ 17,666,933</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (237,097)	\$ 816,932	\$ 381,704	\$ 961,539
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	40,151		288,310	328,461
Insurance refunds		325		325
Change in assets and liabilities				
(Increase) decrease in prepaid items	(2,208)			(2,208)
Increase (decrease) in retiree insurance premium prepayments		(2,129)		(2,129)
Increase (decrease) in insurance claims payable	583,334	(5,968)		577,366
Increase (decrease) in accounts payable			248,629	248,629
Increase (decrease) in accrued wages and amounts withheld	755			755
Total adjustments	<u>622,032</u>	<u>(7,772)</u>	<u>536,939</u>	<u>1,151,199</u>
Net cash provided by (used in) operating activities	<u>\$ 384,935</u>	<u>\$ 809,160</u>	<u>\$ 918,643</u>	<u>\$ 2,112,738</u>
Noncash investing, capital, and financing activities:				
Increase (decrease) in fair value of investments	<u>\$ (29,542)</u>	<u>\$ (36,955)</u>	<u>\$ (8,637)</u>	<u>\$ (75,134)</u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS

RISK MANAGEMENT FUND

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 6,568,328	\$ 6,265,464
Accrued interest	8,708	6,354
Other receivables	11,471	11,471
Prepaid expenses	21,009	18,801
Total current assets	6,609,516	6,302,090
CAPITAL ASSETS:		
Rolling stock	20,643	20,643
Furniture, fixtures and equipment	339,125	254,318
Total capital assets	359,768	274,961
Less accumulated depreciation	(211,012)	(170,861)
Capital assets, net	148,756	104,100
TOTAL ASSETS	6,758,272	6,406,190
LIABILITIES:		
Accrued wages and amounts withheld	5,346	5,197
Insurance claims payable	1,238,491	655,157
Compensated absences - current	8,346	8,306
Total current liabilities	1,252,183	668,660
Compensated absences - noncurrent	7,139	6,573
Total noncurrent liabilities	7,139	6,573
Total liabilities	1,259,322	675,233
NET POSITION		
Net investment in capital assets	148,756	104,100
Unrestricted	5,350,194	5,626,857
TOTAL NET POSITION	\$ 5,498,950	\$ 5,730,957

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

RISK MANAGEMENT FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Contributions from various funds	\$ 3,074,470	\$ 3,129,330
Other	247,218	173,760
Total operating revenues	<u>3,321,688</u>	<u>3,303,090</u>
OPERATING EXPENSES:		
Administrative fees	566,600	760,340
Insurance claims	722,384	700,544
Benefits claim payments	2,229,650	1,034,486
Depreciation	40,151	12,817
Total operating expenses	<u>3,558,785</u>	<u>2,508,187</u>
OPERATING INCOME (LOSS)	<u>(237,097)</u>	<u>794,903</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	5,090	189
Total nonoperating revenue (expense)	<u>5,090</u>	<u>189</u>
CHANGE IN NET POSITION	(232,007)	795,092
NET POSITION - BEGINNING	<u>5,730,957</u>	<u>4,935,865</u>
NET POSITION - ENDING	<u>\$ 5,498,950</u>	<u>\$ 5,730,957</u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - INTERNAL SERVICE FUND - RISK MANAGEMENT FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 3,074,470	\$ 3,129,330
Insurance claim reimbursements	247,218	162,289
Cash paid to suppliers	(2,704,188)	(2,266,704)
Cash paid to employees	(232,565)	(232,095)
	384,935	792,820
CASH FLOWS FROM CAPITAL FINANCING AND RELATED ACTIVITIES:		
Acquisition and construction of capital assets	(84,807)	(81,810)
	(84,807)	(81,810)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and dividends received	2,736	(1,214)
	2,736	(1,214)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS	302,864	709,796
CASH AND CASH EQUIVALENTS/INVESTMENTS, BEGINNING OF YEAR	6,265,464	5,555,668
CASH AND CASH EQUIVALENTS/INVESTMENTS, END OF YEAR	\$ 6,568,328	\$ 6,265,464
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (237,097)	\$ 794,903
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	40,151	12,817
Change in assets and liabilities		
(Increase) decrease in accounts receivable		(11,471)
(Increase) decrease in prepaid items	(2,208)	(1,963)
Increase (decrease) in insurance claims payable	583,334	(84)
Increase (decrease) in accrued wages and amounts withheld	755	(1,382)
Total adjustments	622,032	(2,083)
Net cash provided by (used in) operating activities	\$ 384,935	\$ 792,820
Noncash investing, capital, and financing activities:		
Increase (decrease) in fair value of investments	\$ (29,542)	\$ (29,929)

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES

FINANCIAL PLAN AND ACTUAL (NON-GAAP) INTERNAL SERVICE FUNDS - RISK MANAGEMENT FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Financial Plan	Actual		
OPERATING REVENUES:				
Contributions from various funds	\$ 3,074,470	\$ 3,074,470	\$	\$ 3,129,330
Other		247,218	247,218	173,760
Total operating revenues	3,074,470	3,321,688	247,218	3,303,090
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income		5,090	5,090	189
Total nonoperating revenues and other sources		5,090	5,090	189
TOTAL REVENUES	3,074,470	3,326,778	252,308	3,303,279
FUND BALANCE APPROPRIATED	84,807		(84,807)	
TOTAL REVENUES AND FUND BALANCE APPROPRIATIONS	\$ 3,159,277	\$ 3,326,778	\$ 167,501	\$ 3,303,279
OPERATING EXPENDITURES:				
Administrative fees	\$ 717,360	\$ 565,994	\$ 151,366	\$ 762,440
Insurance	835,280	722,384	112,896	700,544
Benefit claim payments	1,521,830	2,229,650	(707,820)	1,034,486
Total operating expenditures	3,074,470	3,518,028	(443,558)	2,497,470
OTHER EXPENDITURES AND USES:				
Capital outlay	84,807	84,807		81,810
TOTAL EXPENDITURES (USES)	\$ 3,159,277	\$ 3,602,835	\$ (443,558)	\$ 2,579,280

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS-
INTERNAL SERVICE FUNDS - RISK MANAGEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS	\$	3,326,778
TOTAL EXPENDITURES - MODIFIED ACCRUAL BASIS		<u>3,602,835</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		<u>(276,057)</u>
ADJUSTMENTS TO FULL ACCRUAL BASIS:		
Depreciation		(40,151)
(Increase) decrease in accrued vacation		(606)
Capital outlay		<u>84,807</u>
CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	\$	<u><u>(232,007)</u></u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

GROUP INSURANCE BENEFITS FUND

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents/investments	\$ 9,016,339	\$ 8,197,303
Receivables (net of allowances for uncollectibles):		
Accrued interest	10,984	8,245
Other receivables	16,079	16,079
Total current assets	<u>9,043,402</u>	<u>8,221,627</u>
TOTAL ASSETS	<u>9,043,402</u>	<u>8,221,627</u>
LIABILITIES		
Insurance claims payable	<u>1,444,307</u>	<u>1,450,275</u>
Total liabilities	<u>1,444,307</u>	<u>1,450,275</u>
DEFERRED INFLOWS OF RESOURCES		
Retiree insurance premium prepayments	<u>1,060</u>	<u>3,189</u>
Total deferred inflows of resources	<u>1,060</u>	<u>3,189</u>
NET POSITION		
Unrestricted	<u>7,598,035</u>	<u>6,768,163</u>
TOTAL NET POSITION	<u>\$ 7,598,035</u>	<u>\$ 6,768,163</u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

GROUP INSURANCE BENEFITS FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Contributions from various funds	\$ 11,445,049	\$ 11,114,820
Contributions from employees	1,286,206	1,280,044
Contributions from retirees	212,038	201,675
	<hr/>	<hr/>
Total operating revenues	12,943,293	12,596,539
	<hr/>	<hr/>
OPERATING EXPENSES:		
Administrative fees	499,775	522,541
Insurance claims	1,610,403	1,573,019
Benefits claim payments	10,016,183	9,486,484
	<hr/>	<hr/>
Total operating expenses	12,126,361	11,582,044
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	816,932	1,014,495
	<hr/>	<hr/>
NONOPERATING REVENUES (EXPENSES):		
Investment income	12,615	5,170
Other income	325	150
	<hr/>	<hr/>
Total nonoperating revenue (expense)	12,940	5,320
	<hr/>	<hr/>
CHANGE IN NET POSITION	829,872	1,019,815
	<hr/>	<hr/>
NET POSITION - BEGINNING	6,768,163	5,748,348
	<hr/>	<hr/>
NET POSITION - ENDING	\$ 7,598,035	\$ 6,768,163
	<hr/> <hr/>	<hr/> <hr/>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - INTERNAL SERVICE FUNDS - GROUP INSURANCE BENEFITS FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 12,941,164	\$ 12,594,451
Cash paid to suppliers	(12,132,004)	(11,728,217)
Net cash provided by (used in) operating activities	809,160	866,234
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	9,876	3,087
Net cash provided (used) in investing activities	9,876	3,087
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS		
	819,036	869,321
CASH AND CASH EQUIVALENTS/INVESTMENTS, BEGINNING OF YEAR		
	8,197,303	7,327,982
CASH AND CASH EQUIVALENTS/INVESTMENTS, END OF YEAR		
	\$ 9,016,339	\$ 8,197,303
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 816,932	\$ 1,014,495
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Insurance refunds	325	150
Change in assets and liabilities		
(Increase) decrease in accounts receivable		(5,010)
Increase (decrease) in retiree insurance premium prepayments	(2,129)	2,922
Increase (decrease) in insurance claims payable	(5,968)	(146,323)
Total adjustments	(7,772)	(148,261)
Net cash provided by (used in) operating activities	\$ 809,160	\$ 866,234
Noncash investing, capital, and financing activities:		
Increase (decrease) in fair value of investments	\$ (36,955)	\$ (37,703)

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES

FINANCIAL PLAN AND ACTUAL (NON-GAAP) INTERNAL SERVICE FUNDS - GROUP INSURANCE BENEFITS FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Financial Plan	Actual		
OPERATING REVENUES:				
Contributions from various funds	\$ 12,181,320	\$ 11,445,049	\$ (736,271)	\$ 11,114,820
Contributions from employees	1,253,050	1,286,206	33,156	1,280,044
Contributions from retirees	209,320	212,038	2,718	201,675
Total operating revenues	13,643,690	12,943,293	(700,397)	12,596,539
NONOPERATING REVENUES				
Investment income		12,615	12,615	5,170
Other income		325	325	150
Total nonoperating revenues		12,940	12,940	5,320
TOTAL REVENUES	\$ 13,643,690	\$ 12,956,233	\$ (687,457)	\$ 12,601,859
OPERATING EXPENDITURES:				
Administrative fees	\$ 503,000	\$ 499,775	\$ 3,225	\$ 522,541
Insurance	2,493,670	1,610,403	883,267	1,573,019
Benefit claim payments	10,647,020	10,016,183	630,837	9,486,484
TOTAL EXPENDITURES	\$ 13,643,690	\$ 12,126,361	\$ 1,517,329	\$ 11,582,044

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - INTERNAL SERVICE FUNDS

OPERATIONS CENTER FUND

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 2,082,266	\$ 2,078,709
Receivables (net of allowances for uncollectibles):		
Accrued interest	2,664	2,245
Total current assets	2,084,930	2,080,954
NONCURRENT ASSETS:		
Capital Assets:		
Land	463,998	463,998
Land improvements	1,941,894	1,684,066
Buildings	10,215,330	9,953,691
Furniture, fixtures and equipment	845,243	826,973
Total capital assets	13,466,465	12,928,728
Less accumulated depreciation	(5,920,367)	(5,632,057)
Capital assets, net	7,546,098	7,296,671
Total noncurrent assets	7,546,098	7,296,671
TOTAL ASSETS	9,631,028	9,377,625
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	271,969	23,340
Accrued interest	8,460	13,986
Certificates of participation - current	317,794	302,367
Total current liabilities	598,223	339,693
NONCURRENT LIABILITIES:		
Certificates of participation payable	1,041,830	1,368,334
Total noncurrent liabilities	1,041,830	1,368,334
Total liabilities	1,640,053	1,708,027
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow of resources on refunding	13,898	
Total deferred inflows of resources	13,898	
NET POSITION		
Net investment in capital assets	6,172,576	5,625,970
Unrestricted	1,804,501	2,043,628
TOTAL NET POSITION	\$ 7,977,077	\$ 7,669,598

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS

OPERATIONS CENTER FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Contributions from various funds	\$ 1,151,439	\$ 1,003,755
Total operating revenues	<u>1,151,439</u>	<u>1,003,755</u>
OPERATING EXPENSES:		
Maintenance	376,895	225,085
Insurance claims	104,530	115,160
Depreciation	<u>288,310</u>	<u>307,441</u>
Total operating expenses	<u>769,735</u>	<u>647,686</u>
OPERATING INCOME (LOSS)	<u>381,704</u>	<u>356,069</u>
NONOPERATING REVENUES (EXPENSES):		
Investment income	3,943	3,290
Interest expense	<u>(78,168)</u>	<u>(89,885)</u>
Total nonoperating revenue (expense)	<u>(74,225)</u>	<u>(86,595)</u>
CHANGE IN NET POSITION	307,479	269,474
NET POSITION - BEGINNING	<u>7,669,598</u>	<u>7,400,124</u>
NET POSITION - ENDING	<u>\$ 7,977,077</u>	<u>\$ 7,669,598</u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - INTERNAL SERVICE FUNDS - OPERATIONS CENTER FUND

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund services provided	\$ 1,151,439	\$ 1,003,755
Cash paid to suppliers	(232,796)	(508,594)
Net cash provided by (used in) operating activities	918,643	495,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from debt refunding	1,661,992	
Acquisition and construction of capital assets	(537,737)	(464,274)
Principal paid on capital debt	(311,077)	(287,969)
Interest paid on capital debt	(78,460)	(94,320)
Payment to refunding agent	(1,653,328)	
Net cash provided (used) by capital and related financing activities	(918,610)	(846,563)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	3,524	2,326
Net cash provided (used) in investing activities	3,524	2,326
NET INCREASE IN CASH AND CASH EQUIVALENTS/INVESTMENTS		
CASH EQUIVALENTS/INVESTMENTS	3,557	(349,076)
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - BEGINNING OF YEAR		
	2,078,709	2,427,785
CASH AND CASH EQUIVALENTS/INVESTMENTS (INCLUDING RESTRICTED CASH) - END OF YEAR		
	\$ 2,082,266	\$ 2,078,709
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 381,704	\$ 356,069
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	288,310	307,441
Change in assets and liabilities		
Increase (decrease) in accounts payable	248,629	(168,349)
Total adjustments	536,939	139,092
Net cash provided by (used in) operating activities	\$ 918,643	\$ 495,161
Noncash investing, capital, and financing activities:		
Capital assets acquired to be paid for in subsequent years	\$	\$ 157,302
Increase (decrease) in fair value of investments	\$ (8,637)	\$ (8,547)

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES

FINANCIAL PLAN AND ACTUAL (NON-GAAP) INTERNAL SERVICE FUNDS - OPERATIONS CENTER FUND

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Financial Plan	Actual		
OPERATING REVENUES:				
Operations Center Use Charge	\$ 1,156,820	\$ 1,151,439	\$ (5,381)	\$ 1,003,755
Total operating revenues	<u>1,156,820</u>	<u>1,151,439</u>	<u>(5,381)</u>	<u>1,003,755</u>
NONOPERATING REVENUES AND OTHER SOURCES:				
Investment income		3,943	3,943	3,290
Proceeds from debt issuance	1,661,990	1,661,992	2	
Fund balance appropriated	<u>370,014</u>		<u>(370,014)</u>	
Total nonoperating revenues	<u>2,032,004</u>	<u>1,665,935</u>	<u>(366,069)</u>	<u>3,290</u>
TOTAL REVENUES	<u><u>\$ 3,188,824</u></u>	<u><u>\$ 2,817,374</u></u>	<u><u>\$ (371,450)</u></u>	<u><u>\$ 1,007,045</u></u>
OPERATING EXPENDITURES:				
Insurance	\$ 104,530	\$ 104,530	\$	\$ 115,160
Building Maintenance	324,566	376,895	(52,329)	225,085
Capital outlay	<u>715,448</u>	<u>537,737</u>	<u>177,711</u>	<u>464,274</u>
Total operating expenditures	<u>1,144,544</u>	<u>1,019,162</u>	<u>125,382</u>	<u>804,519</u>
INTEREST EXPENSE	<u>79,920</u>	<u>81,643</u>	<u>(1,723)</u>	<u>92,062</u>
OTHER EXPENDITURES AND USES:				
Lease purchase principal repayments	302,370	302,367	3	287,969
Debt refunding - Certificates of participation	<u>1,661,990</u>	<u>1,653,328</u>	<u>8,662</u>	
Total other expenditures (uses)	<u>1,964,360</u>	<u>1,955,695</u>	<u>(8,665)</u>	<u>287,969</u>
TOTAL EXPENDITURES AND USES	<u><u>\$ 3,188,824</u></u>	<u><u>\$ 3,056,500</u></u>	<u><u>\$ 132,324</u></u>	<u><u>\$ 1,184,550</u></u>

CITY OF WILSON, NORTH CAROLINA

INTERNAL SERVICE FUNDS

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS-
INTERNAL SERVICE FUNDS - OPERATIONS CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES AND OTHER SOURCES - MODIFIED ACCRUAL BASIS	
Operating Fund	\$ <u>2,817,374</u>
TOTAL EXPENDITURES - MODIFIED ACCRUAL BASIS	
Operating Fund	<u>3,056,500</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(239,126)
ADJUSTMENTS TO FULL ACCRUAL BASIS:	
Depreciation	(288,310)
Certificates of Participation refunding	(1,661,992)
Notes payable principal retirements	1,964,360
Deferred charge on refunding	(8,665)
Amortization of refunding bond reacquisition price difference	3,475
Capital outlay	<u>537,737</u>
CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	<u>\$ 307,479</u>

CITY OF WILSON, NORTH CAROLINA

COMPONENT UNITS

Downtown Development Corporation – This discretely presented governmental fund type component unit accounts for economic development activities in a municipal service district created by an act of Council.

Wilson Cemetery Commission – This discretely presented enterprise fund type component unit accounts for operations and maintenance of municipal cemeteries.

CITY OF WILSON, NORTH CAROLINA

DOWNTOWN DEVELOPMENT CORPORATION

SUPPLEMENTAL BALANCE SHEETS - DISCRETELY PRESENTED COMPONENT UNIT -

DOWNTOWN DEVELOPMENT CORPORATION

JUNE 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 173,020	\$ 105,484
Receivables (net of allowance for uncollectibles):		
Property taxes	4,938	4,347
Accrued interest	210	101
Miscellaneous	350	350
Due from other agencies and governments	8,331	4,421
TOTAL ASSETS	<u>\$ 186,849</u>	<u>\$ 114,703</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 10,467	\$ 7,370
Accrued wages and amounts withheld	11,621	11,585
Total liabilities	<u>22,088</u>	<u>18,955</u>
DEFERRED INFLOWS OF RESOURCES		
Uncollected property taxes and miscellaneous receivables	5,287	4,696
Total deferred inflows of resources	<u>5,287</u>	<u>4,696</u>
FUND BALANCE:		
Restricted		
Stabilization by State Statute	23,541	14,522
Planning and development		55,950
Assigned		
Subsequent year's expenditures	178,670	20,580
Unassigned	(42,737)	
Total fund balance	<u>159,474</u>	<u>91,052</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 186,849</u>	<u>\$ 114,703</u>

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

DOWNTOWN DEVELOPMENT CORPORATION

RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION

DISCRETELY PRESENTED COMPONENT UNIT - DOWNTOWN DEVELOPMENT CORPORATION

JUNE 30, 2018

Fund Balance - Downtown Development Corporation	\$ 159,474
Amounts reported for Downtown Development component unit in the statement of net position are different because:	
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.	1,383
Net pension liability - LGERS	(45,495)
Deferred outflows of resources related to pensions are not reported in the funds	34,536
Pension related deferrals	(8,766)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(22,450)
Deferred revenue in governmental funds is susceptible to full accrual on the government-wide statements.	<u>5,287</u>
Net position of Downtown Development Corporation	<u><u>\$ 123,969</u></u>

CITY OF WILSON, NORTH CAROLINA

DOWNTOWN DEVELOPMENT CORPORATION

SUPPLEMENTAL STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
DISCRETELY PRESENTED COMPONENT UNIT - DOWNTOWN DEVELOPMENT CORPORATION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
REVENUES:		
Ad valorem property taxes	\$ 64,628	\$ 63,740
Motor vehicle property taxes	2,169	2,243
Intergovernmental revenues	15,750	15,750
Investment income	525	281
Miscellaneous income	60,825	51,739
Contribution from City of Wilson	<u>255,000</u>	<u>255,000</u>
 Total revenues	 <u>398,897</u>	 <u>388,753</u>
EXPENDITURES:		
Administration	210,671	247,391
Program activities	<u>119,804</u>	<u>93,033</u>
 Total expenditures	 <u>330,475</u>	 <u>340,424</u>
NET CHANGE IN FUND BALANCES	68,422	48,329
FUND BALANCE, BEGINNING OF YEAR	<u>91,052</u>	<u>42,723</u>
FUND BALANCE, END OF YEAR	<u>\$ 159,474</u>	<u>\$ 91,052</u>

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

DOWNTOWN DEVELOPMENT CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

DISCRETELY PRESENTED COMPONENT UNIT - DOWNTOWN DEVELOPMENT CORPORATION

FOR THE YEAR ENDED JUNE 30, 2018

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

Net change in fund balance - Downtown Development Corporation	\$	68,422
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.		4,614
Pension expense		(486)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		<u>591</u>
Changes in net position of Downtown Development Corporation	\$	<u><u>73,141</u></u>

CITY OF WILSON, NORTH CAROLINA

DOWNTOWN DEVELOPMENT CORPORATION

SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

BUDGET AND ACTUAL - DISCRETELY PRESENTED COMPONENT UNIT

DOWNTOWN DEVELOPMENT CORPORATION

FOR THE YEAR ENDED JUNE 30, 2018

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017
	Budget	Actual		Actual
REVENUES:				
Ad valorem property taxes	\$ 61,190	\$ 64,628	\$ 3,438	\$ 63,740
Motor vehicle property taxes	1,160	2,169	1,009	2,243
Intergovernmental revenues	15,750	15,750		15,750
Investment income		525	525	281
Miscellaneous income	38,790	60,825	22,035	51,739
Contribution from City of Wilson	255,000	255,000		255,000
Total revenues	371,890	398,897	27,007	388,753
Fund balance appropriated	30,580		(30,580)	
Total revenues and fund balance appropriations	402,470	398,897	(3,573)	388,753
EXPENDITURES:				
Administration	258,570	210,671	47,899	247,391
Program activities	143,900	119,804	24,096	93,033
Total expenditures	402,470	330,475	71,995	340,424
NET CHANGE IN FUND BALANCES	<u>\$</u>	68,422	<u>\$</u> 68,422	48,329
FUND BALANCE, BEGINNING OF YEAR		91,052		42,723
FUND BALANCE, END OF YEAR		<u>\$ 159,474</u>		<u>\$ 91,052</u>

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

CEMETERY COMMISSION

SUPPLEMENTAL STATEMENT OF NET FUND POSITION - DISCRETELY PRESENTED COMPONENT UNIT -

CEMETERY COMMISSION

JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents/investments	\$ 211,216	\$ 151,377
Receivables (net of allowances for uncollectibles):		
Accrued interest	257	152
Prepaid expenses	1,474	1,564
Total current assets	212,947	153,093
CAPITAL ASSETS:		
Land	25,754	25,754
Land improvements	851,073	851,073
Buildings	76,609	76,609
Rolling stock	139,194	139,194
Furniture, fixtures and equipment	134,172	134,172
Total capital assets	1,226,802	1,226,802
Less accumulated depreciation	(769,930)	(735,705)
Capital assets, net	456,872	491,097
TOTAL ASSETS	669,819	644,190
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals - LGERS	24,451	56,794
Contributions subsequent to measurement - LGERS	13,463	14,389
Total deferred outflows of resources	37,914	71,183
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	5,489	4,505
Accrued wages and amounts withheld	5,092	5,427
Total current liabilities	10,581	9,932
NONCURRENT LIABILITIES:		
Compensated absences - noncurrent	10,100	3,794
Net pension liability - LGERS	48,276	80,012
Total noncurrent liabilities	58,376	83,806
Total liabilities	68,957	93,738
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals - LGERS	7,781	5,793
Total deferred inflows of resources	7,781	5,793
NET POSITION		
Net investment in capital assets	456,872	491,097
Unrestricted	174,123	124,745
Total net position	\$ 630,995	\$ 615,842

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

CEMETERY COMMISSION

SUPPLEMENTAL STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN FUND NET POSITION - DISCRETELY PRESENTED COMPONENT UNIT

CEMETERY COMMISSION

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Sales of lots	\$ 180,464	\$ 173,631
Grave receipts	299,250	296,130
Other	17,928	11,227
Total operating revenues	497,642	480,988
OPERATING EXPENSES:		
General and administrative	375,315	354,842
Maintenance	93,083	68,732
Depreciation	34,225	34,706
Total operating expenses	502,623	458,280
OPERATING INCOME (LOSS)	(4,981)	22,708
NONOPERATING REVENUES (EXPENSES):		
Investment income	134	(92)
Contribution from City of Wilson	20,000	
Total nonoperating revenue (expense)	20,134	(92)
CHANGE IN NET POSITION	15,153	22,616
NET POSITION - BEGINNING	615,842	593,226
NET POSITION - ENDING	\$ 630,995	\$ 615,842

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

CEMETERY COMMISSION

SUPPLEMENTAL STATEMENTS OF CASH FLOWS - DISCRETELY PRESENTED COMPONENT UNIT

CEMETERY COMMISSION

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 497,642	\$ 480,988
Cash paid to suppliers	(193,711)	(142,431)
Cash paid to employees	(264,121)	(285,764)
Net cash provided by (used in) operating activities	<u>39,810</u>	<u>52,793</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Contribution from City of Wilson	20,000	
Net cash provided (used) by noncapital financing activities	<u>20,000</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets		(91,354)
Net cash provided (used) by capital and related financing activities		<u>(91,354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	29	(84)
Net cash provided (used) in investing activities	<u>29</u>	<u>(84)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS/INVESTMENTS	<u>59,839</u>	<u>(38,645)</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - BEGINNING OF YEAR	<u>151,377</u>	<u>190,022</u>
CASH AND CASH EQUIVALENTS/INVESTMENTS, (INCLUDING RESTRICTED CASH) - END OF YEAR	<u>\$ 211,216</u>	<u>\$ 151,377</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (4,981)	\$ 22,708
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	34,225	34,706
Change in assets and liabilities		
(Increase) decrease in prepaid expenses	90	153
Increase (decrease) in accounts payable	984	(7,388)
Increase (decrease) in accrued wages and amounts withheld	5,971	(6,150)
(Increase) decrease in deferred outflows of resources for pensions - LGERS	33,269	(46,893)
Increase (decrease) in net pension liability - LGERS	(31,736)	60,175
Increase (decrease) in deferred inflows of resources for pensions - LGERS	1,988	(4,518)
Total adjustments	<u>44,791</u>	<u>30,085</u>
Net cash provided by (used in) operating activities	<u>\$ 39,810</u>	<u>\$ 52,793</u>
Noncash investing, capital, and financing activities:		
Increase in fair value of investments	<u>(920.00)</u>	<u>\$ (895)</u>

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

CEMETERY COMMISSION

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) -
DISCRETELY PRESENTED COMPONENT UNIT - CEMETERY COMMISSION
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018		Variance Positive (Negative)	2017 Actual
	Budget	Actual		
OPERATING REVENUES:				
Sales of lots	\$ 155,000	\$ 180,464	\$ 25,464	\$ 173,631
Grave receipts	261,000	299,250	38,250	296,130
Other	9,000	17,928	8,928	11,227
Total operating revenues	425,000	497,642	72,642	480,988
NONOPERATING REVENUES:				
Investment income		134	134	(92)
Contribution from City of Wilson	20,000	20,000		
Total nonoperating revenues	20,000	20,134	134	(92)
TOTAL REVENUES	445,000	517,776	72,776	480,896
FUND BALANCE APPROPRIATED	56,100		(56,100)	
TOTAL REVENUES AND FUND BALANCE APPROPRIATIONS	\$ 501,100	\$ 517,776	\$ 16,676	\$ 480,896
OPERATING EXPENDITURES:				
Personnel Services	\$ 314,900	\$ 263,787	\$ 51,113	\$ 287,243
Operating Expenditures	171,200	194,785	(23,585)	135,196
Total operating expenditures	486,100	458,572	27,528	422,439
OTHER EXPENDITURES:				
Capital outlay	15,000		15,000	91,354
TOTAL EXPENDITURES	\$ 501,100	\$ 458,572	\$ 42,528	\$ 513,793

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

CEMETERY COMMISSION

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENDITURES -
RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS -
DISCRETELY PRESENTED COMPONENT UNIT - CEMETERY COMMISSION
FOR THE YEAR ENDED JUNE 30, 2018

TOTAL REVENUES - MODIFIED ACCRUAL BASIS	\$ 517,776
TOTAL EXPENDITURES - MODIFIED ACCRUAL BASIS	<u>458,572</u>
EXCESS OF REVENUES OVER EXPENDITURES	59,204
ADJUSTMENTS TO FULL ACCRUAL BASIS:	
Depreciation	(34,225)
(Increase) decrease in Vacation accrual	(6,305)
Increase (decrease) in deferred outflows of resources - LGERS pensions	(33,269)
(Increase) decrease in deferred inflows of resources - LGERS pensions	(1,988)
(Increase) decrease in net pension liability - LGERS pensions	<u>31,736</u>
CHANGES IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	<u>\$ 15,153</u>

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULES OF ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
YEAR ENDED JUNE 30, 2018

	City-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original Levy:				
Property taxed at current year's rate	\$4,024,622,080	\$ 0.555	\$ 22,335,459	\$ 20,252,264	\$ 2,083,195
Penalties	N/A		11,997	11,997	
Total	4,024,622,080		22,347,456	20,264,261	2,083,195
Discoveries:					
Current year taxes	41,644,808	0.555	231,867	231,867	
Prior year taxes	3,151,538	0.555	19,531	19,531	
Prior year taxes	4,167,490	0.515	29,398	29,398	
Total	48,963,836		280,796	280,796	
Abatements					
Current year taxes	(5,920,455)	0.555	(33,164)	(33,164)	
Prior year taxes	(38,262)	0.555	(346)	(346)	
Prior year taxes	(155,236)	0.515	(988)	(988)	
Total	(6,113,953)		(34,498)	(34,498)	
Total property valuation	\$4,067,471,963				
Net levy			22,593,754	20,510,559	2,083,195
Uncollected taxes at June 30, 2018			371,305	368,343	2,962
Current year's taxes collected			\$ 22,222,449	\$ 20,142,216	\$ 2,080,233
Current levy collection percentage			98.36%	98.20%	99.86%

(1) Gross levy includes taxes levied on discovered properties of prior periods at tax rates applicable to those periods.

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF TAXES RECEIVABLE JUNE 30, 2018

Fiscal Year Ended June 30	Uncollected Balance June 30, 2017	Net Levy	Collections and Other Reductions	Uncollected Balance June 30, 2018
2014 & prior	\$ 481,548	\$	\$ 59,376	\$ 422,172
2015	100,273		11,104	89,169
2016	144,805		34,839	109,966
2017	331,154		176,089	155,065
2018		22,593,754	22,222,449	371,305
Total	\$ 1,057,780	\$ 22,593,754	\$ 22,503,857	\$ 1,147,677
Less allowance for uncollected taxes	478,821			487,868
Taxes receivable, net	\$ 578,959			\$ 659,809

(1) Reconciliation to property tax revenue:

Collections per above	\$ 22,503,857
Penalties and interest	77,761
Tax refunds and prior year releases	(67,037)
	\$ 22,514,581

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT BY FUND

Fiscal Year Ended June 30	General Fund		Electric Fund		Gas Fund		Water Resources Fund		Broadband Fund		Operations Center Fund		Total				
	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest	Principal	Principal & Interest			
General Obligation Bonded Debt																	
2019	\$	\$	\$	\$	\$	\$	\$	1,205,000	\$	1,378,019	\$	\$	\$	\$	1,205,000	\$	1,378,019
2020								1,180,000		1,313,856					1,180,000		1,313,856
2021								1,160,000		1,252,556					1,160,000		1,252,556
2022								1,145,000		1,195,506					1,145,000		1,195,506
2023								225,000		234,000					225,000		234,000
Total general obligation bond								4,915,000		5,373,937					4,915,000		5,373,937
Revenue Bonded Debt:																	
2019					169,650	231,791	584,350	798,392							754,000	1,030,183	
2020					200,250	258,073	689,750	888,918							890,000	1,146,991	
2021					205,875	257,626	709,125	887,379							915,000	1,145,005	
2022					212,625	258,120	732,375	889,079							945,000	1,147,199	
2023					218,250	257,303	751,750	886,266							970,000	1,143,569	
2024					226,125	258,535	778,875	890,509							1,005,000	1,149,044	
2025					231,750	257,315	798,250	886,306							1,030,000	1,143,621	
2026					238,500	257,034	821,500	885,340							1,060,000	1,142,374	
2027					246,375	257,660	848,625	887,497							1,095,000	1,145,157	
2028					254,250	258,051	875,750	888,842							1,130,000	1,146,893	
Total revenue bonds					2,203,650	2,551,508	7,590,350	8,788,528							9,794,000	11,340,036	
Certificates of Participation Debt																	
2019			945,000	1,484,677					2,980,206	3,444,677	317,794	382,597	4,243,000	5,311,951			
2020			959,000	1,471,744					3,071,864	3,455,053	330,135	382,227	4,360,999	5,309,024			
2021			809,000	1,294,412					3,338,380	3,641,118	347,620	383,205	4,495,000	5,318,735			
2022			145,000	607,356					4,112,925	4,327,995	364,076	382,279	4,622,001	5,317,630			
2023			826,000	1,284,224					2,064,000	2,169,678			2,890,000	3,453,902			
2024			810,000	1,244,683					865,000	910,854			1,675,000	2,155,537			
2025			942,000	1,353,598					779,000	801,202			1,721,000	2,154,800			
2026			1,769,000	2,153,750									1,769,000	2,153,750			
2027			1,821,000	2,155,334									1,821,000	2,155,334			
2028			1,875,000	2,157,435									1,875,000	2,157,435			
2029			1,921,000	2,149,998									1,921,000	2,149,998			
2030			1,981,000	2,155,250									1,981,000	2,155,250			
2031			2,039,000	2,156,791									2,039,000	2,156,791			
2032			2,094,000	2,153,680									2,094,000	2,153,680			
Total certificates of participation			18,936,000	23,822,932					17,211,375	18,750,577	1,359,625	1,530,308	37,507,000	44,103,817			
Notes payable																	
2019	323,010	359,731	261,756	300,391	190,656	208,333	1,673,575	1,904,971					2,448,997	2,773,426			
2020	325,010	354,165	261,756	290,732	190,656	202,442	1,673,575	1,864,079					2,450,997	2,711,418			
2021	329,907	349,160	261,756	281,075	190,761	196,651	1,673,575	1,823,187					2,455,999	2,650,073			
2022	152,000	161,209	261,757	271,416			1,018,974	1,127,694					1,432,731	1,560,319			
2023	156,000	160,664					1,018,974	1,105,851					1,174,974	1,266,515			
2024							1,018,974	1,084,008					1,018,974	1,084,008			
2025							1,018,974	1,062,165					1,018,974	1,062,165			
2026							996,505	1,017,855					996,505	1,017,855			
2027							28,358	28,358					28,358	28,358			
2028							28,358	28,358					28,358	28,358			
2029							28,358	28,358					28,358	28,358			
2030							28,358	28,358					28,358	28,358			
Total notes payable	1,285,927	1,384,929	1,047,025	1,143,614	572,073	607,426	10,206,558	11,103,242					13,111,583	14,239,211			
Total	\$ 1,285,927	\$ 1,384,929	\$ 19,983,025	\$ 24,966,546	\$ 2,775,723	\$ 3,158,934	\$ 22,711,908	\$ 25,265,707	\$ 17,211,375	\$ 18,750,577	\$ 1,359,625	\$ 1,530,308	\$ 65,327,583	\$ 75,057,001			

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS JUNE 30, 2018 (CONTINUED)

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Transfers</u> <u>In/Out</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Enterprise Funds					
Electric:					
Land	\$ 5,712,240	\$	\$	\$	\$ 5,712,240
Land Improvements	10,651				10,651
Buildings and other structures	398,807			(4,736)	394,071
Utility Distribution System:					
Substations	37,583,913	207,406		(663,030)	37,128,289
Lines, Transformers, and devices	82,680,317	3,020,876			85,701,193
Consumer meters	7,129,417	15,141			7,144,558
Rolling Stock and other vehicles	9,922,298	3,395,912	(229,591)	(723,002)	12,365,617
Furniture, fixtures, and equipment	18,701,494	1,805,722		(163,505)	20,343,711
	<u>162,139,137</u>	<u>8,445,057</u>	<u>(229,591)</u>	<u>(1,554,273)</u>	<u>168,800,330</u>
Accumulated Depreciation	<u>(84,147,374)</u>	<u>(5,341,750)</u>	<u>229,591</u>	<u>1,550,288</u>	<u>(87,709,245)</u>
	<u>\$ 77,991,763</u>	<u>\$ 3,103,307</u>	<u>\$</u>	<u>\$ (3,985)</u>	<u>\$ 81,091,085</u>
Gas:					
Land	\$ 234,948	\$	\$	\$	\$ 234,948
Buildings	20,749				20,749
Utility Distribution System					
Mains	18,410,108	580,089			18,990,197
Gas Service	5,093,075	117,347			5,210,422
Consumer Meters	4,353,599	180,461			4,534,060
Rolling Stock and other vehicles	1,482,383		9,188		1,491,571
Furniture, fixtures, and equipment	869,985	241,907		(5,427)	1,106,465
	<u>30,464,847</u>	<u>1,119,804</u>	<u>9,188</u>	<u>(5,427)</u>	<u>31,588,412</u>
Accumulated Depreciation	<u>(10,599,116)</u>	<u>(810,015)</u>	<u>(9,188)</u>	<u>5,426</u>	<u>(11,412,893)</u>
	<u>\$ 19,865,731</u>	<u>\$ 309,789</u>	<u>\$</u>	<u>\$ (1)</u>	<u>\$ 20,175,519</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS JUNE 30, 2018 (CONTINUED)

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Transfers</u> <u>In/Out</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Water and Sewer:					
Water:					
Land	\$ 18,354,912	\$	\$	\$	\$ 18,354,912
Land Improvements	1,678,340				1,678,340
Building	4,801,346	1,166,532			5,967,878
Utility distribution system:					
Tanks, reservoirs, dams, and waterways	33,515,974				33,515,974
Pumping stations and underground mains	31,752,579	758,208			32,510,787
Services	2,507,695	9,992			2,517,687
Pumping equipment	2,466,718	15,750			2,482,468
Purification equipment	10,184,831	1,226,215			11,411,046
Consumer meters	3,697,264	850,508			4,547,772
Meter installations	498,862				498,862
Hydrants	1,893,699	16,593			1,910,292
Rolling Stock and other vehicles	1,505,650	78,549		(47,900)	1,536,299
Furniture, fixtures, and equipment	1,995,219	187,116			2,182,335
	<u>\$ 114,853,089</u>	<u>\$ 4,309,463</u>	<u>\$</u>	<u>\$ (47,900)</u>	<u>\$ 119,114,652</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS
 JUNE 30, 2018 (CONTINUED)

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Transfers In/Out</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>
Sewer:					
Land	\$ 3,236,050	\$	\$ (1,190,803)	\$	\$ 2,045,247
Land Improvements	3,690,045				3,690,045
Buildings	4,310,472		1,190,803		5,501,275
Utility distribution system:					
Pumping stations and underground mains	52,200,795	1,187,853		(104,220)	53,284,428
Purification equipment	43,746,510	1,302,233		(66,635)	44,982,108
Rolling Stock and other vehicles	2,856,556	611,209	(15,151)	(242,236)	3,210,378
Furniture, fixtures, and equipment	2,999,040			(78,008)	2,921,032
	<u>113,039,468</u>	<u>3,101,295</u>	<u>(15,151)</u>	<u>(491,099)</u>	<u>115,634,513</u>
Total water and sewer	227,892,557	7,410,758	(15,151)	(538,999)	234,749,165
Accumulated Depreciation	<u>(88,869,732)</u>	<u>(4,209,632)</u>	<u>15,153</u>	<u>495,488</u>	<u>(92,568,723)</u>
	<u>\$ 139,022,825</u>	<u>\$ 3,201,126</u>	<u>\$ 2</u>	<u>\$ (43,511)</u>	<u>\$ 142,180,442</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS JUNE 30, 2018 (CONTINUED)

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Transfers In/Out</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>
Broadband:					
Buildings	\$ 232,634	\$	\$	\$	\$ 232,634
Furniture, fixtures and equipment	14,995,713	747,253			15,742,966
Distribution System	26,293,995				26,293,995
Rolling Stock	459,203		(8,443)	(37,612)	413,148
	<u>41,981,545</u>	<u>747,253</u>	<u>(8,443)</u>	<u>(37,612)</u>	<u>42,682,743</u>
Accumulated Depreciation	<u>(21,170,208)</u>	<u>(1,720,487)</u>	<u>8,443</u>	<u>35,419</u>	<u>(22,846,833)</u>
	<u><u>\$ 20,811,337</u></u>	<u><u>\$ (973,234)</u></u>	<u><u>\$</u></u>	<u><u>\$ (2,193)</u></u>	<u><u>\$ 19,835,910</u></u>
Stormwater:					
Land	\$ 381,715	\$	\$	\$	\$ 381,715
Buildings	94,834				94,834
Distribution System	12,745,955	425,358			13,171,313
Rolling Stock	1,047,141				1,047,141
Furniture, Fixtures, and equipment	59,100			(17,919)	41,181
	<u>14,328,745</u>	<u>425,358</u>		<u>(17,919)</u>	<u>14,736,184</u>
Accumulated Depreciation	<u>(5,034,633)</u>	<u>(284,586)</u>		<u>17,919</u>	<u>(5,301,300)</u>
	<u><u>\$ 9,294,112</u></u>	<u><u>\$ 140,772</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 9,434,884</u></u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS JUNE 30, 2018 (CONTINUED)

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Transfers</u> <u>In/Out</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Mass Transit:					
Land	\$ 77,981	\$	\$	\$	\$ 77,981
Buildings	1,116,290				1,116,290
Rolling stock and other vehicles	1,329,274				1,329,274
Furniture, fixtures, and equipment	14,299				14,299
	<u>2,537,844</u>				<u>2,537,844</u>
Accumulated Depreciation	<u>(1,852,210)</u>	<u>(29,658)</u>			<u>(1,881,868)</u>
	<u>\$ 685,634</u>	<u>\$ (29,658)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 655,976</u>
Industrial Air Center:					
Land	\$ 314,867	\$	\$	\$	\$ 314,867
Land Improvements	540,527				540,527
Buildings	312,925	84,649			397,574
Rolling stock and other vehicles	74,682			(28,541)	46,141
Furniture, fixtures, and equipment	20,000	7,433		(6,601)	20,832
	<u>1,263,001</u>	<u>92,082</u>		<u>(35,142)</u>	<u>1,319,941</u>
Accumulated Depreciation	<u>(722,328)</u>	<u>(10,659)</u>		<u>35,141</u>	<u>(697,846)</u>
	<u>\$ 540,673</u>	<u>\$ 81,423</u>	<u>\$</u>	<u>\$ (1)</u>	<u>\$ 622,095</u>
Wilson Cemetery Commission:					
Land	\$ 25,754	\$	\$	\$	\$ 25,754
Land Improvements	851,073				851,073
Buildings	76,609				76,609
Rolling Stock	139,194				139,194
Furniture, fixtures, and equipment	134,172				134,172
	<u>1,226,802</u>				<u>1,226,802</u>
Accumulated Depreciation	<u>(735,705)</u>	<u>(34,225)</u>			<u>(769,930)</u>
	<u>\$ 491,097</u>	<u>\$ (34,225)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 456,872</u>

CITY OF WILSON, NORTH CAROLINA

SUPPLEMENTAL SCHEDULE OF CAPITAL ASSETS - PROPRIETARY FUNDS JUNE 30, 2018 (CONTINUED)

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Transfers In/Out</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>
Internal Service Funds					
Risk Management:					
Rolling stock and other vehicles	\$ 20,643	\$	\$	\$	\$ 20,643
Furniture, fixtures, and equipment	254,318	84,807			339,125
	274,961	84,807			359,768
Accumulated Depreciation	(170,861)	(40,151)			(211,012)
	<u>\$ 104,100</u>	<u>\$ 44,656</u>	<u>\$</u>	<u>\$</u>	<u>\$ 148,756</u>
Operations Center:					
Land	\$ 463,998	\$	\$	\$	\$ 463,998
Land Improvements	1,684,066	257,828			1,941,894
Buildings	9,953,691	261,639			10,215,330
Furniture, fixtures and equipment	826,973	18,270			845,243
	12,928,728	537,737			13,466,465
Accumulated Depreciation	(5,632,057)	(288,310)			(5,920,367)
	<u>\$ 7,296,671</u>	<u>\$ 249,427</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,546,098</u>

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

REPORT OF INDEPENDENT AUDITORS ON REVENUE BOND COVENANT COMPLIANCE

To the Honorable Mayor and
Members of the City Council
City of Wilson
Wilson, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Wilson North Carolina, for the year ended June 30, 2018, and have issued our report thereon dated October 12, 2018. We have also audited the Revenue Bond Statement of Revenues, Expenses, Debt Service, and Debt Coverage for the Combined Enterprise System as defined in the official statement for the Combined Enterprise System Revenue bonds, Refunding Series 2011 and Refunding Series 2013 (originally Bond Series 2002). These computations are the responsibility of the City's management. Our responsibility is to express an opinion on these computations based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the City's Revenue Bond Statement of Revenues, Expenses, Debt Service, and Debt Coverage for the Combined Enterprise System is free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of this information. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Revenue Bond Statement of Revenues, Expenses, Debt Service, and Debt Coverage for the Combined Enterprise System as presented on the following statement is presented fairly, in all material respects, for the year ended June 30, 2018, as described in the Bond Refunding Series 2011 and Refunding Series 2013 referred to in the first paragraph.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 12, 2018

CITY OF WILSON, NORTH CAROLINA

REVENUE BOND STATEMENT OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT SERVICE COVERAGE - **COMBINED ENTERPRISE SYSTEM** FOR THE YEAR ENDED JUNE 30, 2018

	2018
Operating revenues - gas	\$ 18,729,187
Operating revenues - water resources	26,566,818
Total operating revenues	45,296,005
Operating expenses - gas	15,272,788
Operating expenses - water resources	20,809,758
Total operating expenses	36,082,546
OPERATING INCOME (LOSS)	9,213,459
Nonoperating revenues (expenses) - gas	(101,615)
Nonoperating revenues (expenses) - water resources	(217,993)
Total nonoperating revenue (expense)	(319,608)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	8,893,851
Transfers and contributions - gas	(1,359,160)
Transfers and contributions - water resources	2,440,076
Transfers and contributions	1,080,916
NET INCOME	9,974,767
REVENUE BOND ADJUSTMENTS TO INCOME:	
Capital contributions - water resources	(2,440,076)
Intergovernmental - water resources	(62,894)
Sale of old equipment - water resources	(238,508)
Transfers out - gas	1,359,160
Interest expense - water resources	675,876
Interest expense - gas	88,499
Depreciation expense - water resources	4,209,632
Depreciation expense - gas	810,015
Total revenue bond adjustments to income ⁽¹⁾	4,401,704
INCOME AVAILABLE FOR DEBT SERVICE	\$ 14,376,471
PARITY INDEBTEDNESS COVERAGE RATIO:	
Series 2002 revenue bonds debt service (Refunded Series 2011 and Series 2013)	\$ 1,026,256
Total parity indebtedness debt service	\$ 1,026,256

CITY OF WILSON, NORTH CAROLINA

REVENUE BOND STATEMENT OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT SERVICE COVERAGE - **COMBINED ENTERPRISE SYSTEM** FOR THE YEAR ENDED JUNE 30, 2018

Parity indebtedness coverage ratio 1400.87%

ALL DEBT COVERAGE RATIO:

TOTAL PARITY INDEBTEDNESS DEBT SERVICE

Parity indebtedness debt service	\$ 1,026,256
Gas Notes Payable	213,586
Buckhorn general obligation bonds	1,436,256
Water & Sewer Notes Payable	<u>1,941,503</u>

Total all debt \$ 4,617,601

All debt coverage ratio 311.34%

(1) Includes depreciation expense, interest expense, transfers, investment income on revenue bonds, sale of old equipment and capital contributions.

CITY OF WILSON, NORTH CAROLINA

STATISTICAL SECTION

Financial Trends – These schedules contain trend information to help the reader understand how the city’s financial performance has changed over time.

Table 1	Net Position By Component
Table 2	Changes In Net Position
Table 3	Fund Balance Governmental Funds
Table 4	Changes In Fund Balances, Governmental Funds.

Revenue Capacity – These schedules contain information to help the reader assess the city’s most significant local revenue sources.

Table 5	Electric Consumption
Table 6	Electric Rates Per KWH Sold
Table 7	Electric Sales By Customer Type
Table 8	Assessed and Estimated Actual Value of Taxable Property
Table 9	Direct and Overlapping Property Tax Rates
Table 10	Principal Taxpayers
Table 11	Property Tax Levies and Collections

Debt Capacity – These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.

Table 12	Ratios of Outstanding Debt by Type
Table 13	Ratios of General Obligation Outstanding Debt
Table 14	Computation of Legal Debt Margin
Table 15	Computation of Direct and Overlapping Debt
Table 16	Pledge Revenue Coverage
Table 22	Revenue Bond Historical Operating Results
Table 23	2002 Revenue Continuing Disclosure Obligation

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.

Table 17	Demographic Statistics
Table 18	Principal Employers
Table 19	Full-time Government Employees By Function

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.

Table 20	Operating Indicators By Function
Table 21	Capital Asset Statistics By Function

CITY OF WILSON, NORTH CAROLINA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 1

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 60,967,475	\$ 58,052,520	\$ 56,372,034	\$ 56,439,156	\$ 56,742,487	\$ 56,017,584	\$ 57,163,884	\$ 58,497,174	\$ 59,343,916	\$ 60,659,673
Restricted	5,496,754	8,150,714	5,212,739	5,967,109	4,675,831	4,456,832	4,959,525	3,805,934	187,919	295,244
Unrestricted	(14,512,952)	20,287,141	29,116,195	23,080,138	22,794,161	20,975,023	18,996,561	21,141,091	20,059,101	22,275,170
Total governmental activities net position	<u>\$ 51,951,277</u>	<u>\$ 86,490,375</u>	<u>\$ 90,700,968</u>	<u>\$ 85,486,403</u>	<u>\$ 84,212,479</u>	<u>\$ 81,449,439</u>	<u>\$ 81,119,970</u>	<u>\$ 83,444,199</u>	<u>\$ 79,590,936</u>	<u>\$ 83,230,087</u>
Business type activities										
Net investment in capital assets	\$ 217,310,729	\$ 201,123,545	\$ 186,315,101	\$ 179,868,610	\$ 172,880,608	\$ 166,086,131	\$ 165,956,363	\$ 167,158,276	\$ 169,274,296	\$ 173,064,056
Restricted					163,214	1,091,579	670,815	443,842	655,415	430,081
Unrestricted	60,829,441	72,035,744	72,951,161	67,991,927	69,789,068	74,312,948	76,705,769	79,379,480	69,879,130	57,897,780
Total business-type activities net position	<u>\$ 278,140,170</u>	<u>\$ 273,159,289</u>	<u>\$ 259,266,262</u>	<u>\$ 247,860,537</u>	<u>\$ 242,832,890</u>	<u>\$ 241,490,658</u>	<u>\$ 243,332,947</u>	<u>\$ 246,981,598</u>	<u>\$ 239,808,841</u>	<u>\$ 231,391,917</u>
Primary government										
Net investment in capital assets	\$ 278,278,204	\$ 259,176,065	\$ 242,687,135	\$ 236,307,766	\$ 229,623,095	\$ 222,103,715	\$ 223,120,247	\$ 225,655,450	\$ 228,618,212	\$ 233,723,729
Restricted	5,496,754	8,150,714	5,212,739	5,967,109	4,839,045	5,548,411	5,630,340	4,249,776	843,334	725,325
Unrestricted	46,316,489	92,322,885	102,067,356	91,072,065	92,583,229	95,287,971	95,702,330	100,520,571	89,938,231	80,172,950
Total primary government net position	<u>\$ 330,091,447</u>	<u>\$ 359,649,664</u>	<u>\$ 349,967,230</u>	<u>\$ 333,346,940</u>	<u>\$ 327,045,369</u>	<u>\$ 322,940,097</u>	<u>\$ 324,452,917</u>	<u>\$ 330,425,797</u>	<u>\$ 319,399,777</u>	<u>\$ 314,622,004</u>

CITY OF WILSON, NORTH CAROLINA

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 2

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities										
General government	\$ 4,702,497	\$ 6,134,474	\$ 5,197,499	\$ 5,062,871	\$ 5,061,641	\$ 4,010,339	\$ 6,243,878	\$ 4,874,040	\$ 5,146,560	\$ 5,996,490
Public safety	22,614,881	23,222,455	22,361,129	21,116,594	21,543,253	22,371,882	22,893,131	21,423,942	22,083,111	21,731,607
Public services	6,049,078	6,167,534	6,163,279	5,625,618	5,707,583	5,918,176	6,099,998	6,161,404	6,343,699	7,121,953
Environmental Services	5,386,525	5,654,752	5,227,689	5,293,584	5,219,609	5,022,533	5,144,635	5,086,973	5,086,921	5,175,182
Planning and Development	3,256,759	3,678,604	2,076,702	3,347,620	2,038,222	1,902,213	2,258,752	2,563,458	2,042,872	2,197,742
Human services	220,468	250,003	235,644	221,227	233,650	219,636	222,521	211,638	228,209	246,195
Culture and recreation	7,101,965	6,195,136	6,245,259	5,713,613	5,545,663	5,689,301	5,851,203	4,998,113	5,616,793	5,270,075
Interest on long-term debt	29,708	38,942	43,643	54,465	59,487	75,619	103,418	143,241	113,546	79,347
Total governmental activities expenses	49,361,881	51,341,900	47,550,844	46,435,592	45,409,108	45,209,699	48,817,536	45,462,809	46,661,711	47,818,591
Business type activities										
Electric	117,967,225	116,998,496	117,526,795	143,452,155	147,053,162	145,845,173	144,384,949	145,570,285	144,118,121	135,389,789
Gas	15,324,883	14,264,237	14,391,883	16,595,376	16,985,237	16,396,078	14,033,114	16,159,169	16,408,008	21,115,883
Water and sewer	21,462,054	21,585,549	20,385,571	19,830,523	20,507,551	19,604,806	20,808,964	19,404,769	20,635,099	20,960,040
Mass transit	1,485,812	1,304,691	1,295,941	1,303,030	1,325,989	1,313,438	1,327,276	1,309,988	1,315,752	1,420,050
Industrial Air Center	157,915	148,704	164,866	132,786	117,762	89,752	62,629	110,616	98,553	94,369
Broadband	14,068,151	13,901,264	12,431,507	12,082,196	13,152,799	12,587,763	12,138,268	11,216,019	10,036,624	5,280,738
Stormwater Management	2,805,860	2,754,466	2,893,274	2,705,592	2,712,411	2,363,862	2,278,832	2,234,012	2,294,841	2,307,245
Total business-type activities expenses	173,271,900	170,957,407	169,089,837	196,101,658	201,854,911	198,200,872	195,034,032	196,004,858	194,906,998	186,568,114
Total primary government expenses	222,633,781	222,299,307	216,640,681	242,537,250	247,264,019	243,410,571	243,851,568	241,467,667	241,568,709	234,386,705

CITY OF WILSON, NORTH CAROLINA

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 2 (continued)

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program Revenues										
Governmental activities										
Charges for services										
Public safety	\$ 1,185,056	\$ 1,094,361	\$ 897,012	\$ 839,278	\$ 903,117	\$ 763,543	\$ 764,557	\$ 687,412	\$ 738,053	\$ 714,751
Public services	224,268	138,669	106,162	112,233	78,066	71,509	67,954	70,505	76,380	84,689
Environmental Services	4,867,174	4,824,599	4,749,086	4,455,265	4,398,384	4,101,008	3,823,049	3,478,299	3,227,378	3,209,201
Planning and Development	64,944	87,019	56,890	51,190	45,075	54,922	55,640	56,049	59,018	71,487
Culture and recreation	1,148,234	1,217,289	1,175,016	1,065,641	977,013	856,167	885,946	972,771	1,004,043	1,116,886
Operating grants and contributions	2,469,319	1,719,861	2,715,218	2,728,396	2,665,004	2,189,726	2,850,048	2,909,539	2,040,927	3,457,973
Capital grants and contributions	280,143	777,396	807,973	827,554	1,091,940	477,077	1,528,566	786,972	459,387	458,500
Total governmental activities program revenues	<u>10,239,138</u>	<u>9,859,194</u>	<u>10,507,357</u>	<u>10,079,557</u>	<u>10,158,599</u>	<u>8,513,952</u>	<u>9,975,760</u>	<u>8,961,547</u>	<u>7,605,186</u>	<u>9,113,487</u>
Business-type activities										
Charges for services										
Electric	126,336,420	125,560,188	128,277,071	147,011,111	145,108,575	145,002,495	142,252,431	149,809,795	150,298,820	143,457,739
Gas	18,729,187	14,874,458	14,852,270	18,993,553	18,231,201	17,273,224	15,433,023	18,608,797	20,322,067	23,808,965
Water and sewer	26,566,818	25,063,489	23,938,874	23,303,431	25,294,052	21,028,689	21,283,755	21,678,819	19,852,945	19,756,083
Mass transit	74,859	79,438	98,910	79,096	116,739	102,755	134,505	139,326	145,317	143,594
Industrial air center	25,258	26,206	25,889	25,811	25,714	23,000	19,912	20,459	25,726	25,480
Broadband	16,120,342	15,506,242	14,111,553	13,378,975	12,723,223	13,245,179	10,668,692	10,114,304	8,650,848	3,921,833
Stormwater management	3,603,350	3,221,936	2,782,673	2,699,603	2,742,212	2,472,551	2,434,693	2,432,437	2,416,712	2,382,667
Operating grants and contributions	1,039,949	978,982	701,032	659,067	646,269	1,106,620	708,035	668,045	926,151	749,192
Capital grants and contributions	2,487,366	3,659,901	727,732	184,881	1,186,315	377,529	137,085	248,338	2,284,646	1,147,394
Total Business-type activities program revenues	<u>194,983,549</u>	<u>188,970,840</u>	<u>185,516,004</u>	<u>206,335,528</u>	<u>206,074,300</u>	<u>200,632,042</u>	<u>193,072,131</u>	<u>203,720,320</u>	<u>204,923,232</u>	<u>195,392,947</u>
Total primary government program revenue	<u>205,222,687</u>	<u>198,830,034</u>	<u>196,023,361</u>	<u>216,415,085</u>	<u>216,232,899</u>	<u>209,145,994</u>	<u>203,047,891</u>	<u>212,681,867</u>	<u>212,528,418</u>	<u>204,506,434</u>
Net (Expenditures)/Revenues										
Governmental activities	(39,122,743)	(41,482,706)	(37,043,487)	(36,356,035)	(35,250,509)	(36,695,747)	(38,841,776)	(36,501,262)	(39,056,525)	(38,705,104)
Business-type activities	21,711,649	18,013,433	16,426,167	10,233,870	4,219,389	2,431,170	(1,961,901)	7,715,462	10,016,234	8,824,833
Total primary government net expense	<u>\$ (17,411,094)</u>	<u>\$ (23,469,273)</u>	<u>\$ (20,617,320)</u>	<u>\$ (26,122,165)</u>	<u>\$ (31,031,120)</u>	<u>\$ (34,264,577)</u>	<u>\$ (40,803,677)</u>	<u>\$ (28,785,800)</u>	<u>\$ (29,040,291)</u>	<u>\$ (29,880,271)</u>

CITY OF WILSON, NORTH CAROLINA

CHANGES IN NET POSITION (CONCLUDED)
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 2 (concluded)

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 23,522,710	\$ 22,949,347	\$ 22,389,796	\$ 22,055,959	\$ 22,191,654	\$ 20,988,086	\$ 20,594,811	\$ 20,565,644	\$ 20,213,173	\$ 19,907,074
Sales taxes	8,728,492	8,260,412	7,139,870	7,163,927	6,656,683	6,790,146	6,377,375	5,776,019	5,824,550	5,979,185
Occupancy Tax	397,426	268,229								
Franchise taxes	5,184,944	5,087,010	5,246,131	5,166,152	4,258,193	4,291,647	4,371,499	4,399,425	4,377,927	4,350,635
Privilege license tax	2,905	3,183	2,909	616,706	677,838	613,177	461,933	459,820	495,919	531,647
Alcoholic beverage taxes	87,500	84,375	81,250	81,250	81,250	81,250	78,125	74,976	62,229	49,655
Unrestricted grants and contributions	217,176	770,014	222,745	240,190	247,809	428,408	1,042,377	464,507	85,930	255,140
Unrestricted investment earnings	75,557	28,886	279,245	173,518	179,423	15,650	349,554	279,881	543,970	1,116,778
Gain/(Loss) on sale of capital assets	460,697	8,531	35,426	101,496	8,438	26,487	4,337	8,140	105,233	62,644
Miscellaneous	574,507	175,698	161,457	315,780	361,841	426,355	24,116	306,131	437,913	670,151
Transfers	4,000,980	4,693,999	5,610,220	3,657,790	3,350,420	3,364,010	3,213,420	3,439,940	3,270,530	2,903,620
Total governmental activities	43,252,894	42,329,684	41,169,049	39,572,768	38,013,549	37,025,216	36,517,547	35,774,483	35,417,374	35,826,529
Business-type activities:										
Unrestricted grants and contributions	19,900	285,375			(12,995)	314,536	414,637	331,627		
Unrestricted investment earnings	89,929	14,332	517,623	307,659	420,133	78,903	1,039,146	885,133	1,541,142	2,515,406
Gain/(Loss) on sale of capital assets	383,355	134,950	70,455	106,719	43,425	43,475	72,887	21,796	128,594	42,810
Miscellaneous	364,633	138,936	1,700	190	22,700	16,529		46,709	1,484	82,612
Transfers	(4,000,980)	(4,693,999)	(5,610,220)	(3,657,790)	(3,350,420)	(3,364,010)	(3,213,420)	(3,439,940)	(3,270,530)	(2,903,620)
Total business-type activities	(3,143,163)	(4,120,406)	(5,020,442)	(3,243,222)	(2,877,157)	(2,910,567)	(1,686,750)	(2,154,675)	(1,599,310)	(262,792)
Total primary government	40,109,731	38,209,278	36,148,607	36,329,546	35,136,392	34,114,649	34,830,797	33,619,808	33,818,064	35,563,737
Changes in Net Position										
Governmental activities	4,130,151	846,978	4,125,562	3,216,733	2,763,040	329,469	(2,324,229)	(726,779)	(3,639,151)	(2,878,575)
Business-type activities	18,568,486	13,893,027	11,405,725	6,990,648	1,342,232	(479,397)	(3,648,651)	5,560,787	8,416,924	8,562,041
Total Primary government	\$ 22,698,637	\$ 14,740,005	\$ 15,531,287	\$ 10,207,381	\$ 4,105,272	\$ (149,928)	\$ (5,972,880)	\$ 4,834,008	\$ 4,777,773	\$ 5,683,466

CITY OF WILSON, NORTH CAROLINA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 3

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 4,794,760	\$ 4,428,512
Unreserved									10,681,475	10,792,615
Nonspendable	355,839	400,300	367,721	380,495	353,487	489,045	434,619	402,167		
Restricted	5,094,562	4,990,515	4,638,844	5,399,938	4,184,708	3,923,400	3,809,721	3,598,776		
Committed	17,500		223,752				27,997	385,728		
Assigned	6,015,612	4,404,100	3,968,730	3,456,910	2,669,460	1,537,900	1,691,940	2,033,660		
Unassigned	13,128,962	13,770,544	15,739,384	14,722,527	13,411,271	12,472,598	10,922,540	9,657,066		
Total General Fund	\$ 24,612,475	\$ 23,565,459	\$ 24,938,431	\$ 23,959,870	\$ 20,618,926	\$ 18,422,943	\$ 16,886,817	\$ 16,077,397	\$ 15,476,235	\$ 15,221,127
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 63,207	\$ 447,610
Unreserved, reported in:										
Special revenue funds									1,220,934	979,479
Capital projects funds									244,447	390,080
Nonspendable			95,656	100,425						
Restricted	1,142,197	3,160,199.00	478,239	466,746	491,681	500,195	1,149,804	207,158		
Committed	2,091,492	2,672,480	3,930,067	1,089,822	1,689,598	1,634,153	1,493,634	1,550,467		
Assigned	215,628	312,303	229,023	159,164	123,361	101,325	124,948	131,734		
Unassigned	(509,117)	(139,235)	(434,386)	(570,393)	(523,903)	(333,339)	(474,152)	(204,914)		
Total all other governmental funds	\$ 2,940,200	\$ 6,005,747	\$ 4,298,599	\$ 1,245,764	\$ 1,780,737	\$ 1,902,334	\$ 2,294,234	\$ 1,684,445	\$ 1,528,588	\$ 1,817,169

*Note: Data beginning FY2011, GASB Statement 54 was implemented for fund balance categories.

CITY OF WILSON, NORTH CAROLINA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 4 (continued)

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$ 32,572,924	\$ 31,530,463	\$ 29,543,692	\$ 30,063,583	\$ 29,803,155	\$ 28,270,043	\$ 27,364,554	\$ 26,823,665	\$ 26,601,715	\$ 26,265,321
Licenses and permits	653,446	658,149	418,982	417,044	406,997	437,072	383,633	391,841	386,044	418,606
Intergovernmental	8,146,644	8,149,322	8,409,799	8,240,401	7,185,743	7,333,476	8,485,180	7,942,962	6,542,154	7,241,211
Assessments	58,833	52,822	29,955	28,515	38,068	63,295	66,383	34,106	35,168	58,320
Charges for services	6,595,617	6,585,200	6,460,112	5,997,221	5,863,415	5,301,722	5,106,504	4,798,793	4,659,731	4,688,961
Investment income	57,852	23,527	186,700	117,435	121,482	10,494	236,645	191,724	355,770	716,870
Loan repayments and related interest	3,094	(10,973)	11,968	115,062	16,450	19,602	25,846	34,053	48,359	61,531
Contributions	95,000	(34,500)	302,952	367,345	474,598	(34,882)	1,335,370		10,000	860,000
Other	839,541	409,004	588,818	575,245	282,478	452,106	191,276	322,995	149,148	528,845
Total revenues	49,022,951	47,363,014	45,952,978	45,921,851	44,192,386	41,852,928	43,195,391	40,540,139	38,788,089	40,839,665
Expenditures										
General government	6,540,698	6,530,592	5,743,641	5,338,385	5,338,112	3,908,680	4,365,033	4,346,257	4,128,260	4,908,321
Public safety	24,182,984	23,706,842	22,404,798	21,350,746	21,860,724	21,694,109	22,166,287	20,395,491	21,370,134	20,860,975
Public services	5,667,395	5,060,868	5,489,026	4,974,730	4,656,398	4,657,052	4,677,970	5,104,900	6,422,483	5,509,441
Environmental Services	5,813,511	5,663,595	5,722,452	5,664,982	5,199,870	5,164,187	4,865,693	4,880,163	4,748,681	4,965,691
Planning and Development	3,422,381	3,674,803	2,082,384	3,346,499	2,038,937	2,011,890	2,221,455	2,476,431	1,953,945	2,089,841
Human Services	260,285	242,351	242,349	234,320	229,903	219,247	213,179	207,285	208,550	225,937
Culture and recreation	9,606,821	6,549,990	5,976,969	5,704,758	6,167,747	5,383,416	5,409,574	4,715,394	5,413,111	8,244,479
Debt service:										
Principal	718,525	361,095	359,076	307,346	939,514	982,497	965,248	956,907	719,505	477,201
Interest	30,559	38,402	46,046	53,400	56,820	78,121	105,622	144,725	117,156	106,078
Total expenditures	56,243,159	51,828,538	48,066,741	46,975,166	46,488,025	44,099,199	44,990,061	43,227,553	45,081,825	47,387,964
Excess of revenues over (under) expenditures	(7,220,208)	(4,465,524)	(2,113,763)	(1,053,315)	(2,295,639)	(2,246,271)	(1,794,670)	(2,687,414)	(6,293,736)	(6,548,299)

CITY OF WILSON, NORTH CAROLINA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONCLUDED)
 LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 4 (concluded)

	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Financing Sources (Uses)										
Sales of capital assets	\$ 460,697	\$ 105,150	\$ 48,520	\$ 101,496	\$ 101,605	\$ 26,487	\$ 459	\$ 4,493	\$ 188,333	\$ 106,573
Transfers in	5,550,770	9,447,301	6,667,912	4,195,665	3,998,990	3,939,681	3,969,150	4,264,388	4,417,189	5,651,096
Transfers out	(1,549,790)	(4,752,751)	(1,057,692)	(537,875)	(648,570)	(575,671)	(755,730)	(824,448)	(1,146,659)	(2,747,476)
Note payable issued	740,000			100,000	918,000				2,801,400	1,298,000
Total other financing sources (uses)	<u>5,201,677</u>	<u>4,799,700</u>	<u>5,658,740</u>	<u>3,859,286</u>	<u>4,370,025</u>	<u>3,390,497</u>	<u>3,213,879</u>	<u>3,444,433</u>	<u>6,260,263</u>	<u>4,308,193</u>
Net change in fund balances	<u>\$ (2,018,531)</u>	<u>\$ 334,176</u>	<u>\$ 3,544,977</u>	<u>\$ 2,805,971</u>	<u>\$ 2,074,386</u>	<u>\$ 1,144,226</u>	<u>\$ 1,419,209</u>	<u>\$ 757,019</u>	<u>\$ (33,473)</u>	<u>\$ (2,240,106)</u>
Debt service as a percentage of noncapital expenditures	1.56%	0.85%	0.88%	0.80%	2.30%	2.45%	2.43%	2.60%	2.06%	1.23%

CITY OF WILSON, NORTH CAROLINA

ELECTRIC CONSUMPTION PER KWH SOLD
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 5

Customer type	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Electric Customers - Inside City										
Residential	258,037,041	250,897,074	238,246,520	243,812,532	241,279,577	244,319,242	236,315,020	261,112,842	247,854,580	247,954,913
Commercial	257,248,778	269,966,685	250,248,039	241,653,963	236,905,874	234,997,187	234,890,956	244,467,017	244,587,410	236,556,373
Industrial	162,978,901	165,280,726	175,216,533	173,359,006	173,642,174	175,570,772	174,943,273	159,661,640	147,263,822	150,858,941
Total Electric Customers - Inside City	678,264,720	686,144,486	663,711,092	658,825,501	651,827,625	654,887,201	646,149,249	665,241,499	639,705,812	635,370,227
Electric Customers - Outside City										
Residential	154,858,953	147,528,079	140,591,819	146,166,012	144,672,133	144,142,265	137,830,206	153,252,218	147,364,370	149,132,060
Commercial	49,644,275	58,945,279	47,155,397	46,479,334	41,601,536	42,553,701	39,962,123	39,453,834	39,412,657	38,820,873
Industrial	324,462,050	350,003,732	382,348,384	372,751,277	362,690,124	364,821,066	367,160,841	363,162,852	353,423,343	346,156,083
Total Electric Customers - Outside City	528,965,278	556,477,090	570,095,600	565,396,623	548,963,793	551,517,032	544,953,170	555,868,904	540,200,370	534,109,016
Total Consumption General Customers	1,207,229,998	1,242,621,576	1,233,806,692	1,224,222,124	1,200,791,418	1,206,404,233	1,191,102,419	1,221,110,403	1,179,906,182	1,169,479,243
Other Utilities	20,258,082	19,644,062	19,802,188	20,336,647	19,969,212	19,936,814	19,437,836	20,716,595	20,082,329	19,636,469
Other Distributors	26,447,325	26,254,044	26,000,223	27,937,635	27,324,603	26,886,237	26,939,581	27,952,553	26,718,560	48,659,953
Total Electric Consumption	1,253,935,405	1,288,519,682	1,279,609,103	1,272,496,406	1,248,085,232	1,253,227,284	1,237,479,836	1,269,779,551	1,226,707,071	1,237,775,665

CITY OF WILSON, NORTH CAROLINA

ELECTRIC RATES PER KWH SOLD
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 6

Rate Type	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Electric Customers - Inside City										
Residential	\$ 0.1128	\$ 0.1168	\$ 0.1241	\$ 0.1413	\$ 0.1414	\$ 0.1412	\$ 0.1441	\$ 0.1448	\$ 0.1524	\$ 0.1455
Commercial	0.1080	0.1076	0.1171	0.1339	0.1308	0.1304	0.1301	0.1313	0.1347	0.1318
Industrial	0.0826	0.0844	0.0840	0.0933	0.0919	0.0915	0.0930	0.0954	0.9610	0.0942
Electric Customers - Outside City										
Residential	0.1098	0.1140	0.1208	0.1391	0.1391	0.1391	0.1421	0.1430	0.1508	0.1438
Commercial	0.1231	0.1060	0.1347	0.1521	0.1488	0.1503	0.1521	0.1538	0.1592	0.1531
Industrial	0.0719	0.0668	0.0683	0.0751	0.0778	0.0775	0.0775	0.0796	0.0789	0.0739
Other Utilities	0.0988	0.1026	0.1026	0.1127	0.1118	0.1133	0.1124	0.1171	0.1214	0.1177
Other Distributors	0.0790	0.0825	0.0906	0.1087	0.1122	0.1101	0.1110	0.1103	0.1081	0.0506

CITY OF WILSON, NORTH CAROLINA

ELECTRIC SALES BY CUSTOMER TYPE
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

TABLE 7

	<u>2018</u>		<u>2009</u>	
	<u>Sales Revenue</u>	<u>Percentage of Total Sales Revenue</u>	<u>Sales Revenue</u>	<u>Percentage of Total Sales Revenue</u>
Consumer				
Electric Customers - Inside City				
Residential	29,378,421	24.07%	\$ 36,308,679	25.92%
Commercial	28,054,783	22.99%	31,384,551	22.41%
Industrial	<u>13,597,591</u>	<u>11.14%</u>	<u>14,298,910</u>	<u>10.21%</u>
Total Electric Customers - Inside City	<u>71,030,795</u>	<u>58.20%</u>	<u>81,992,140</u>	<u>58.54%</u>
Electric Customers - Outside City				
Residential	17,166,249	14.07%	21,576,879	15.41%
Commercial	6,168,416	5.05%	5,992,826	4.29%
Industrial	<u>23,541,790</u>	<u>19.29%</u>	<u>25,716,391</u>	<u>18.36%</u>
Total Electric Customers - Outside City	<u>46,876,455</u>	<u>38.41%</u>	<u>53,286,096</u>	<u>38.06%</u>
Other Utilities	2,020,918	1.66%	2,303,982	1.64%
Other Distributors	<u>2,110,340</u>	<u>1.73%</u>	<u>2,478,742</u>	<u>1.77%</u>
Total Sales	<u>\$ 122,038,508</u>	<u>100.00%</u>	<u>\$ 140,060,960</u>	<u>100.00%</u>

Note: Prohibited by law to disclose sales by principal consumer.

CITY OF WILSON, NORTH CAROLINA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 8

Fiscal Years Ended June 30	Real Property Value	Personal Property Assessed Value	Corporate Excess Assessed Value	Total Assessed Value	Rate Per \$100	Total Tax Levy
2009	2,975,705,714	794,317,287	34,102,823	3,804,125,824	0.515	19,675,158
2010	3,028,641,619	795,166,674	31,954,267	3,855,762,560	0.515	20,080,494
2011	3,072,620,714	794,937,669	30,337,610	3,897,895,993	0.515	20,334,173
2012	3,074,096,373	850,159,372	28,358,638	3,952,614,383	0.515	20,567,816
2013	3,088,045,401	899,143,234	29,039,973	4,016,228,608	0.515	20,698,772
2014	3,109,136,148	857,140,487	29,933,361	3,996,209,996	0.515	21,768,423
2015	3,229,799,675	881,447,869	29,221,389	4,140,468,933	0.515	21,353,227
2016	3,242,715,469	1,011,969,959	32,691,490	4,287,376,918	0.515	22,106,660
2017	2,970,562,177	1,057,598,291	38,491,406	4,066,651,874	0.555	22,609,918
2018	2,991,214,018	1,040,091,802	36,166,143	4,067,471,963	0.555	22,593,754

- NOTE:
- (a) The city's property tax is levied each July 1 on the assessed value of the listed property as of the prior January 1 for all taxable real and personal property within the City. Assessed valuations are determined by Wilson County at 100% of the estimated market value for real property and 100% of the actual value for personal property. The assessment ratio is 100% of the estimated value. Public service company (corporate excess) property is certified by the State of North Carolina at 100% of actual value with no distinction between real and personal property. The City implemented a staggered motor vehicle property tax billing system during 1993-1994 as required by the State. 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.
 - (b) A revaluation of real property is required by North Carolina General Statutes at least every eight years. The last revaluation was completed in FY 2015 with assessed values becoming effective January 1, 2016 for fiscal year ending June 30, 2017.

CITY OF WILSON, NORTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 9

Fiscal Years Ended June 30	City Direct Rate		Overlapping Rates		Total Direct and Overlapping Rates
	Basic Rate	Total Direct	Wilson County	Downtown Development Rate	
2009	0.515	0.515	0.730	0.170	1.415
2010	0.515	0.515	0.730	0.170	1.415
2011	0.515	0.515	0.730	0.170	1.415
2012	0.515	0.515	0.730	0.170	1.415
2013	0.515	0.515	0.730	0.170	1.415
2014	0.515	0.515	0.730	0.170	1.415
2015	0.515	0.515	0.730	0.170	1.415
2016	0.515	0.515	0.730	0.170	1.415
2017	0.555	0.555	0.730	0.180	1.465
2018	0.555	0.555	0.730	0.180	1.465

NOTE: There are no limits on property taxes levied to meet debt service payments, fund unforeseen revenue deficits, suppress civil disorders, or for property tax rate levies approved by a vote of the people. All other rate levies are limited to \$1.50 per \$100 valuation.

CITY OF WILSON, NORTH CAROLINA

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

TABLE 10

Taxpayer	Nature of Business	2018			2009				
		Tax Levy	Assessed Value	Rank	Percentage of Total Assessed Value	Tax Levy	Assessed Value	Rank	Percentage of Total Assessed Value
Branch Banking & Trust	Banking	881,568	158,841,011	1	3.91%	509,116	114,927,295	1	3.02%
Sandoz, Inc.	Pharmaceutical	452,559	81,542,168	2	2.00%	220,899	42,892,947	3	1.13%
DLP Wilson Medical Center, Inc.	Health Care	383,464	69,092,671	3	1.70%				0.00%
Purdue Pharmaceuticals	Pharmaceutical	380,705	68,595,552	4	1.69%	255,914	49,692,000	2	1.31%
Fresenius Kabi USA, LLC	Pharmaceutical	374,196	67,422,716	5	1.66%				0.00%
Alliance One	Tobacco Processor	369,147	66,512,962	6	1.64%	184,048	35,737,431	4	0.94%
Linamar Forgings, Inc.	Manufacturing	250,873	45,202,376	7	1.11%				0.00%
SCP-CC Heritage Crossing, LLC	Retail Management	164,763	29,686,939	8	0.73%	167,287	32,482,888	5	0.85%
Sleepy Hollow Development Co.	Development	137,736	24,817,271	9	0.61%				0.00%
Absolute Plastics, LLC	Plastic Packaging	114,045	20,548,654	10	0.51%				0.00%
Carolina Forge Company, LLC	Manufacturing					166,793	32,386,894	6	0.85%
Hull-Storey- Wilson, LLC	Shopping Center					133,810	25,982,466	7	0.68%
EON Pharma, LLC	Pharmaceutical					114,243	22,183,119	8	0.58%
Standard Commercial Tobacco	Tobacco Processor					109,920	21,343,651	9	0.56%
Caolina Telephone	Telephone					105,738	20,531,721	10	0.54%
Total of Principal Taxpayers		3,509,056	632,262,320		15.54%	1,967,768	398,160,412		10.47%
Balance		19,084,698	3,435,209,643		84.46%	17,689,390	3,405,965,412		89.53%
Total		\$ 22,593,754	\$4,067,471,963		100.00%	\$19,657,158	\$3,804,125,824		100.00%

SOURCE: Wilson County Tax Office

CITY OF WILSON, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (UNAUDITED)

Table 11

Fiscal Years Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	19,657,158	18,990,456	96.6%	468,574	19,459,030	99.0%
2010	20,080,494	19,476,396	97.0%	463,522	19,939,918	99.3%
2011	20,334,173	19,678,806	96.8%	524,702	20,203,508	99.4%
2012	20,567,815	19,860,046	96.6%	570,805	20,430,851	99.3%
2013	20,698,772	19,993,633	96.6%	600,442	20,594,075	99.5%
2014	21,768,423	21,266,798	97.7%	402,449	21,669,246	99.5%
2015	21,353,227	20,970,965	98.2%	51,595	21,022,560	98.5%
2016	22,106,660	21,766,834	98.5%	(8,901)	21,757,933	98.4%
2017	22,609,918	22,278,764	98.5%	150,862	22,429,626	99.2%
2018	22,593,754	22,222,449	98.4%	-	22,222,449	98.4%

CITY OF WILSON, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 12

Fiscal Years Ended June 30	Business Type Activities General Bonded Debt			Governmental Activities Notes Payable	Business Type Activities			Total Primary Government	Percentage Actual Property Values	Per Capita	Population	Percentage Personal Income
	General Obligation Bonds	Percentage of Actual Property Values	Per Capita		Revenue Bonds	Certificates of Participation	Notes Payable					
2009	15,900,000	0.4180%	313.91	3,036,240	15,355,000	67,495,000	27,589,292	129,375,532	3.4009%	2,554	49,954	8.1835%
2010	14,995,000	0.3889%	292.45	5,118,135	14,815,000	64,840,000	32,513,176	132,281,311	3.4307%	2,580	51,274	7.8674%
2011	13,650,000	0.3502%	276.20	4,161,228	14,255,000	62,080,000	30,156,265	124,302,493	3.1890%	2,515	49,421	NA
2012	12,335,000	0.3121%	250.88	3,195,980	14,310,000	59,200,000	29,475,334	118,516,314	2.9984%	2,410	49,167	NA
2013	11,050,000	0.2751%	224.96	2,213,483	13,645,000	56,195,000	25,882,714	108,986,197	2.7137%	2,219	49,119	NA
2014	9,785,000	0.2449%	197.17	2,191,969	12,694,000	53,080,000	22,297,574	100,048,543	2.5036%	2,016	49,628	NA
2015	8,545,000	0.2064%	171.49	1,984,624	11,984,000	49,825,000	18,203,620	90,542,244	2.1868%	1,817	49,828	NA
2016	7,325,000	0.1709%	147.55	1,625,548	11,267,000	46,405,000	16,077,630	82,700,178	1.9289%	1,666	49,643	NA
2017	6,120,000	0.1505%	123.34	1,264,452	10,533,000	42,820,000	13,951,644	74,689,096	1.8366%	1,505	49,620	NA
2018	4,915,000	0.1208%	99.60	1,285,927	9,794,000	37,507,000	11,825,656	65,327,583	1.6061%	1,324	49,348	NA

CITY OF WILSON, NORTH CAROLINA

RATIOS OF GENERAL OBLIGATION OUTSTANDING DEBT LAST TEN FISCAL YEARS (UNAUDITED)

Table 13

Fiscal Years Ended June 30	General Obligation Bonds	Assessed Value	Percentage of Actual Property Values	Population	Per Capita
2009	15,900,000	3,804,125,824	0.4180%	50,651	313.91
2010	14,995,000	3,855,762,560	0.3889%	51,274	292.45
2011	13,650,000	3,897,895,993	0.3502%	49,421	276.20
2012	12,335,000	3,952,614,383	0.3121%	49,167	250.88
2013	11,050,000	4,016,228,608	0.2751%	49,119	224.96
2014	9,785,000	3,996,209,996	0.2449%	49,628	197.17
2015	8,545,000	4,140,468,933	0.2064%	49,828	171.49
2016	7,325,000	4,287,376,918	0.1709%	49,643	147.55
2017	6,120,000	4,066,651,874	0.1505%	49,620	123.34
2018	4,915,000	4,067,471,963	0.1208%	49,348	99.60

CITY OF WILSON, NORTH CAROLINA

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30, 2018 (UNAUDITED)

Table 14

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Appraised Valuation	\$ 4,067,471,963	\$ 4,066,651,874	\$ 4,287,376,918	\$ 4,140,468,933	\$ 3,996,209,996	\$ 4,016,228,608	\$ 3,952,614,383	\$ 3,897,895,993	\$ 3,855,762,560	\$ 3,804,125,824
Debt Limit: (8% of Appraised Valuation)	\$ 325,397,757	\$ 325,332,150	\$ 342,990,153	\$ 331,237,515	\$ 319,696,800	\$ 321,298,289	\$ 316,209,151	\$ 311,831,679	\$ 308,461,005	\$ 304,330,066
Gross Debt:										
Outstanding general obligation bonded debt:										
Water fund	4,915,000	6,120,000	7,325,000	8,545,000	9,785,000	11,050,000	12,335,000	13,650,000	14,995,000	15,900,000
Certificates of Participation	37,507,000	42,820,000	46,405,000	49,825,000	53,080,000	56,195,000	59,200,000	62,080,000	64,840,000	67,495,000
Notes Payable	13,111,583	15,216,096	17,703,178	20,188,242	24,489,544	28,097,614	30,053,753	34,317,493	37,631,311	30,625,532
Total	<u>55,533,583</u>	<u>64,156,096</u>	<u>71,433,178</u>	<u>78,558,242</u>	<u>87,354,544</u>	<u>95,342,614</u>	<u>101,588,753</u>	<u>110,047,493</u>	<u>117,466,311</u>	<u>114,020,532</u>
Statutory Deductions:										
Outstanding general obligation bonded debt:										
Water fund	4,915,000	6,120,000	7,325,000	8,545,000	9,785,000	11,050,000	12,335,000	13,650,000	14,995,000	15,900,000
Total	<u>4,915,000</u>	<u>6,120,000</u>	<u>7,325,000</u>	<u>8,545,000</u>	<u>9,785,000</u>	<u>11,050,000</u>	<u>12,335,000</u>	<u>13,650,000</u>	<u>14,995,000</u>	<u>15,900,000</u>
Net Debt	<u>50,618,583</u>	<u>58,036,096</u>	<u>64,108,178</u>	<u>70,013,242</u>	<u>77,569,544</u>	<u>84,292,614</u>	<u>89,253,753</u>	<u>96,397,493</u>	<u>102,471,311</u>	<u>98,120,532</u>
Legal Debt Margin	<u>\$ 274,779,174</u>	<u>\$ 267,296,054</u>	<u>\$ 278,881,975</u>	<u>\$ 261,224,273</u>	<u>\$ 242,127,256</u>	<u>\$ 237,005,675</u>	<u>\$ 226,955,398</u>	<u>\$ 215,434,186</u>	<u>\$ 205,989,694</u>	<u>\$ 206,209,534</u>
Total net debt applicable to the limit as a percentage of debt limit	18.42%	21.71%	22.99%	26.80%	32.04%	35.57%	39.33%	44.75%	49.75%	47.58%

CITY OF WILSON, NORTH CAROLINA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 JUNE 30, 2018 (UNAUDITED)

TABLE 15

<u>Governmental Unit</u>	<u>Total General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Wilson</u>	<u>City of Wilson's Share of Debt</u>
Direct Debt - City of Wilson	\$ 1,285,927	100.00%	\$ 1,285,927
Overlapping Debt - Wilson County	<u>7,865,000</u>	(1) 59.18%	(2) <u>4,654,509</u>
Total direct and overlapping debt	<u><u>\$ 9,150,927</u></u>		<u><u>\$ 5,940,436</u></u>

(1) Determined by ratio of assessed valuation of property subject to taxation in Wilson County (\$6,873,049,395) to valuation of property subject to taxation in City of Wilson (\$4,067,471,963).

(2) Amount in debt outstanding column multiplied by percentage applicable.

CITY OF WILSON, NORTH CAROLINA

PLEGGED REVENUE COVERAGE LAST TEN FISCAL YEARS (UNAUDITED)

Table 16

Fiscal Years Ended June 30	Adjusted Gross Revenue	Adjusted Total Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
Gas Revenue Bonds						
2009	\$ 24,073,929	\$ 20,307,333	\$ 3,766,596	\$ 118,125	\$ 167,202	13.20
2010	20,541,662	15,654,067	4,887,595	121,500	149,633	18.03
2011	18,732,732	15,381,669	3,351,063	126,000	148,355	12.21
2012	15,578,576	13,037,349	2,541,227	129,375	144,040	9.29
2013	17,282,533	15,801,979	1,480,554	133,875	43,516	8.35
2014	18,283,158	16,292,621	1,990,537	156,375	69,236	8.82
2015	19,034,067	15,888,473	3,145,594	159,750	71,758	13.59
2016	14,902,760	13,946,832	955,928	161,325	73,916	4.06
2017	14,867,043	13,538,659	1,328,384	165,150	69,703	5.66
2018	18,726,857	14,473,559	4,253,298	166,275	64,633	18.42
Water Revenue Bonds						
2009	\$ 20,217,614	\$ 14,884,996	\$ 5,332,618	\$ 406,875	\$ 539,757	5.63
2010	20,208,879	14,329,053	5,879,826	418,500	527,690	6.21
2011	21,882,337	13,991,965	7,890,372	434,000	514,235	8.32
2012	21,561,784	14,783,079	6,778,705	445,625	501,835	7.15
2013	21,192,349	15,057,791	6,134,558	461,125	149,887	10.04
2014	25,376,939	15,671,290	9,705,649	538,625	352,430	10.89
2015	23,371,293	15,106,339	8,264,954	550,250	242,903	10.42
2016	24,047,502	15,697,285	8,350,217	555,675	239,306	10.50
2017	25,077,662	17,048,616	8,029,046	568,850	240,089	9.93
2018	26,592,600	16,615,496	9,977,104	572,725	222,623	12.54
Water Resources Federal Revolving Loan Notes Payable						
2009	\$ 20,244,515	\$ 17,046,386	\$ 3,198,129	\$ 1,738,419	\$ 649,104	1.34
2010	20,058,160	16,720,158	3,338,002	1,738,439	612,798	1.42
2011	21,843,583	15,581,427	6,262,156	1,766,777	569,231	2.68
2012	21,481,216	16,855,140	4,626,076	1,766,777	525,664	2.02
2013	21,053,979	16,885,337	4,168,642	1,766,777	482,098	1.85
2014	25,383,839	16,846,343	8,537,496	1,766,777	438,531	3.87
2015	23,388,437	16,067,230	7,321,207	1,673,575	388,451	3.55
2016	24,053,919	16,581,417	7,472,502	1,673,575	354,071	3.69
2017	25,159,431	17,902,949	7,256,482	1,673,575	306,060	3.67
2018	27,020,688	17,291,372	9,729,316	1,673,575	267,928	5.01

Note: Revenue Bond adjusted gross revenues does not include other income, investment income on revenue bond proceeds, intergovernmental revenues nor capital contributions. Revenue bond total expenses does not include depreciation expense, interest expense nor transfers out. Water resources federal revolving loan notes payable adjusted gross revenues does not include intergovernmental revenues nor capital contributions. Water resources federal revolving loan notes payable adjusted total expenses does not include depreciation expense.

CITY OF WILSON, NORTH CAROLINA

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17

POPULATION (1) (City)

<u>Year</u>	<u>Number</u>
2018	49,348
2017	49,620
2016	49,643
2015	49,828
2014	49,628
2013	49,119
2012	49,167
2011	49,421
2010	51,274
2009	50,651

TAXABLE SALES (2)

<u>Year</u>	<u>City</u>	<u>County</u>
2018	N/A	999,411,501
2017	N/A	995,644,509
2016	N/A	909,128,062
2015	N/A	829,972,195
2014	N/A	793,246,943
2013	N/A	797,301,828
2012	N/A	769,341,633
2011	N/A	737,674,146
2010	N/A	724,690,344
2009	594,095,422	709,357,554

UNEMPLOYMENT RATE (3) (County)

<u>Year</u>	<u>Rate</u>
2018	6.88%
2017	7.91%
2016	8.98%
2015	8.93%
2014	11.20%
2013	13.00%
2012	13.15%
2011	12.32%
2010	12.32%
2009	10.83%

INCOME (4) (County)

<u>Year</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>
2018	N/A	N/A
2017	N/A	N/A
2016	3,125,365	38,272
2015	3,073,841	37,617
2014	2,933,982	36,044
2013	2,937,718	35,972
2012	2,910,323	35,598
2011	2,757,412	33,854
2010	2,672,816	32,880
2009	2,658,562	32,958

SOURCES:

- (1) Population data provided by: a) NC Office of State Budget 2003-2011; b) NC Dept of Commerce 2015; c)US Census Bureau 2016 forward
- (2) NC Department of Revenue, Sales and Use Tax Division, Tax Research Division
- (3) NC Employment Security Commission
- (4) State Agency Data: Office of the Governor through 2008; U.S. Census Bureau 2009 ; U.S. Bureau of Economic Analysis 2010 forward (data not available past 2016)

CITY OF WILSON, NORTH CAROLINA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2018 (UNAUDITED)

Table 18

Employer	Nature of Business	2018			2009		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
BRANCH BANK & TRUST	Banking	2,210	1	6.44%	2,027	2	5.63%
WILSON COUNTY SCHOOLS	Education	1,500	2	4.37%	1,600	3	4.44%
WILSON MEDICAL CENTER	Health Care	1,087	3	3.17%	1,457	4	4.05%
UTC AEROSPACE SYSTEMS-FORMELY KIDDE	Manufacturing	850	4	2.48%	541	9	1.50%
CITY OF WILSON	Public Administration	754	5	2.20%	690	7	1.92%
COUNTY OF WILSON	Public Administration	750	6	2.19%	681	8	1.89%
SMITHFIELD PACKING COMPANY	Manufacturing	616	7	1.79%	790	6	2.19%
NC DEPARTMENT OF HEALTH & HUMAN SERVICES	Public Administration	507	8	1.48%			
NOVARTIS -FORMERLY SANDOZ	Manufacturing	462	9	1.35%			0.00%
LINAMAR CORPORATION	Manufacturing	206	10	0.60%			
BRIDGESTONE AMERICAS-FORMELY FIRESTONE*	Manufacturing			0.00%	2,172	1	6.03%
S T WOOTEN CORPORATION**	Construction			0.00%	1,180	5	3.28%
Principal Employees Total Employment		8,942		26.05%	11,138		30.93%
Balance of employment		25,380		73.95%	24,867		69.07%
Total employment		34,322		100.00%	36,005		100.00%
<u>Top Five Wilson County Employers</u>							
BRANCH BANK & TRUST	Banking	2,210					
BRIDGESTONE AMERICAS-FORMELY FIRESTONE	Manufacturing	2,100					
WILSON COUNTY SCHOOLS	Education	1,500					
WILSON MEDICAL CENTER	Health Care	1,087					
UTC AEROSPACE SYSTEMS-FORMELY KIDDE	Manufacturing	850					

Source: Employers' Data, Wilson Economic Development, Wilson Chamber of Commerce

CITY OF WILSON, NORTH CAROLINA

Full-time City Government Employees by Function
 LAST TEN FISCAL YEARS (UNAUDITED)

Table 19

Function	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	109	132	132	123	123	125	126	114	118	109
Public Safety	250	238	238	236	235	242	242	239	240	244
Public Services	40	47	47	46	46	39	39	39	39	39
Environmental Services	40	40	40	40	40	40	40	40	40	40
Planning and Development	16	12	11	10	11	10	15	15	14	14
Human Services	3	3	3	3	3	3	3	3	3	3
Culture and Recreation	31	34	34	34	34	34	34	34	34	34
Electric	76	80	82	80	81	81	79	82	82	82
Gas	25	21	21	21	21	21	21	22	22	22
Water and Sewer	102	99	98	100	100	100	100	104	105	105
Mass Transit	10	10	10	10	10	10	10	10	10	10
Stormwater Management	11	12	13	13	13	13	13	13	13	13
Broadband	41	19	18	18	18	18	16	20	19	18
Source: City of Wilson Financial Services Department	754	747	747	747	734	736	738	735	739	733

CITY OF WILSON, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION (CONTINUED)
 LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 20 (continued)

Function	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government										
Fleet Management										
Rolling stock maintained	838	832	806	789	775	772	795	755	735	734
Work orders completed	7,263	6,379	6,984	6,987	6,638	6,730	6,285	5,348	5,332	5,318
Human Resources										
Employment applications processed	2,644	1,906	2,395	1,759	2,056	1,922	525	2,509	2,875	2,024
Turnover	76	79	61	65	68	65	16	57	44	74
Public Safety										
Police										
Violent Crimes Reported	276	262	259	257	228	240	251	265	269	254
Violent Crimes Cleared	139	148	153	174	134	163	152	168	160	173
Property Crimes Reported	1,759	1,875	1,967	2,006	2,104	2,232	2,463	2,300	2,535	2,181
Property Crimes Cleared	538	594	579	673	811	830	778	750	866	776
Traffic Accidents	2,528	2,665	2,612	2,461	2,198	2,253	2,265	2,328	2,324	2,027
Fire										
Fire responses	206	236	254	205	228	225	237	274	253	224
Medical responses	2,579	2,553	2,298	2,211	2,328	2,338	2,226	2,183	2,813	3,330
Inspections	3,941	4,649	6,975	7,530	6,699	5,016	5,087	4,830	5,175	4,898
Building Inspections										
Number of inspections	8,656	7,643	7,081	7,351	6,051	6,576	6,429	6,503	6,368	7,722
Public Works										
Street resurfacing (lane miles)	11.2	7.8	4.2	0	5.76	11.88	0	10.32	7.83	13.95
Preservation treatment (lane miles)	0	18.2	19.8	0	5.31	1	0	0	0	0
Potholes repaired	1,968	516	1,498	119	891	886	561	714	658	598

CITY OF WILSON, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION (CONCLUDED)
 LAST TEN FISCAL YEARS (UNAUDITED)

Table 20 (concluded)

Function	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Environmental Services										
Refuse collected (tons per year)	24,127	22,730	22,613	22,246	22,825	22,793	22,634	22,546	23,523	23,572
Recyclables collected (tons per year)	1,952	1,680	1,586	1,509	1,440	1,485	1,546	1,468	1,344	1,311
Yard waste/leaf collection (tons per year)	8,822	8,612	8,426	8,102	7,110	7,740	7,408	6,954	6,826	7,582
Electric										
Average daily usage (KWH)	3,622,341	3,521,571	3,573,838	3,623,079	3,582,115	3,433,499	3,381,092	3,478,848	3,360,841	3,391,166
Number of customers	35,602	35,112	35,718	35,020	34,765	34,831	34,810	34,781	34,748	36,390
Gas										
Average daily usage (cubic feet)	4,063,048	3,360,723	3,420,070	3,274,000	4,234,000	4,079,761	3,380,403	4,020,980	3,919,871	3,794,860
Number of customers	13,770	13,763	13,753	13,762	13,704	13,671	13,651	13,765	13,732	13,730
Water and sewer										
Average daily water usage (million gallons)	8.88	8.68	8.69	8.61	8.79	8.53	9.04	9.11	8.82	8.64
Average daily sewer flow (million gallons)	8.36	9.03	9.46	9.86	9.61	8.54	7.81	6.48	8.22	8.08
Number of customers	22,545	22,387	22,339	22,337	22,179	22,185	22,086	22,072	21,969	21,936
Mass Transit										
Annual ridership	79,737	108,728	99,444	91,429	129,047	127,769	160,871	159,860	161,883	157,128
Average passengers per hour	6.75	8.69	5.32	5.81	10.30	10.20	10.00	10.00	10.00	12.30
Stormwater management										
Number of billable control structure inspections	98	96	87	85	84	72	85	116	119	78
Miles of drainage cleaned, open ditches maintained and line replaced	7.53	7.96	7.45	7.26	9.41	4	8	8	7	6

Source: Various City of Wilson Departments

CITY OF WILSON, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 21

Function	For the Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	5	5	5	5	5	7	8	6	6	6
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of paved streets	232	232	232	232	231	229	229	229	228	226
Culture and recreation										
Parks (Number)	29	29	28	28	28	32	25	30	30	31
Parks (Acreage)	394	394	392	392	392	392	322	468	468	469
Golf course (Acreage)	187	187	187	187	187	185	185	185	185	185
Recreational reservoirs (number)	4	4	4	4	4	4	3	3	3	3
Recreational reservoirs (water recrease)	3,000	3,000	3,000	3,000	3,000	2,558	2,558	2,681	2,681	2,681
Electric										
Distribution lines overhead (miles)	948	947	947	946	943	944	944	961	958	956
Distribution lines underground (miles)	378	365	365	364	361	357	355	338	332	327
Gas										
Distribution lines (miles)	401	398	396	395	393	392	392	386	384	384
Water and sewer										
Water distribution lines (miles)	427	427	425	432	432	429	428	428	428	404
Sewer lines (miles)	360	365	357	354	354	358	353	352	352	343
Mass Transit										
Buses	7	7	7	7	7	7	7	6	7	7

CITY OF WILSON, NORTH CAROLINA

REVENUE BOND HISTORICAL OPERATING RESULTS (NON-GAAP)

TABLE 22

LAST TEN FISCAL YEARS FOR FISCAL YEAR ENDED JUNE 30 (UNAUDITED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Operating Revenues	\$ 45,296,005	\$ 39,937,947	\$ 38,791,144	\$ 42,296,984	\$ 43,525,253	\$ 38,301,913	\$ 36,716,778	\$ 40,287,616	\$ 40,175,012	\$ 43,565,048
Total Operating Expenses	(36,082,546)	(35,376,749)	(34,254,955)	(35,437,129)	(36,325,206)	(35,182,381)	(32,081,079)	(33,642,456)	(34,152,972)	(39,502,670)
Total Non-Operating Revenues (Expenses)	(319,608)	(436,437)	(834,867)	(973,154)	(1,192,463)	(697,511)	(2,159,243)	(1,525,533)	(2,429,699)	(1,451,678)
Net Income Before Transfers	8,893,851	4,124,761	3,701,322	5,886,701	6,007,584	2,422,021	2,476,456	5,119,627	3,592,341	2,610,700
Capital Contributions	2,440,076	2,900,792	7,375	123,405	195,479	150,578	98,148	38,754	2,127,035	519,302
Transfers In									93,250	
Transfers Out	(1,359,160)	(1,343,020)	(1,337,520)	(1,333,100)	(1,367,850)	(2,868,230)	(1,455,020)	(1,339,910)	(1,319,140)	(1,322,270)
Net Income	9,974,767	5,682,533	2,371,177	4,677,006	4,835,213	(295,631)	1,119,584	3,818,471	4,493,486	1,807,732
Adjustments to Net Income ⁽¹⁾	4,401,704	4,082,238	6,934,968	6,733,542	6,881,273	7,766,670	8,110,990	7,437,190	6,376,173	7,291,482
Income Available for Debt Service	<u>\$ 14,376,471</u>	<u>\$ 9,764,771</u>	<u>\$ 9,306,145</u>	<u>\$ 11,410,548</u>	<u>\$ 11,716,486</u>	<u>\$ 7,471,039</u>	<u>\$ 9,230,574</u>	<u>\$ 11,255,661</u>	<u>\$ 10,869,659</u>	<u>\$ 9,099,214</u>

(1) Includes among other things, depreciation and amortization and interest expense.

CITY OF WILSON, NORTH CAROLINA

2002 REVENUE BOND CONTINUING DISCLOSURE OBLIGATION -
 COMBINED ENTERPRISE SYSTEM
 JUNE 30, 2018 (UNAUDITED)

TABLE 23

(CONTINUED)

WATER RATES (as of July 1, 2018)

Base Charge:

<u>Meter Size</u>	<u>Inside City Limit Charge Per Month</u>	<u>Outside City Limit Charge Per Month</u>	<u>Special Customers Outside City Limit Charge Per Month</u>
Inside City Limit:			
5/8, 3/4 or 1"	\$ 10.00	\$ 20.00	\$ 22.50
1-1/2"	18.40	36.80	41.40
2"	28.49	56.98	64.10
3"	51.99	103.98	116.98
4"	85.59	171.18	192.58
6"	169.58	339.16	381.56
8"	270.37	540.74	608.33
10"	421.56	843.12	948.51

Volume Charges:

<u>Volume Range</u>	<u>Inside City Limit Charge Per 100 Cu. Ft.</u>	<u>Outside City Limit Charge Per 100 Cu. Ft.</u>	<u>Special Customers Outside City Limit Charge Per 100 Cu. Ft.</u>
0 - 5,000 cu. ft.	\$ 3.83	\$ 7.66	\$ 8.62
5001- 999,999 cu. ft.	3.43	6.86	7.72
Over 999,999 cu. ft.	2.76	5.52	6.21

CITY OF WILSON, NORTH CAROLINA

2002 REVENUE BOND CONTINUING DISCLOSURE OBLIGATION -
 COMBINED ENTERPRISE SYSTEM
 JUNE 30, 2018 (UNAUDITED)

TABLE 23
 (CONTINUED)

WASTEWATER RATES (as of July 1, 2018)

Base Charge:

<u>Meter Size</u>	<u>Inside City Limit Charge Per Month</u>	<u>Outside City Limit Charge Per Month</u>
Inside City Limit:		
5/8 or 3/4"	\$ 11.00	\$ 22.00
1"	11.00	22.00
1-1/2"	20.30	40.60
2"	31.45	62.90
3"	57.48	114.96
4"	94.66	189.32
6"	187.61	375.22
8"	299.15	598.30
10"	466.46	932.92

Volume Charges:

<u>Volume Range</u>	<u>Inside City Limit Charge Per 100 Cu. Ft.</u>	<u>Outside City Limit Charge Per 100 Cu. Ft.</u>
90% of water volume	\$ 5.29	\$ 10.58

NUMBER OF WATER AND WASTEWATER ACCOUNTS - LAST FIVE FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Water</u>		<u>Wastewater</u>	
	<u>Number of Customers</u>	<u>Percent of Growth</u>	<u>Number of Customers</u>	<u>Percent of Growth</u>
2014	22,179	0.0%	20,241	0.0%
2015	22,337	0.7%	20,314	0.4%
2016	22,339	0.0%	20,378	0.3%
2017	22,387	0.2%	20,442	0.3%
2018	22,545	0.7%	20,568	0.6%

CITY OF WILSON, NORTH CAROLINA

2002 REVENUE BOND CONTINUING DISCLOSURE OBLIGATION -
 COMBINED ENTERPRISE SYSTEM
 JUNE 30, 2018 (UNAUDITED)

TABLE 23

(CONTINUED)

TEN LARGEST WATER CUSTOMERS - FISCAL YEAR JUNE 30, 2018

<u>Customer</u>	<u>Industry</u>	<u>Total Sales</u> <u>Revenue</u>	<u>% of Total</u> <u>Sales Revenue</u>
Bridgestone	Tires	\$ 501,568	4.30%
Ardagh Group	Glass Containers	418,677	3.59%
Johnson Co Pump Station	County	341,051	2.92%
Cott Beverage	Private Label Bottler	301,047	2.58%
Merck Sharp & Dohme Corp	Pharmaceuticals	182,707	1.57%
Smithfield Packing - Farmland	Meat Packing	134,365	1.15%
Wilson Housing Authority	Low Income Housing	174,569	1.50%
(Duke Life Point) Wilson Medical	Healthcare	119,682	1.03%
EON Labs	Pharmaceuticals	114,789	0.98%
Sun River Service Co., LLC	Pet Foods	88,143	0.76%

TEN LARGEST WASTEWATER CUSTOMERS - FISCAL YEAR ENDED JUNE 30, 2018

<u>Customer</u>	<u>Industry</u>	<u>Total Sales</u> <u>Revenue</u>	<u>% of Total</u> <u>Sales Revenue</u>
Town of Black Creek	Municipality	\$ 408,775	3.14%
Cott Beverage	Private Label Bottler	268,141	2.06%
Wilson Housing Authority	Low Income Housing	209,869	1.61%
(Duke Life Point) Wilson Medical	Healthcare	127,505	0.98%
Wilson County Schools	School system	107,301	0.82%
Merck Sharp & Dohme Corp	Pharmaceuticals	77,876	0.60%
Longleaf Neuro-Medical Center	Nursing Home	71,772	0.55%
Barton College	College	64,307	0.49%
Bill Ellis	Restaurant	39,274	0.30%
Branch Banking & Trust	Banking	36,043	0.28%

CITY OF WILSON, NORTH CAROLINA

2002 REVENUE BOND CONTINUING DISCLOSURE OBLIGATION -
 COMBINED ENTERPRISE SYSTEM
 JUNE 30, 2018 (UNAUDITED)

TABLE 23

(CONCLUDED)

NUMBER OF GAS ACCOUNTS - LAST FIVE FISCAL YEARS

Fiscal Year					
Ended June 30	Residential	Commercial	Industrial	Interruptible	Total
2014	12,601	1,080	17	6	13,704
2015	12,662	1,079	14	6	13,761
2016	12,679	1,054	14	6	13,753
2017	12,674	1,067	16	6	13,763
2018	12,673	1,075	16	6	13,770

GAS CONSUMPTION - LAST FIVE FISCAL YEARS (Per CCF)

Fiscal Year					
Ended June 30	Residential	Commercial	Industrial	Interruptible	Total
2014	7,061,506	3,114,983	1,306,802	3,536,374	15,019,665
2015	7,119,241	3,382,548	1,166,440	3,662,145	15,330,374
2016	5,238,023	2,671,019	886,111	3,688,103	12,483,256
2017	5,120,334	2,662,259	934,712	3,549,334	12,266,639
2018	6,590,425	3,138,334	1,156,785	3,944,581	14,830,125

TEN LARGEST GAS CUSTOMERS - FISCAL YEAR ENDED JUNE 30, 2018

Customer	Industry	Total Sales Revenue	% of Total Sales Revenue
Merck Sharp & Dohme Corp	Pharmaceuticals	\$ 929,592	4.96%
EON Labs	Pharmaceuticals	559,421	2.99%
ST Wooten	Construction	486,660	2.60%
Wilson Housing Authority	Low Income Housing	470,459	2.51%
(Duke Life Point) Wilson Medical	Healthcare	459,056	2.45%
Fresenius Kabi USA)	Medical Supplies	391,657	2.09%
Purdue Pharmaceuticals	Pharmaceuticals	353,306	1.89%
Southeastern Grain Co.	Agriculture Products	286,712	1.53%
Longleaf Neuro-Medical Center	Nursing Home	252,845	1.35%
Barton College	School	216,746	1.16%

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Wilson
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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wilson, North Carolina, as of and for the year ended June 30, 2018, and the related Notes to the Financial Statements, which collectively comprise the City of Wilson's basic financial statements, and have issued our report thereon dated October 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wilson's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wilson's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 12, 2018

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

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Report On Compliance For Each Major Federal Program and Report On Internal Control Over Compliance Required by the Uniform Guidance And The State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Wilson
Wilson, North Carolina

Report On Compliance for Each Major Federal Program

We have audited the City of Wilson, North Carolina's compliance 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 the City of Wilson's major federal programs for the year ended June 30, 2018. The City of Wilson's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal and state 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 the City of Wilson'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 the City of Wilson'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 the City of Wilson's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Wilson complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report On Internal Control Over Compliance

Management of the City of Wilson 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 the City of Wilson's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 the City of Wilson'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 we consider to be material weaknesses. 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 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, NC
October 12, 2018

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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 Honorable Mayor and
Members of the City Council
City of Wilson
Wilson, North Carolina

Report On Compliance for Each Major State Program

We have audited the City of Wilson, North Carolina's compliance 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 the City of Wilson's major State programs for the year ended June 30, 2018. The City of Wilson'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 major State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wilson'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 the City of Wilson'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 the City of Wilson's compliance.

Opinion on Each Major State Program

In our opinion, the City of Wilson complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2018.

Report On Internal Control Over Compliance

Management of the City of Wilson 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 the City of Wilson's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Wilson'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 a 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 a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 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, NC
October 12, 2018

CITY OF WILSON, NORTH CAROLINA

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

1. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- 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? No

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>Program Name</u>	<u>CFDA#</u>
Community Development Block Grants/ State's Program and Non Entitlement Grants In Hawaii Small Cities Program	14.228
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	Yes

CITY OF WILSON, NORTH CAROLINA

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

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State programs:

- Material weakness (es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

Program Name

Industrial Development Fund Utility Account
Powell Bill

CITY OF WILSON, NORTH CAROLINA

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

2. Financial Statements Findings

None reported.

3. Federal Awards Findings and Questioned Costs

None reported.

4. State Awards Findings and Questioned Costs

None reported.

CITY OF WILSON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

CITY OF WILSON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Grants:						
Cash Programs:						
<u>U.S. Dept. of Housing and Urban Development</u>						
Office of Community Planning & Development:						
Passed-through N.C. Housing Finance Agency:						
HOME Investment Partnerships Program						
Essential Single Family Rehabilitation Loan Pool 2016	14.239		2,250			
NCHFA: ESFRLP1633						
Passed-through N.C. Department of Commerce:						
Community Development Block Grants/State's Program						
and Non Entitlement Grants in Hawaii	14.228					
Small Cities Program - Economic Development						
NC-DOC 15-E-2787			500,000			
<u>TOTAL U.S. Dept. of Housing and Urban Development</u>			502,250			
<u>U.S. Dept. of Transportation</u>						
Federal Transit Administration (FTA)						
Formula Grants for Rural Areas						
Passed-through the N.C. Department						
of Transportation:						
PTNA administrative assistance	20.509		346,050	21,629		64,883
36233.26.19.1						
PTNA operating assistance	20.509			350,000		350,000
36223.83.2.1						
PTNA capital assistance	20.509		95,328	11,916		11,916
36233.26.19.3						
<u>Highway Planning & Construction Cluster:</u>						
Federal Highway Administration (FHWA)						
Passed-through the N.C. Department						
of Transportation						
Tarboro Street (SR1184) Sidewalk	20.205		128,806	32,202		
NC DOT: TIP PROJECT EB-5507						
Federal Highway Administration (FHWA)						
Recreational Trails Program						
Passed-through the N.C. Department						
of Natural & Cultural Resources:						
Hominy Creek Greenway	20.219					47,416
RTP2018-48P001						
Total Highway Planning & Construction Cluster			128,806	32,202		47,416
<u>Highway Safety Cluster:</u>						
National Highway Traffic Safety Administration (NHTSA)						
Passed-through the N.C. Department						
of Transportation:						
N.C. Governor's Highway Safety Program:						
National Priority Safety Programs	20.616		18,579			18,580
M5HVE-2017-15-02						
<u>TOTAL U.S. Dept. of Transportation</u>			588,763	415,747		492,795
<u>U.S. Department of Justice</u>						
Bureau of Justice Assistance (BVP)						
Bulletproof Vest Partnership Program	16.607		12,142			12,142
<u>TOTAL U. S. Department of Justice</u>			12,142			12,142

CITY OF WILSON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
<u>U.S. Environmental Protection Agency</u>						
Office of Solid Waste & Emergency Response: Brownfields Assessment and Cleanup Cooperative Agreements BF-00D61417-0	66.818		127,555			
Brownfields Assessment and Cleanup Cooperative Agreements (Revolving Loan Fund) BF-00D26215-0	66.818		27,478			
<u>TOTAL U. S. Environmental Protection Agency</u>			155,033			
<u>U.S. Dept. of Agriculture</u>						
Forest Service Office Urban & Community Forestry Program (UCF) Passed-through N.C. Dept. of Agriculture & Consumer Services (NC Forest Service) Wilson Inventory Landscape Trees 17-217-4005	10.675		15,000			14,850
<u>TOTAL U.S. Dept. of Agriculture</u>			15,000			14,850
<u>US Dept. of Health & Human Services</u>						
Administration for Community Living Passed-through Upper Coastal Plains Council of Governments Special Programs for the Aging Cluster Title III, Part B, Grants for Supportive Services and Senior Centers ZGA370	93.044		8,824	3,177		
<u>TOTAL U.S. Dept. of Health & Human Services</u>			8,824	3,177		
<u>U.S. Dept. of Homeland Security</u>						
Federal Emergency Management Agency (FEMA): Passed-through the N.C. Emergency Management (NCEM) Disaster Grants - Public Assistance Project #7-D2114 (Presidentially Declared Disasters) Federal 75% State 75%	97.036		14,925	4,975		
Wiggins Mill Dam & Pump Station Restoration FEMA 4285-DR-NC Federal 75% State 75%	97.036		798,287	266,096		
<u>TOTAL U.S. Dept. of Homeland Security</u>			813,212	271,071		
Total Assistance - Federal Programs			\$ 2,095,224	\$ 689,995		\$ 519,787
State Grants:						
Cash Assistance:						
<u>N.C. Housing Finance Agency:</u>						
Urgent Repair Program 16	n/a	URP1636		95,505		10,843
Urgent Repair Program 17	n/a	URP1735		8,200		
Essential Single-Family Loan Pool - Disaster Recovery	n/a	ESFRLP-DR		224,404		
<u>TOTAL N.C. Housing Finance Agency</u>				328,109		10,843

CITY OF WILSON, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2018

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
<u>N.C. Dept. of Natural & Cultural Resources:</u>						
N.C. Arts Council Division The Arts Council Wilson, Inc. Grass Roots Grant				1,500		1,500
N.C. Parks & Recreation Trust Fund (PARTF) Cavalier Terrace Project						42,619
<u>TOTAL N.C. Department of Natural & Cultural Resources</u>				<u>1,500</u>		<u>44,119</u>
<u>N.C. Dept. of Commerce:</u>						
<u>Rural Economic Development Division:</u>						
Industrial Development Fund Utility Account Woodard Parkway Infrastructure Project	n/a	U-461		1,377,759		13,400
Building Reuse Program 217 South Street Reuse	n/a	2016-051-3201-2587		20,000		
<u>TOTAL N.C. Department of Commerce</u>				<u>1,397,759</u>		<u>13,400</u>
<u>N.C. Department of Environmental Quality (DEQ)</u>						
Division of Water Infrastructure: Wastewater Asset Inventory & Assessment	n/a	E-AIA-W-16-0014		31,316		
<u>TOTAL N.C. Department of Environmental Quality (DEQ)</u>				<u>31,316</u>		
<u>N.C. Department of Transportation:</u>						
Powell Bill	n/a	2000006522		1,356,307		2,270
State Maintenance Assistance Program	n/a			173,628		
<u>TOTAL N.C. Department of Transportation</u>				<u>1,529,935</u>		<u>2,270</u>
Total Assistance - State Programs				<u>\$ 3,288,619</u>		<u>\$ 70,632</u>
TOTAL ASSISTANCE - FEDERAL & STATE			<u>\$ 2,095,224</u>	<u>\$ 3,978,614</u>		<u>\$ 590,419</u>

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Wilson under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the City of Wilson, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Wilson.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

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