

# **HALIFAX COUNTY NORTH CAROLINA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

# **HALIFAX COUNTY NORTH CAROLINA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2010**

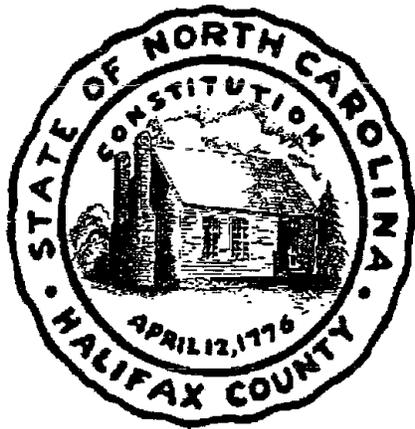
# **HALIFAX COUNTY NORTH CAROLINA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2010**

**Prepared by the Halifax County Office of Budget and Finance**

**Linda E. Taylor, Assistant County Manager of Financial Services and Assistant Budget Officer**



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**HALIFAX COUNTY, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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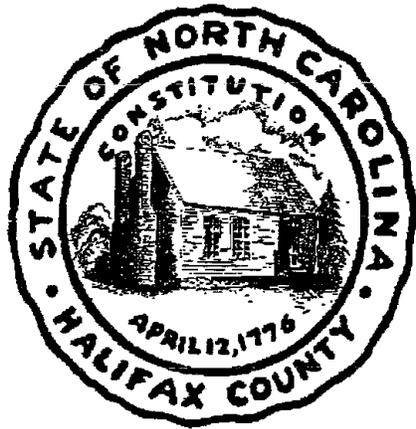
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## **INTRODUCTORY SECTION**



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October 21, 2010

Board of County Commissioners  
and the Citizens of Halifax County

We are pleased to present the comprehensive annual financial report (CAFR) of Halifax County, North Carolina, for the fiscal year ended June 30, 2010. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes and Associates, CPAs, PA. Their unqualified opinion is included in the basic financial statements. Halifax County, however, is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe that the data, as presented, is accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

Halifax County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-128, Audits of State and Local Governments, and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and state awards, the auditors' report on their internal control structure and compliance with applicable laws and regulations are included in the compliance section of this report.

The financial reporting entity includes all the funds of the primary government (Halifax County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

The Halifax County ABC Board and the Halifax County Tourism Development Authority are component units of Halifax County and are operated under powers vested by North Carolina General Statute 18B-701. The Board of Commissioners appoints some members of the ABC, Tourism Authority and Airport Authority Boards.

The ABC Board is required by state statute to distribute some of the General Funds of the County to cities and towns in which it operates which present a financial benefit to those entities. Since Halifax County receives 75% of the distributions and appoints the entire Board, the Halifax County ABC Board is reported as a discretely presented component unit in the County's financial statements.

The Halifax County Tourism Development Authority is required by state law to spend the “net proceeds” of occupancy tax funds remitted to it to promote travel and tourism in Halifax County and to finance tourist related capital projects in Halifax County. The Halifax County Tourism Authority receives 97% of the occupancy tax collected in Halifax County and the Halifax County Board of Commissioners appoints its entire board. The Tourism Authority is reported as a discretely presented component unit in the County’s financial statements.

### **Description of the County**

Halifax County was chartered by the North Carolina General Assembly in 1758. The residents of the parish of Edgecombe petitioned for the formation of a new county composed of all of the territory of Edgecombe County North of Fishing Creek and Rainbow Banks on the Roanoke River.

The County was named by Governor Dobbs for Charles Montague, Earl of Halifax. The Town of Halifax, the County seat, was founded in 1760. From 1776-1782 Halifax served as the center of the North Carolina State Government. On April 12, 1776 the provincial congress of North Carolina adopted the “Halifax Resolves” which was the first official Declaration of Independence by a colony.

Halifax County is the fourteenth largest County in North Carolina and covers an area of 731 square miles. Interstate Highway 95 and US Highway 301 oriented north and south split the County in the middle. US Highway 158 is near the northern boundary and is oriented east and west. US Highway 258 is oriented north and south through the County on the eastern side. CSX Railroad parallels the path of US 301.

In the early years, agriculture was dominant in this coastal plains county. However, over the course of time the economy has somewhat diversified. The County has a declining agricultural base that produces cotton, peanuts, tobacco and livestock. Timber management and hunting leases help supplement returns for agricultural landowners. Although agriculture is still a large part of the County’s economy, business and industry find the area offers favorable opportunities for growth with lower operating costs, availability of land, a mild climate and a labor pool of people willing to meet modern business challenges. Halifax County had a population of 55,173 in 2010. The County consists of seven municipalities, the largest being Roanoke Rapids with a population of 16,572.

This report includes all the County’s activities. The County provides its citizens a wide range of services that include human services, public safety, economic and physical development, public health, public utilities and others.

The County also appropriates funding for certain boards, agencies and commissions to assist their efforts in serving citizens. Among these are the Halifax County Board of Education, the Weldon City Board of Education, the Roanoke Rapids Board of Education, Halifax Community College, and the Upper Coastal Plain Council of Governments. Because County allocations do not constitute a major portion of their revenues and the County has no authority to designate their management, none of these organizations have been included in this report.

## **Economic Conditions and Outlook**

During Fiscal Year 2009-2010, Halifax County continued to feel the effects of the national recession. In July 2009, the unemployment rate reached its highest level of 13.9% since 1991 and climbed to its peak of 14.7% in January 2010. Retail sectors were impacted the greatest as they continued to streamline operations to accommodate declining sales. Major employers continued their lean operations as a result of downsizing in earlier 2009. In February of 2010, unemployment dropped - the first decline in seven months. A slow decline in unemployment occurred each month, with Halifax County ending its fiscal year with unemployment at 12.6% representing over 3,000 unemployed residents. No additional major closings or major layoffs were announced during this fiscal year.

Tourism continues to be a major economic engine for Halifax County. In light of the current economic climate, tourism spending grew by almost 6% in Halifax County last year, representing \$70 million in tourism-related revenues. Halifax County had the largest increase in tourism spending of the sixteen counties in Northeast North Carolina and the 9<sup>th</sup> highest in the state overall. Our location along Interstate 95, diverse destination attractions, and solid foundation of shopping, restaurants and hotels choices, contributed to the attraction of tourists and the increase in overall tourism spending.

Although slow, Halifax County is beginning to see signs of economic recovery. A strong focus on economic development by the Board of Commissioners will help stimulate new investment and job creation opportunities and support Halifax County's economic growth.

## **Recent Initiatives**

In August 2004, Halifax County residents approved a \$10 million general obligation bond referendum that will allow the County's water system to continue to grow. An application was made to USDA Rural Development for funding of a Phase IX project at a cost of \$6.5 million. Phase IX began in December 2006 and included approximately 75 miles of water mains and a 250,000 gallon elevated water tank. Construction of Phase IX was completed in November 2008. In December 2008 a change order, Phase IXA, was approved by the Halifax County Board of Commissioners which included eight additional roads and service to 200 more residents; this project was completed in April 2010. In January 2010, the County Commissioners authorized an application to be made to USDA Rural Development for funding of Phase X project for the amount of \$1.9 million dollars; the project will include nine roads with an estimated customer base of 149 customers. The project will begin September 2010 with a projected completion date of March 2011. A Phase XI project is anticipated for 2011-2012. Approximately 48,000 rural County residents are receiving pure, safe drinking water.

In January of 2010, Reser's Fine Foods announced their "East Coast Expansion" project at the Halifax Industrial Center located on NC Highway 903. This three-phase expansion project will create 500 jobs and over \$62 million in taxable investment in Halifax County. Reser's began construction of Phase I in March, which helped improve local economic conditions through their use of local contractors for several major components of their construction. Phase I will be completed in December of 2010.

The County provided the three public school systems with \$5,554,392 in current expense and \$3,356,196 in capital outlay funds. Halifax Community College received \$943,522 in operating funds and \$69,027 in capital outlay funds. In addition, debt service payments

were made on projects for Belmont Elementary School, part of the Roanoke Rapids Graded School District, and for Weldon Middle School, part of the Weldon City Schools District

### **Future Initiatives**

The opening of the new Halifax-Northampton Regional Airport the previous year continued with additional improvements, including a parallel taxiway, private corporate hangar, and additional T-Hangar facilities thus enhancing economic opportunities for the area. Additionally, the former airport facility located on US Highway 158 just outside of Roanoke Rapids (240 acres) has generated a great deal of interest from commercial and industrial businesses looking for location options.

Halifax County began the development of the 700-acre Halifax Corporate Park located on NC Highway 561 adjacent to the Halifax-Northampton Regional Airport. The Halifax Corporate Park's location will provide an added marketing appeal for new and expanding business and industry projects. The goal in establishing the Halifax Corporate Park is to build \$100 million in new tax base in the next 10 years. Commitments for funding of a mega sewer line and a \$2.2 million interior access road were received by Halifax County. Fiscal Year 2010-2011 began with Halifax County negotiating the sale of land and construction of a 35,000 square foot industrial building with the Park's first tenant, a food technology company.

The Board of Commissioners established the Educational Facilities Capital Improvement Planning Committee in 2007 to prepare a prioritized list of educational facility project needs. Through the work of the Committee, staff from the County as well as all three school systems, the Commissioners adopted the School Improvement Plan in March 2010. The School Improvement Plan is a five year plan that addresses both short term and long term needs of each of the school systems.

The Board of Commissioners has elected to fund FY 2011 capital expenditures from fund balance rather than seek installment financing. This decision will be reviewed in future budget planning sessions.

### **Financial Information**

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For Halifax County, appropriations in all funds are formally budgeted at the departmental level or project level. However, for internal accounting purposes, budgetary control is maintained by object class (line account). Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available. Encumbrances are liquidated at year end; however, encumbrances generally are re-appropriated as part of the following year's budget and are reported as reservations of fund balance.

The County, because of population, is required by North Carolina General Statute 159-26(d) to use an encumbrance system.

In accordance with state law, the County's budget is prepared on the modified accrual basis; its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available.

Expenditures are recorded when a fund liability is incurred, except for un-matured principal and interest on long-term debt and certain compensated absences.

Governmental Fund types, such as the County's General Fund, Special Revenue Funds, Capital Project Funds, and Agency Funds are reported on the modified accrual basis in the financial statements. The County's Enterprise Funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a part of the County's single audit (discussed in more detail in a later paragraph), the independent auditor considered the County's internal control structure. The procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

The Management's Discussion and Analysis, located in the Financial Section, contains highlights of the County's financial status as well as descriptions of the various fund types and financial statements.

### **Single Audit**

As a recipient of federal and state financial assistance, the County is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the County's single audit, described above, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the County complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2007, provided no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

### **Enterprise Operations**

Halifax County's enterprise operations are comprised of one department with separate and distinct divisions: the Public Utilities Department is divided into the Water/Wastewater

Division, and the Solid Waste Division. With the exception of administrative staff, each division has a separate staff and budget and operates independently from the other.

The Water/Wastewater Division is responsible for providing safe drinking water to approximately 48,000 rural county residents and the collection and disposal of wastewater from approximately 1,008 rural county residents. Water and wastewater rates are adjusted annually to ensure that funds are available for repayment of debt and for daily operations and maintenance.

The Solid Waste Division is responsible for collection and disposal of household garbage for approximately 37,700 rural county residents through a contract with Waste Industries, Inc. One county owned, centrally located landfill and seven manned convenience sites are located strategically throughout the County for use by residents to dispose of trash, other than household garbage, (i.e. brush, furniture, appliances, etc.), free of charge. Operation and maintenance costs are paid through an annual collection/disposal fee charged to each rural household. Tipping fees are charged to each commercial client at the landfill and Waste Industries' transfer station.

The Pre-Treatment Division was transferred to Reser's Fine Foods in August 2009.

### **Cash Management**

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the North Carolina Capital Management Trust. The County's objectives are to generate greater amounts of non-tax revenue through increased investment earnings, while at the same time providing safety and liquidity.

At June 30, 2010, the total amount of Governmental Activities cash and investments was \$28,996,560. Investment earnings for the governmental fund types totaled \$109,491 for the current year compared to \$407,156 for the preceding year.

### **Risk Management**

The Finance Director, County Manager and Board of Commissioners determine the amounts and types of insurance that the County carries jointly after obtaining advice from insurance agents and/or consultants. At the present time, the insurance is brokered by BB&T-Proctor Owen Insurance and insured through Travelers for property insurance coverage as well as workers compensation.

## **OTHER INFORMATION**

### **Independent Audit**

North Carolina General Statutes require each unit of local government to have its accounts audited annually by an independent certified public accountant. The accounting firm of Martin Starnes & Associates CPAs, P.A. was selected by the Board of Commissioners.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984 and relatedOMB Circular A-128 along with the State Single Audit Implementation Act. The auditors' report on the General Purpose Financial Statements is included in the Financial Section of this report. The auditors' reports related specifically to the single audit are included in the Compliance Section.

### **Comprehensive Annual Financial Report**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the eleventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Acknowledgments**

The preparation of this report could have not been accomplished without the efficient and dedicated services of the Finance Office Staff. We would like to express our appreciation to all members of the department who assisted and contributed to preparation of this report. Due credits also should be given to the Board of Commissioners for their interest and support in planning and auditing the operations of the government in a responsible and progressive manner.

Respectfully submitted,

  
Tony N. Brown  
County Manager

  
Linda E. Taylor  
Assistant County Manager of Financial Services



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Halifax County  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# **HALIFAX COUNTY, NORTH CAROLINA**

## **LIST OF PRINCIPAL OFFICIALS**

**June 30, 2010**

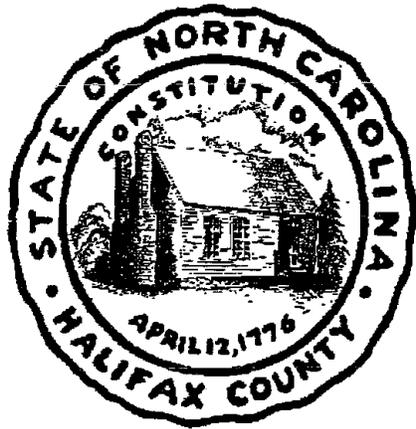
### **Board of Commissioners**

Gene W. Minton, Chairman  
James H. Pierce, Vice-Chairman  
Carolyn C. Johnson  
J. Rives Manning, Jr.  
Marcelle O. Smith  
Rachel K. Hux

### **Administrative Officials**

Tony N. Brown, County Manager  
Linda E. Taylor, Assistant County Manager/Finance Director  
Dia H. Denton, Assistant County Manager/Operations  
Judy Evans-Barbee, Register of Deeds  
Jeff P. Frazier, Sheriff  
Lynda F. Smith, Director of Health Services  
Michael G. Felt, Director of Social Services  
Virginia N. Orvedahl, Director of Library

## **FINANCIAL SECTION**



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

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

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Halifax County  
Halifax, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Halifax County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Halifax County ABC Board which represents 85.28 percent, 85.66 percent, and 86.42 percent, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us and, our opinion on the financial statements, insofar as it relates to the amounts included for the Halifax County ABC Board, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Halifax Tourism Development Authority and Halifax County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of June 30, 2010, and the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, the Schedules of Funding Progress, Employer Contributions, and the notes to the required schedules for the Law Enforcement Officers' Special Separation Allowance, and the Other Post-Employment Benefit Schedules are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2010, on our consideration of Halifax County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Halifax County, North Carolina. The introductory section, combined and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Martin Starnes & Associates, CPAs, P.A.

October 21, 2010

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis is designed to provide an objective and easy to read analysis of Halifax County, North Carolina's (the County's) financial activities for the fiscal year ended June 30, 2010. It is intended to provide a broad overview using a short-term and long-term analysis of the County's activities based on information presented in the financial report and fiscal policies that have been adopted by the Board of County Commissioners.

The Management's Discussion and Analysis (MDA) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued June 1999. Certain comparative information between the current year and prior year is required to be presented in the MDA. The GASB34 reporting model and the financial reports associated with it are described in the following narrative as well as in the Notes to the Financial Statements. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal and financial statements.

### **FINANCIAL HIGHLIGHTS**

The assets of the County's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$30,609,758. Of this amount, \$14,562,807 is available to meet the government's ongoing obligations to its citizens and creditors.

The County's net assets of governmental activities exhibited an increase for the first time in three years by \$3,501,250. This increase can be attributed to the aggressive tax collections, departmental budget reductions, hiring freeze on vacant positions, and no new capital asset expenditures.

As of the close of the current fiscal year, the County's General Fund reported an ending fund balance of \$31,852,211, an increase of \$1,820,034. Approximately 75.4% of this total amount is available for spending at the government's discretion. These figures are found in Exhibits A, B, C, and D in the Financial Section of the CAFR.

The County holds an A+ bond rating from Standard and Poor's effective as of June 2010.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the County's Comprehensive Annual Financial Report (CAFR). The CAFR contains the Basic Financial Statements which include three components: Government-Wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements. The report also contains the Statistical Section, Single Audit, and Other Supplementary Information in addition to the Basic Financial Statements; these will assist the reader's understanding of the fiscal condition of the County.

## **BASIC FINANCIAL STATEMENTS**

The first section of the basic financial statements is the Government-Wide Financial Statements which provide both short and long-term information concerning the County's financial status.

The following section is the Fund Financial Statements. These focus on the activities of the individual parts of the County's government, providing more detail than the government-wide statements. There are four parts to the Fund Financial Statements: governmental funds, budgetary comparison, proprietary fund, and fiduciary fund statements.

The final section is the Notes to the Financial Statements. The notes offer a detailed examination about various information contained in the statements. Following the notes, supplemental information provides details of the County's nonmajor governmental funds and internal service funds, which are combined in one column on the basic financial statements. Budgetary information required by the State of North Carolina General Statutes can also be found in this part of the statements.

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements include a **Statement of Net Assets** and a **Statement of Activities**.

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

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying economic event occurs, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the statement will have cash flows in future fiscal periods. For example, taxes are shown as revenue although cash receipts will occur early in the following fiscal year; an increase in unused vacation leave is recorded as an expense although the related cash flow will occur in the future.

Both of the government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public education, economic development, human services, and general administration. The business-type activities are Public Utilities which are comprised of water systems and solid waste (landfill) systems.

The government-wide financial statements include not only the County itself (primary government), but also the ABC Board and Tourism Development Authority. Financial information for these component units is reported separately from the financial information presented for primary government.

## **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The County, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provision. The fund statements focus on the major funds of the County. All of the County's funds may be divided into three categories: governmental, proprietary, and fiduciary.

### **Governmental Funds**

Governmental Funds are used to account for essentially the same functions that are reported as governmental activities in the Government-Wide Financial Statements with the major difference being how the funds can be readily converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next fiscal year. Governmental Funds are reported using an accounting method called modified accrual accounting which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. Governmental Funds presented individually in the County's statements include three major funds: General Fund, Special Revenue Fund, and Capital Projects Fund.

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

## **Proprietary Funds**

The County maintains two types of Proprietary Funds: Enterprise and Internal Service. Enterprise funds are used to report in greater detail the same functions presented as business-type activities in the Government-Wide Financial Statements. The County uses Enterprise Funds to account for its Utility System and Solid Waste System. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various departments. The County uses Internal Service Funds to account for Health Insurance Fund and Unemployment Insurance Fund. Because this operation benefits predominately governmental rather than business-type activities, the Internal Service Funds have been included within the governmental activities in the Governmental-Wide Financial Statements.

## **Fiduciary Funds**

Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. The County has two fiduciary funds: Agency Funds and Pension Trust Fund. Agency Funds are custodial in nature and do not involve the measurement of operating results. Agency Funds are used to account for assets held by the County as an agent on the behalf of others. The County has three Agency Funds: Social Services Fund - monies deposited with DSS for the benefits of certain individuals; Tax Collection Fund - revenues collected by the County on behalf of municipalities within the County; and DMV Fines and Forfeitures Fund, Pension Trust Fund - a Special Separation Fund, that accounts for the Law Enforcement Officers' Separation, which is a single-employer, public employee retirement system.

## **Notes to the Basic 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 begin on page 27 of this report.

## **Other Information**

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, as well as individual fund budget and actual comparison schedules for the nonmajor and major Debt Service Fund, are found in the *Combining and Individual Fund Statements and Schedules* of the CAFR. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found on pages 62 and 63 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The changes in the financial statement reporting model were mandated by the Government Accounting Standards Board (GASB). GASB Statement No. 34 was implemented in 2003 and dictated the changes you see in the County's financial reports. Implementation dates varied across the State in accordance to monetary budget ranges.

### Halifax County's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Assets:</b>						
Current assets	\$ 37,332,999	\$ 34,909,878	\$ 10,729,342	\$ 11,667,604	\$ 48,062,341	\$ 46,577,482
Restricted assets	358,019	-	-	103,513	-	103,513
Capital assets	<u>22,909,652</u>	<u>24,052,626</u>	<u>35,008,796</u>	<u>34,016,616</u>	<u>57,918,448</u>	<u>58,069,242</u>
Total assets	<u>60,600,670</u>	<u>58,962,504</u>	<u>45,738,138</u>	<u>45,787,733</u>	<u>105,980,789</u>	<u>104,750,237</u>
<b>Liabilities:</b>						
Current liabilities	3,342,400	2,844,207	648,400	962,074	3,990,800	3,806,281
Non-current liabilities	<u>26,648,512</u>	<u>29,009,789</u>	<u>23,544,230</u>	<u>23,890,958</u>	<u>50,192,742</u>	<u>52,900,747</u>
Total liabilities	<u>29,990,912</u>	<u>31,853,996</u>	<u>24,192,630</u>	<u>24,853,032</u>	<u>54,183,542</u>	<u>56,707,028</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	15,987,959	16,324,481	13,947,296	12,725,129	29,935,255	29,049,610
Restricted	58,992	58,192	-	-	58,992	58,192
Unrestricted	<u>14,562,807</u>	<u>10,725,835</u>	<u>7,598,212</u>	<u>8,209,572</u>	<u>22,161,019</u>	<u>18,935,407</u>
Total net assets	<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$52,155,266 at fiscal year-end. Net assets increased in the current fiscal year due to using stringent reviews of expenditures and an aggressive pursuit of tax revenues. \$29,935,255 reflects the County's investment in capital assets, such as land, buildings, equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the County's 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 assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on these capital assets will require future government resources.

A small percentage, less than one percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, 42.5% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 35.3% in unrestricted net assets of the business-type activities is earmarked for use only within the respective enterprise fund, therefore, unavailable to fund general operations of the County. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the government as a whole, as well as its separate governmental and business-type activities.

## Halifax County's Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,155,693	\$ 5,479,016	\$ 8,020,194	\$ 8,519,032	\$ 13,175,887	\$ 13,998,048
Operating grants and contributions	18,458,663	18,975,603	-	-	18,458,663	18,975,603
Capital grants and contributions	1,371,293	640,654	1,021,862	252,287	2,393,155	892,941
General revenue:						
Property taxes	29,073,973	27,031,921	-	-	29,073,973	27,031,921
Local option sales tax	6,765,382	9,017,316	-	-	6,765,382	9,017,316
Other taxes	131,484	138,512	78,893	76,003	210,377	214,515
Occupancy tax	-	436,090	-	-	-	436,090
Interest	109,491	107,007	26,229	156,961	135,720	263,968
Miscellaneous	<u>72,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,410</u>	<u>-</u>
Total revenues	<u>61,138,389</u>	<u>61,826,119</u>	<u>9,147,178</u>	<u>9,004,283</u>	<u>70,285,567</u>	<u>70,830,402</u>
<b>Expenses:</b>						
General government	9,781,235	11,094,199	-	-	9,781,235	11,094,199
Public safety	11,872,036	12,291,389	-	-	11,872,036	12,291,389
Economic and physical development	1,648,548	1,156,054	-	-	1,648,548	1,156,054
Human services	21,431,637	25,268,365	-	-	21,431,637	25,268,365
Recreational	528,298	578,152	-	-	528,298	578,152
Education	11,920,920	11,744,244	-	-	11,920,920	11,744,244
Interest and fees	460,169	532,773	-	-	460,169	532,773
Water and sewer	-	-	5,064,811	5,787,146	5,064,811	5,787,146
Landfill/solid waste	<u>-</u>	<u>-</u>	<u>3,465,856</u>	<u>3,210,966</u>	<u>3,465,856</u>	<u>3,210,966</u>
Total expenses	<u>57,642,843</u>	<u>62,665,176</u>	<u>8,530,667</u>	<u>8,998,112</u>	<u>66,173,510</u>	<u>71,663,288</u>
Revenues over (under) expenditures	3,495,546	(839,057)	616,511	6,171	4,112,057	(832,886)
Transfers	<u>5,704</u>	<u>(30,684)</u>	<u>(5,704)</u>	<u>30,684</u>	<u>-</u>	<u>-</u>
Increase in net assets	3,501,250	(869,741)	610,807	36,855	4,112,057	(832,886)
<b>Net Assets:</b>						
Beginning of year - July 1	<u>27,108,508</u>	<u>27,978,249</u>	<u>20,934,701</u>	<u>20,897,846</u>	<u>48,043,209</u>	<u>48,876,095</u>
End of year - June 30	<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>

## **Governmental Activities**

Of total net assets, governmental activities accounted for \$30,609,758 with Operating Grants and Contributions funding, \$19,829,956 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2010, interest revenues continued to plummet, with Charges for Services showing a decrease as well. Investment rates were very low due to market fluctuations although the County did see an increase in fees generated by construction which had taken a downturn in the previous fiscal year. There were no major capital purchases in the fiscal year; along with reductions in expenditures and a tough stance on tax collections, Net Assets showed an increase of \$3,501,250.

## **Business-Type Activities**

Business-type activities increased the County's net assets by \$ 610,807. Revenues generated by Charges for Services in the business-type activities decreased by \$498,838, with expenses decreasing \$467,445, but Capital Grants and Contributions increased by \$769,575 in comparison to the prior fiscal year.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This difference in focus and purpose creates significant variances between the Governmental Fund Financial Statements of the Government-Wide Financial Statements. For the year ended June 30, 2010, the net change in fund balances per the governmental funds totaled \$2,383,198, while the governmental activities column of the Government-Wide Financial Statements indicated a \$3,501,250 change in fund balance. Both changes were an increase from the prior fiscal year. A major contributing factor to this difference is due to the reporting of capital outlays as expenditures in the governmental funds but as balance sheet/capital items (i.e., not expenses immediately, but rather over the life of the assets) on the government-wide statements.

Unreserved fund balance may serve as a useful measure of a government's net resources available for spending. As of June 30, 2010, the County's governmental funds reported combined ending fund balances of \$31,125,880. Approximately \$23,221,907 of the total governmental fund balances constitutes unreserved fund balance, which is available for spending within the constraints of each particular fund. The remainder of the fund balance is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County. As an indicator of the General fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 45.9% of the total General Fund expenditures, while total fund balances represents 60.8% of that same amount.

The General Fund had a positive change of \$1,820,034, which is mainly attributable to a decrease in overall expenses for day-to-day operations, as well as a freeze on major capital expenditures. Schedule B-1 breaks the increase down by department. These changes resulted in the total fund balance of \$31,852,211 as of June 30, 2010. At the end of the same period, unreserved fund balance of the General Fund was \$24,021,981.

Special Revenue Funds are used to account for specific revenue sources and their related expenditures. The aggregate fund balance of all special revenue funds was \$1,324,564 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital Project Funds reported expenditures of \$614,160 for the current fiscal year. Projects, which become assets of the County, have their yearly expenses added to the County's construction in progress until the project is completed and then depreciated over their useful lives.

### **Proprietary Funds**

Proprietary Funds provide the same type of information found in the government-wide finance statements, but in more detail. Unrestricted net assets of Solid Waste at year-end totaled \$3,767,690 and the Water Fund totaled \$3,830,522 for a cumulative total of \$7,598,212. Other factors concerning the finances of the Proprietary Funds have previously been addressed during the discussion of the County's business-type activities.

### **Internal Service Funds**

Internal Service Funds are designed to recover the internal costs of general services provided to the other fund groups. At June 30, 2010, total net assets amounted to \$1,072,482, which is a decrease of \$199,962 from the previous fiscal year.

### **General Fund Budgetary Highlights**

During the year, the County revised the budget on several occasions. Generally, the budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations which become necessary to maintain services. The majority of amendments which increased revenues are attributable to Restricted Intergovernmental Revenues and Annual Grants which are not included until final authorizations are signed. A comparison of actual results versus the final budget reveals a net change decrease in the General Fund's fund balance by \$1,820,034.

## Capital Asset and Debt Administration

### Capital Assets

The County's investment in capital assets for its governmental and business -type activities as of June 30, 2010 amounts to \$57,918,448 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, and solid waste convenience sites. The decrease in the County's capital assets for the current fiscal year was .3%.

### Halifax County's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Improvements	\$ 3,500,690	\$ 3,500,690	\$ 416,727	\$ 416,727	\$ 3,917,417	\$ 3,917,417
Buildings	24,623,236	24,609,536	37,099,692	37,092,290	61,722,928	61,701,826
Equipment	5,131,481	5,031,251	3,104,884	2,897,884	8,236,365	7,929,135
Vehicles	3,163,668	3,289,116	726,891	738,170	3,890,559	4,027,286
Construction in progress	<u>3,957,193</u>	<u>3,816,248</u>	<u>9,416,835</u>	<u>7,510,702</u>	<u>13,374,028</u>	<u>11,326,950</u>
Subtotal	40,376,268	40,246,841	50,765,029	48,655,773	91,141,297	88,902,614
Less: Accumulated depreciation	<u>(17,466,616)</u>	<u>(16,194,215)</u>	<u>(15,756,233)</u>	<u>(14,639,157)</u>	<u>(33,222,849)</u>	<u>(30,833,372)</u>
Total	<u>\$ 22,909,652</u>	<u>\$ 24,052,626</u>	<u>\$ 35,008,796</u>	<u>\$ 34,016,616</u>	<u>\$ 57,918,448</u>	<u>\$ 58,069,242</u>

Our financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities, and those assets not subject to depreciation, such as land and construction in progress.

Prior to implementation of GASB No. 34, accumulated depreciation and depreciation expenses were required to be reported only in the Enterprise Funds and Internal Service Funds. With the implementation of GASB, accumulated depreciation was reported in the Statement of Net Assets for capital assets which were not held by the enterprise or internal service funds. In addition, the corresponding depreciation expenses were reported in the Statement of Activities. Please refer to the Notes to Financial Statements on page 40 for further details regarding capital assets.

### Long-Term Debt

A significant component of the County's debt is the self-supporting general obligation bonds, at \$21,061,500, representing bonds backed by the full faith and credit of the County.

This outstanding General Obligation indebtedness is only a portion of the legal debt limit of approximately \$239,205,287. This legal debt limit is determined by the Municipal Finance Law of North Carolina which restricts the amount of net bonded debt a county may have outstanding to 8% of the appraised value subject to taxation. The ratio of debt service expenditures to total general governmental expenditures is 5.31%.

**Halifax County's Outstanding Debt  
General Obligation and Revenue Bonds**

	<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>
General Obligation Bonds	\$ <u>21,061,500</u>	\$ <u>14,595,000</u>

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$381.74 as of June 30, 2010, while the County's gross debt per capita is \$822.61.

Additional information of the County's long-term debt can be found beginning on page 52 in the Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Local and national economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales tax, fuel taxes, charges for services, as well as federal and State grants. Economic growth may be measured by such indicators as employment growth, unemployment, increases in new construction and assessed values, diversification of the property tax base, Enterprise Fund revenue, and net asset growth. Economic factors considered in preparing the County's budget for the 2010 fiscal year included, but were not limited to, the following:

The County labor force equals approximately 24,154 and has an unemployment rate of 12.6% as of June 30, 2010. This compares unfavorably to the State's unemployment rate of 10.2% and the United States' rate of 9.6% for the same period. The labor force and unemployment rate has decreased in comparison to the prior fiscal year. Inflationary trends in the region compare favorably to national indices. Population of 55,173 has increased by less than .01% from 2009 to 2010.

Additional information regarding economic factors is provided in the Statistical Section of the CAFR.

**BUDGET HIGHLIGHTS FOR FISCAL YEAR 2010-2011**

**Governmental Activities**

The County implemented a property re-evaluation effective January 1, 2007. Based on the total valuation, the ad valorem property tax rate was reduced to \$.68 per \$100. Revaluations are planned for an eight-year cycle. The increase in the total property valuation brings our current valuation to \$3.3 billion dollars.

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Budgeted expenditure reductions implemented in fiscal year 2010 were carried forward into fiscal year 2011.

Economic Development will continue to be emphasized during the 2010-2011 fiscal year. Development continues in the Halifax Corporate Park with the groundbreaking of Empire Foods scheduled for November 2010. Reser's Fine Foods expansion of a Mexican food line will be opening in January 2011. Six industrial sites are being promoted with emphasis on the proximity to the Halifax Northampton Regional Airport.

### **Business-Type Activities**

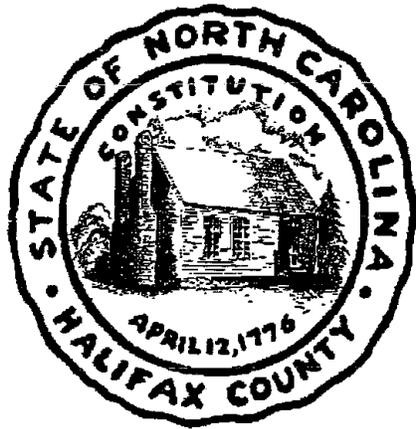
The budgeted expenditures for the Solid Waste Fund are \$3,930,841, which is a 15.4% increase as compared to last year. Public Utilities - Water Division's budgeted expenditures are \$4,886,749 which is also an increase of .9% from the previous fiscal year.

Phase X water construction has begun with an anticipated completion date of February 2011. Phase XI is in the initial planning stage.

The Wastewater Division, Pre-Treatment, was transferred to Reser's Fine Foods in August, 2009. The County still owns all structures and equipment with Reser's assuming all other expenses for plant operations.

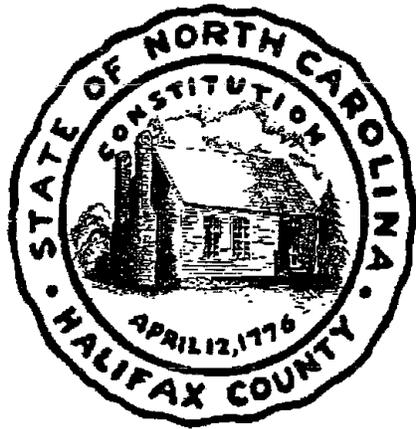
### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for those with an interest in this area. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Halifax County Finance Director, P.O. Box 38, Halifax, North Carolina 27839. You may also visit our web-site at [www.halifaxnc.com](http://www.halifaxnc.com).



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## **BASIC FINANCIAL STATEMENTS**



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# HALIFAX COUNTY, NORTH CAROLINA

## STATEMENT OF NET ASSETS JUNE 30, 2010

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Halifax</u>	<u>Halifax</u>
	<u>Activities</u>	<u>Activities</u>		<u>Development</u>	<u>County</u>
				<u>ABC Board</u>	
<b>Assets:</b>					
Cash and investments	\$ 28,907,059	\$ 9,014,245	\$ 37,921,304	\$ 270,240	\$ 311,569
Ad valorem taxes receivable, net	2,165,693	-	2,165,693	-	-
Accounts receivable, net	5,826,382	1,655,701	7,482,083	57,898	-
Internal balances	68,328	(68,328)	-	-	-
Due from other governments	170,539	94,493	265,032	-	-
Inventories	72,084	33,231	105,315	-	451,017
Prepaid items	33,413	-	33,413	-	12,185
Restricted assets:					
Cash and investments	447,520	-	447,520	-	-
Capital assets:					
Non-depreciable assets	7,457,883	9,833,562	17,291,445	-	139,924
Other capital assets, net of depreciation	<u>15,451,769</u>	<u>25,175,234</u>	<u>40,627,003</u>	-	<u>986,679</u>
Total assets	<u>60,600,670</u>	<u>45,738,138</u>	<u>106,338,808</u>	<u>328,138</u>	<u>1,901,374</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	2,810,703	344,765	3,155,468	60,311	228,481
Customer deposits	-	202,035	202,035	-	-
Due to other governments	-	-	-	-	14,150
Unearned revenues	67,829	-	67,829	-	-
Compensated absences	463,868	19,282	483,150	-	-
Accrued landfill post-closure care costs	-	82,318	82,318	-	-
Non-current liabilities:					
Accrued landfill post-closure care costs	-	2,412,162	2,412,162	-	-
Non-current compensated absences	941,792	44,991	986,783	-	-
Due within one year	2,473,740	348,500	2,822,240	-	58,895
Due in more than one year	<u>23,232,980</u>	<u>20,738,577</u>	<u>43,971,557</u>	-	-
Total liabilities	<u>29,990,912</u>	<u>24,192,630</u>	<u>54,183,542</u>	<u>60,311</u>	<u>301,526</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	15,987,959	13,947,296	29,935,255	-	1,067,708
Restricted for:					
General government	58,992	-	58,992	-	532,140
Unrestricted	<u>14,562,807</u>	<u>7,598,212</u>	<u>22,161,019</u>	<u>267,827</u>	-
Total net assets	<u>\$ 30,609,758</u>	<u>\$ 21,545,508</u>	<u>\$ 52,155,266</u>	<u>\$ 267,827</u>	<u>\$ 1,599,848</u>

The accompanying notes are an integral part of the financial statements.

**HALIFAX COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Functions/Programs:</b>				
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 9,781,235	\$ 2,695,952	\$ 2,381,203	\$ -
Public safety	11,872,036	2,413,056	1,023,013	40,000
Economic and physical development	1,648,548	-	64,869	862,562
Human services	21,431,637	40,693	14,743,725	-
Cultural and recreation	528,298	5,992	114,457	-
Education	11,920,920	-	131,396	468,731
Interest and fees	<u>460,169</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>57,642,843</u>	<u>5,155,693</u>	<u>18,458,663</u>	<u>1,371,293</u>
<b>Business-Type Activities:</b>				
Water and sewer	5,064,811	4,825,979	-	1,021,862
Solid waste	<u>3,465,856</u>	<u>3,194,215</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>8,530,667</u>	<u>8,020,194</u>	<u>-</u>	<u>1,021,862</u>
Total primary government	<u>\$ 66,173,510</u>	<u>\$ 13,175,887</u>	<u>\$ 18,458,663</u>	<u>\$ 2,393,155</u>
<b>Component Units:</b>				
Tourism Development Authority	\$ 595,305	\$ 2,714	\$ 2,500	\$ -
ABC Board	<u>4,235,373</u>	<u>4,280,885</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 4,830,678</u>	<u>\$ 4,283,599</u>	<u>\$ 2,500</u>	<u>\$ -</u>

**General Revenues:**

Taxes:

- Ad valorem taxes
- Local option sales taxes
- Other taxes
- Privilege tax
- Occupancy tax

Interest earned on investments

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

**Change in Net Assets**

Net Assets:

Beginning of year - July 1

End of year - June 30

*The accompanying notes are an integral part of the financial statements.*

Exhibit B

<u>Net (Expense) Revenue and Changes in Net Assets</u>				
<u>Primary Government</u>			<u>Component Units</u>	
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Halifax Tourism Development Authority</u>	<u>Halifax County ABC Board</u>
\$ (4,704,080)	\$ -	\$ (4,704,080)		
(8,395,967)	-	(8,395,967)		
(721,117)	-	(721,117)		
(6,647,219)	-	(6,647,219)		
(407,849)	-	(407,849)		
(11,320,793)	-	(11,320,793)		
<u>(460,169)</u>	<u>-</u>	<u>(460,169)</u>		
<u>(32,657,194)</u>	<u>-</u>	<u>(32,657,194)</u>		
-	783,030	783,030		
<u>-</u>	<u>(271,641)</u>	<u>(271,641)</u>		
<u>-</u>	<u>511,389</u>	<u>511,389</u>		
<u>(32,657,194)</u>	<u>511,389</u>	<u>(32,145,805)</u>		
			\$ (590,091)	\$ -
			<u>-</u>	<u>45,512</u>
			<u>(590,091)</u>	<u>45,512</u>
29,073,973	-	29,073,973	-	-
6,765,382	-	6,765,382	-	-
131,484	-	131,484	-	-
-	78,893	78,893	-	-
-	-	-	668,939	-
109,491	26,229	135,720	241	1,519
<u>72,410</u>	<u>-</u>	<u>72,410</u>	<u>-</u>	<u>-</u>
36,152,740	105,122	36,257,862	669,180	1,519
<u>5,704</u>	<u>(5,704)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>36,158,444</u>	<u>99,418</u>	<u>36,257,862</u>	<u>669,180</u>	<u>1,519</u>
3,501,250	610,807	4,112,057	79,089	47,031
<u>27,108,508</u>	<u>20,934,701</u>	<u>48,043,209</u>	<u>188,738</u>	<u>1,552,817</u>
<u>\$ 30,609,758</u>	<u>\$ 21,545,508</u>	<u>\$ 52,155,266</u>	<u>\$ 267,827</u>	<u>\$ 1,599,848</u>

The accompanying notes are an integral part of the financial statements.

## HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2010

	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments	\$ 25,531,484	\$ 1,591,523	\$ 27,123,007
Taxes receivable, net	1,793,673	372,020	2,165,693
Accounts receivable, net	5,436,189	388,956	5,825,145
Due from other governments	153,834	16,705	170,539
Due from other funds	2,524,151	-	2,524,151
Inventories	72,084	-	72,084
Prepaid items	33,413	-	33,413
Restricted cash	<u>447,520</u>	<u>-</u>	<u>447,520</u>
Total assets	<u>\$ 35,992,348</u>	<u>\$ 2,369,204</u>	<u>\$ 38,361,552</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,830,202	\$ 267,692	\$ 2,097,894
Due to other funds	-	2,455,823	2,455,823
Deferred revenues	<u>2,309,935</u>	<u>372,020</u>	<u>2,681,955</u>
Total liabilities	<u>4,140,137</u>	<u>3,095,535</u>	<u>7,235,672</u>
<b>Fund Balances:</b>			
Reserved by State statute	7,665,741	73,743	7,739,484
Reserved for inventory	72,084	-	72,084
Reserved for prepaid items	33,413	-	33,413
Reserved for Register of Deeds - automation enhancement	58,992	-	58,992
Unreserved	24,021,981	-	24,021,981
Undesignated Special Revenue	-	1,281,807	1,281,807
Undesignated Capital Project	<u>-</u>	<u>(2,081,881)</u>	<u>(2,081,881)</u>
Total fund balances	<u>31,852,211</u>	<u>(726,331)</u>	31,125,880
Total liabilities and fund balances	<u>\$ 35,992,348</u>	<u>\$ 2,369,204</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,909,652
Long-term liabilities, contingencies, other post-employment benefits and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(27,112,382)
Internal service funds are used by management to charge the cost of health insurance and unemployment insurance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	1,072,482
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets.	<u>2,614,126</u>
Net assets of governmental activities	<u>\$ 30,609,758</u>

The accompanying notes are an integral part of the financial statements.

## HALIFAX COUNTY, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 24,262,661	\$ 4,762,634	\$ 29,025,295
Other taxes and licenses	6,335,922	560,944	6,896,866
Unrestricted intergovernmental revenues	467,532	15,809	483,341
Restricted intergovernmental revenues	18,136,203	1,337,332	19,473,535
Permits and fees	1,239,839	-	1,239,839
Sales and services	3,063,410	-	3,063,410
Interest earned on investments	80,140	24,231	104,371
Miscellaneous	<u>799,583</u>	<u>-</u>	<u>799,583</u>
Total revenues	<u>54,385,290</u>	<u>6,700,950</u>	<u>61,086,240</u>
<b>Expenditures:</b>			
Current:			
General government	6,400,525	-	6,400,525
Public safety	10,118,026	2,057,368	12,175,394
Economic and physical development	1,098,629	613,135	1,711,764
Human services	22,571,078	440,249	23,011,327
Cultural and recreation	584,198	-	584,198
Education	8,603,330	3,317,590	11,920,920
Debt service:			
Principal repayments	2,542,273	127,177	2,669,450
Interest	<u>457,141</u>	<u>3,027</u>	<u>460,168</u>
Total expenditures	<u>52,375,200</u>	<u>6,558,546</u>	<u>58,933,746</u>
Revenues over (under) expenditures	<u>2,010,090</u>	<u>142,404</u>	<u>2,152,494</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	239,905	420,760	660,665
Transfers out	<u>(429,961)</u>	<u>-</u>	<u>(429,961)</u>
Total other financing sources (uses)	<u>(190,056)</u>	<u>420,760</u>	<u>230,704</u>
Net change in fund balances	1,820,034	563,164	2,383,198
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>30,032,177</u>	<u>(1,289,495)</u>	<u>28,742,682</u>
End of year - June 30	<u>\$ 31,852,211</u>	<u>\$ (726,331)</u>	<u>\$ 31,125,880</u>

The accompanying notes are an integral part of the financial statements.

## HALIFAX COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds per Exhibit D	\$ 2,383,198
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(60,279)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	337,029
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,279,231)
Capital assets disposed of during the year not recognized on the modified accrual basis	(200,772)
Expenses related to Compensated Absences, Other Post-Employment Benefits, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(148,182)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	2,669,449
The net revenue of the internal service funds are reported with governmental activities	<u>(199,962)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 3,501,250</u>

*The accompanying notes are an integral part of the financial statements.*

## HALIFAX COUNTY, NORTH CAROLINA

### GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad valorem taxes	\$ 21,885,150	\$ 21,885,162	\$ 24,262,661	\$ 2,377,499
Other taxes and licenses	7,570,600	7,130,967	6,335,922	(795,045)
Unrestricted intergovernmental revenues	356,320	430,000	467,532	37,532
Restricted intergovernmental revenues	15,853,475	19,271,995	18,136,203	(1,135,792)
Permits and fees	1,047,913	1,058,459	1,239,839	181,380
Sales and services	2,579,671	2,643,728	3,063,410	419,682
Investment earnings	422,050	422,050	80,140	(341,910)
Miscellaneous	<u>668,147</u>	<u>862,518</u>	<u>799,583</u>	<u>(62,935)</u>
Total revenues	<u>50,383,326</u>	<u>53,704,879</u>	<u>54,385,290</u>	<u>680,411</u>
<b>Expenditures:</b>				
Current:				
General government	6,502,159	7,152,466	6,400,525	751,941
Public safety	10,302,742	10,756,494	10,118,026	638,468
Economic and physical development	1,059,239	1,243,033	1,098,629	144,404
Human services	22,325,518	24,864,303	22,571,078	2,293,225
Cultural and recreational	628,769	625,947	584,198	41,749
Education	9,140,884	10,464,610	8,603,330	1,861,280
Debt service:				
Principal retirement	2,598,500	2,673,022	2,542,273	130,749
Interest and fees	<u>478,104</u>	<u>486,316</u>	<u>457,141</u>	<u>29,175</u>
Total expenditures	<u>53,035,915</u>	<u>58,266,191</u>	<u>52,375,200</u>	<u>5,890,991</u>
Revenues over (under) expenditures	<u>(2,652,589)</u>	<u>(4,561,312)</u>	<u>2,010,090</u>	<u>6,571,402</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers	(431,543)	(169,506)	-	169,506
Transfers in	225,000	225,000	239,905	14,905
Transfers out	(200,000)	(420,760)	(429,961)	(9,201)
Appropriated fund balance	<u>3,059,132</u>	<u>4,926,578</u>	<u>-</u>	<u>(4,926,578)</u>
Total other financing sources (uses)	<u>2,652,589</u>	<u>4,561,312</u>	<u>(190,056)</u>	<u>(4,751,368)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,820,034</u>	<u>\$ 1,820,034</u>
<b>Fund Balance:</b>				
Beginning of year - July 1			<u>30,032,177</u>	
End of year - June 30			<u>\$ 31,852,211</u>	

The accompanying notes are an integral part of the financial statements.

## HALIFAX COUNTY, NORTH CAROLINA

### STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2010

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 5,442,128	\$ 3,572,117	\$ 9,014,245	\$ 1,784,054
Accounts receivable, net	656,922	998,779	1,655,701	1,237
Due from other funds	192,753	(192,753)	-	-
Due from other governments	22,327	72,166	94,493	-
Inventories	-	33,231	33,231	-
Total current assets	<u>6,314,130</u>	<u>4,483,540</u>	<u>10,797,670</u>	<u>1,785,291</u>
Non-current assets:				
Non-depreciable assets	292,250	9,541,312	9,833,562	-
Other capital assets, net of depreciation	<u>654,434</u>	<u>24,520,800</u>	<u>25,175,234</u>	<u>-</u>
Total non-current assets	<u>946,684</u>	<u>34,062,112</u>	<u>35,008,796</u>	<u>-</u>
Total assets	<u>7,260,814</u>	<u>38,545,652</u>	<u>45,806,466</u>	<u>1,785,291</u>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	20,302	324,463	344,765	712,809
Customer deposits	-	202,035	202,035	-
Due to other funds	-	68,328	68,328	-
Compensated absences payable	5,674	13,608	19,282	-
Accrued landfill post-closure care costs	82,318	-	82,318	-
General obligation bonds payable	-	348,500	348,500	-
Total current liabilities	<u>108,294</u>	<u>956,934</u>	<u>1,065,228</u>	<u>712,809</u>
Non-current liabilities:				
Compensated absences payable	16,257	28,734	44,991	-
Accrued landfill post-closure care costs	2,412,162	-	2,412,162	-
Other post-employment benefits	9,727	15,850	25,577	-
General obligation bonds payable - non-current	-	20,713,000	20,713,000	-
Total non-current liabilities	<u>2,438,146</u>	<u>20,757,584</u>	<u>23,195,730</u>	<u>-</u>
Total liabilities	<u>2,546,440</u>	<u>21,714,518</u>	<u>24,260,958</u>	<u>712,809</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	946,684	13,000,612	13,947,296	-
Unrestricted	<u>3,767,690</u>	<u>3,830,522</u>	<u>7,598,212</u>	<u>1,072,482</u>
Total net assets	<u>\$ 4,714,374</u>	<u>\$ 16,831,134</u>	<u>\$ 21,545,508</u>	<u>\$ 1,072,482</u>

The accompanying notes are an integral part of the financial statements.

## HALIFAX COUNTY, NORTH CAROLINA

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Operating Revenues:</b>				
Water and sewer sales	\$ 3,194,215	\$ 4,777,006	\$ 7,971,221	\$ -
System tap and service fees	-	48,973	48,973	-
Other taxes and licenses	78,893	-	78,893	-
Charges for services	-	-	-	3,604,675
Total operating revenues	<u>3,273,108</u>	<u>4,825,979</u>	<u>8,099,087</u>	<u>3,604,675</u>
<b>Operating Expenses:</b>				
Administration	-	-	-	3,584,757
Water and sewer operations	-	3,364,498	3,364,498	-
Landfill operations	3,283,876	-	3,283,876	-
Landfill post-closure care costs	29,876	-	29,876	-
Depreciation	<u>152,104</u>	<u>976,252</u>	<u>1,128,356</u>	<u>-</u>
Total operating expenses	<u>3,465,856</u>	<u>4,340,750</u>	<u>7,806,606</u>	<u>3,584,757</u>
Operating income (loss)	<u>(192,748)</u>	<u>485,229</u>	<u>292,481</u>	<u>19,918</u>
<b>Non-Operating Revenues (Expenses):</b>				
Investment earnings	15,399	10,830	26,229	5,120
Interest and fees paid	<u>-</u>	<u>(724,061)</u>	<u>(724,061)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>15,399</u>	<u>(713,231)</u>	<u>(697,832)</u>	<u>5,120</u>
Income (loss) before transfers and capital contributions	<u>(177,349)</u>	<u>(228,002)</u>	<u>(405,351)</u>	<u>25,038</u>
Transfers from other funds	<u>1,629</u>	<u>7,572</u>	<u>9,201</u>	<u>-</u>
Transfers to other funds	<u>(3,557)</u>	<u>(11,348)</u>	<u>(14,905)</u>	<u>(225,000)</u>
Capital contributions	<u>-</u>	<u>1,021,862</u>	<u>1,021,862</u>	<u>-</u>
Change in net assets	(179,277)	790,084	610,807	(199,962)
<b>Net Assets:</b>				
Beginning of year - July 1	<u>4,893,651</u>	<u>16,041,050</u>	<u>20,934,701</u>	<u>1,272,444</u>
End of year - June 30	<u>\$ 4,714,374</u>	<u>\$ 16,831,134</u>	<u>\$ 21,545,508</u>	<u>\$ 1,072,482</u>

The accompanying notes are an integral part of the financial statements.

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service</u>
<u>Fund</u>	<u>Fund</u>		<u>Fund</u>	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 3,365,431	\$ 4,804,631	\$ 8,170,062	\$ 3,605,373
Cash paid for goods and services	(3,074,183)	(2,276,045)	(5,350,228)	(3,542,008)
Cash paid to employees for services	(381,765)	(682,025)	(1,063,790)	-
Other operating revenues	-	3,710	3,710	-
Net cash provided (used) by operating activities	<u>(90,517)</u>	<u>1,850,271</u>	<u>1,759,754</u>	<u>63,365</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Due from other funds	-	(476,665)	(476,665)	-
Transfers in	1,629	7,572	9,201	-
Transfers out	<u>(3,557)</u>	<u>(11,348)</u>	<u>(14,905)</u>	<u>(225,000)</u>
Net cash provided (used) by non-capital financing activities	<u>(1,928)</u>	<u>(480,441)</u>	<u>(482,369)</u>	<u>(225,000)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Contributed capital received	-	1,021,862	1,021,862	-
Long-term debt issued	-	6,800,000	6,800,000	-
Interest expense	-	(724,061)	(724,061)	-
Acquisition of capital assets	(214,402)	(2,020,244)	(2,234,646)	-
Sale of capital assets	-	68,111	68,111	-
Principal repayments on long-term debt	-	<u>(7,133,500)</u>	<u>(7,133,500)</u>	-
Net cash provided (used) by capital and related financing activities	<u>(214,402)</u>	<u>(1,987,832)</u>	<u>(2,202,234)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	<u>15,399</u>	<u>10,830</u>	<u>26,229</u>	<u>5,120</u>
Net cash provided (used) on investments	<u>15,399</u>	<u>10,830</u>	<u>26,229</u>	<u>5,120</u>
Net increase (decrease) in cash and cash equivalents	(291,448)	(607,172)	(898,620)	(156,515)
<b>Cash and Cash Equivalents:</b>				
Beginning of year - July 1	<u>5,733,576</u>	<u>4,179,289</u>	<u>9,912,865</u>	<u>1,940,569</u>
End of year - June 30	<u>\$ 5,442,128</u>	<u>\$ 3,572,117</u>	<u>\$ 9,014,245</u>	<u>\$ 1,784,054</u>

The accompanying notes are an integral part of the financial statements.

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Reconciliation of Operating Income (Loss) to</b>				
<b>Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (192,748)	\$ 485,229	\$ 292,481	\$ 19,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	152,096	976,252	1,128,348	-
Loss on asset disposal	46,000	-	46,000	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	92,331	519,220	611,551	698
(Increase) decrease in inventories	-	11,926	11,926	-
Increase (decrease) in accounts payable and accrued liabilities	(180,243)	(146,066)	(326,309)	42,749
Increase (decrease) in customer deposits	-	3,710	3,710	-
Increase (decrease) in accrued landfill closure and post-closure costs	<u>(7,953)</u>	<u>-</u>	<u>(7,953)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (90,517)</u>	<u>\$ 1,850,271</u>	<u>\$ 1,759,754</u>	<u>\$ 63,365</u>

The accompanying notes are an integral part of the financial statements.

**HALIFAX COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010**

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
<b>Assets:</b>		
Cash and investments	\$ 76,122	\$ 289,275
Taxes receivable, net	<u>-</u>	<u>783,874</u>
Total assets	<u>76,122</u>	<u>1,073,149</u>
<b>Liabilities:</b>		
Miscellaneous liabilities	-	288,825
Intergovernmental payable	<u>-</u>	<u>784,324</u>
Total liabilities	<u>-</u>	<u>1,073,149</u>
<b>Net Assets:</b>		
Assets held in trust for pension benefits	<u>\$ 76,122</u>	<u>\$ -</u>

*The accompanying notes are an integral part of the financial statements.*

**HALIFAX COUNTY, NORTH CAROLINA**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Pension Trust Fund</u>
<b>Additions:</b>	
Employer contributions	\$ 25,000
Investment income	<u>194</u>
Total additions	<u>25,194</u>
<b>Deductions:</b>	
Benefits	<u>13,203</u>
Change in net assets	11,991
<b>Net Assets:</b>	
Beginning of year - July 1	<u>64,131</u>
End of year - June 30	<u>\$ 76,122</u>

*The accompanying notes are an integral part of the financial statements.*

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### 1. Summary of Significant Accounting Policies

#### A. Nature of Operations

Halifax County, North Carolina (the "County"), which is governed by a six-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. The County was incorporated in 1758 and the County seat is located in Halifax, North Carolina. The County operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, health and mental health programs, social service programs, and community development.

The accounting policies of Halifax County and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

#### B. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the County and its component units, which are legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

##### **Halifax County ABC Board**

The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board's financial statements, as of and for the year ended June 30, 2010, are presented as if it were an enterprise fund. Complete financial statements for the Halifax County ABC Board may be obtained at its administrative office located on Highway 301, Halifax, North Carolina 27839.

##### **Halifax County Tourism Development Authority**

Halifax County Tourism Development Authority (the "Authority") is an entity which promotes the growth of tourism and the travel-related industry in Halifax County. The members of the Board are appointed by the County Commissioners of Halifax County. In addition, the County levies and collects the occupancy tax that is remitted to the Authority. The Authority's financial statements, as of and for the year ended June 30, 2010, are presented as if it were a governmental fund. Complete financial statements for the Halifax County Tourism Development Authority may be obtained at its administrative office located at 260 Premier Boulevard, Roanoke Rapids, North Carolina 27870.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### C. Basis of Presentation

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

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

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

*Fund Financial Statements.* The fund financial statements provide information about the County's funds, including its fiduciary 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 nonmajor funds.

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

The County reports the following major governmental funds:

**General Fund.** The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The County reports the following major enterprise funds:

**Solid Waste Fund and Water Fund.** These funds are used to account for operations of the County's business-type activities in solid waste and water.

The County has the following fund categories (further divided by fund type):

**Governmental Funds.** These funds are used to account for the County's general governmental activities. Governmental Funds include the following fund types:

**General Fund.** The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Revenue Funds.** Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains nine special revenue funds: Emergency Telephone System Fund, Reassessment Fund, Our Community Hospital Center Fund, Weldon School District Fund, Fire Districts Fund, Daniel Street Sewer Expansion Fund, Roanoke Rapids School Assessment Fund, CDBG Scattered Site Rehab 2008, and United Salvage Project Fund.

**Capital Projects Funds.** Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments, or trust funds). The County maintains eight capital projects funds within the governmental fund types: RPO Peanut Belt Capital Project Fund, Enfield Inborden School Capital Project, Littleton Building Project Fund, QZAB Project, Piezotronics Project, Alliance Drive Relocation Project, Halifax County Sewer Upgrade Project, and Community Corrections Project.

**Proprietary Funds.** Include the following fund types:

**Enterprise Funds.** Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Halifax County has two enterprise funds: Solid Waste Fund and Water Fund. The Landfill Closure and Post-Closure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the closure and post-closure care costs that will be incurred by the landfill in the future.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The Landfill Closure and Post-Closure Reserve Fund is consolidated with the Solid Waste Fund for financial reporting purposes. Also, there are several capital project funds that are consolidated into the Water Fund and Solid Waste Fund for financial reporting purposes.

**Internal Service Funds.** Internal service funds are used to account for the County's activities which are similar to those often found in the private sector. The measurement focus is on the flow of economic resources. These funds are used to account for the financing of goods and services provided by a department to other departments of the County on a cost-reimbursement basis. The County maintains the following Internal Service Funds: Health Insurance Fund and Unemployment Insurance Fund.

**Fiduciary Funds.** Fiduciary Funds are used to account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds include the following funds:

**Pension Trust Fund.** The County has a Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Separation Allowance, a single-employer, public employee retirement system.

**Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets held by the County as an agent on behalf of others. The County maintains four agency funds: Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; Tax Collection Fund, which accounts for tax revenues of municipalities within the County collected by the County on their behalf; DMV Fines and the Forfeitures Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles and accounts for various legal fines and forfeitures that the County is required to remit to the County Board of Education; and ROD Trust Fee which accounts for five dollars of each fee collected by the Register Of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

### **D. Measurement Focus and Basis of Accounting**

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

*Government-Wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Halifax County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

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

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

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

### **E. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (with the exception of the CDBG Scattered Site Rehabilitation Program 2008, the Daniel Street Sewer Expansion project, the United Salvage Project Fund), the RPO Peanut Belt Capital Project Fund (all other capital project funds adopt project budgets), the enterprise funds, and the internal service funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the enterprise capital project funds which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund and at the fund level for the special revenue, capital projects, enterprise funds, and internal service funds. The Budget Officer is authorized to transfer appropriations within a department without limitation and without a report to the Board of Commissioners being required. The Budget Officer is further authorized to transfer appropriations between departments within the same fund up to \$1,000 with a report on such transfers being made at the next meeting of the Board of Commissioners; however, any revisions that alter total expenditures of any fund, or exceed \$1,000, must be approved by the Board of Commissioners. During the year, numerous amendments to the original budget were necessary, the effects of which were material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### **F. Deposits and Investments**

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

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

Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, is valued based at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings investment contracts are reported at cost.

### **G. Cash and Cash Equivalents**

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

### **H. Restricted Assets**

The sinking fund amount deposited for QZAB debt as of June 30, 2010 is restricted for the purpose of debt retirement.

### **I. Ad Valorem Taxes Receivable**

In accordance with State law [G. S. 105-347 and G. S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles, on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2009. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### **J. Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables written off in prior years.

### **K. Inventories and Prepaid Items**

The inventories of the County are valued at cost, which approximates market, using the first-in, first-out method. The County's General Fund inventory consists of commodity supplemental foods held for distribution under a federal food distribution program. The inventory of the County's enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed or sold.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **L. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the time of donation. Certain items are recorded at an estimated historical cost. The total of such estimates is not considered large enough that errors would be material when the capital assets are considered as a whole. Capital expenditures over \$5,000 are recorded as general capital assets.

As authorized by State law (G. S. 160A-20 and 153A-158.1), the County has financed property acquisitions for use by the Roanoke Rapids School District and the Halifax County Board of Education with notes payable. The notes were issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Roanoke Rapids School District and Halifax County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the School District and the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the School District and the Board of Education and are not reported in the assets of the County.

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Buildings	30 years
Improvements	7 years
Furniture and equipment	5 years
Vehicles	5 years
Computers	5 years

**M. Long-Term Obligation**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

**N. Compensated Absences**

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave for County employees, with such leave being fully vested when earned. The current portion of the accumulated vacation pay and salary-related payments is not considered to be material; therefore, no expenditure or liability has been reported in the County's governmental funds. For the County's government -wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within the funds as the leave is earned.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County does not have an obligation to pay the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**O. Net Assets/Fund Balances**

**Net Assets**

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

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Fund Balances**

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b) (16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

**Reserved**

**Reserved for Inventories and Prepaids** - portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories and prepaids, which are not expendable, available resources.

**Reserved by State Statute** - portion of fund balance, in addition to reserves for inventories and pension benefits, which is not available for appropriation under State law [G. S. 159-8(a)]. This amount is usually comprised of receivable balances that are not offset by deferred revenues.

**Reserved for Register of Deeds** - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds' office.

**Unreserved**

**Designated for Subsequent Years' Expenditures** - portion of total fund balance available for appropriation which has been designated for the adopted 2010-2011 budget ordinance.

Unreserved fund balance had the following designations at June 30, 2010:

General Fund	\$ 2,332,696
Special Revenue Fund	1,062,000
Enterprise Fund	474,184
Internal Service Fund	900,000

**Undesignated** - portion of fund balance available for appropriation that is uncommitted at year-end.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### 2. Stewardship, Compliance, and Accountability

#### Deficit Fund Balance or Net Assets of Individual Funds:

For the fiscal year ended June 30, 2010, individual funds had deficit fund balances as follows:

Littleton Building Project	\$	735,020
Piezotoronics Project		1,373,036
Alliance Drive Relocation Project		30,360

The General Fund funded the expenditures above with loans to the projects which will be reimbursed through grants from job creation and rent of the building for a nine-year period.

### 3. Detail Notes On All Funds

#### A. Assets

##### Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage (FDIC) are collateralized with securities held by the County's agent in the unit's name. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents 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 County or the escrow agents. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no 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. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

At June 30, 2010, the County's deposits had a carrying amount of \$30,299,583 and a bank balance of \$30,790,268. Of the bank balance, \$500,000 was covered by federal depository insurance and \$30,290,268 was covered by collateral held under the Pooling Method.

At June 30, 2010 the County had \$2,870 cash on hand.

**Investments**

At June 30, 2010, the County had \$8,431,768 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAm by Standard & Poor's.

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

*Credit Risk.* The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard and Poor's as of June 30, 2010.

**Property Tax Use-Value Assessment On Certain Land**

In accordance with general statutes, agricultural, horticultural, forestland, and historical properties may be preferentially assessed for property taxes at present use-value rather than fair market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding years, along with the accrued interest from the original due date. This tax is immediately due and payable. At the end of the fourth year, these taxes expire by operation of law. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<b>Year Ended</b>				
<b>June 30</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>	
2006	\$ 659,698	\$ -	\$ 659,698	
2007	1,212,123	-	1,212,123	
2008	1,073,861	-	1,073,861	
2009	<u>1,069,600</u>	<u>-</u>	<u>1,069,600</u>	
Total	<u>\$ 4,015,282</u>	<u>\$ -</u>	<u>\$ 4,015,282</u>	

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Receivables**

Receivables at Exhibit A at June 30, 2010 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 6,621,773	\$ 2,478,193	\$ 153,834	\$ 9,253,800
Other governmental	388,956	372,020	16,705	777,681
Allowance for doubtful accounts	<u>(1,184,347)</u>	<u>(684,520)</u>	<u>-</u>	<u>(1,868,867)</u>
Total governmental activities	<u>\$ 5,826,382</u>	<u>\$ 2,165,693</u>	<u>\$ 170,539</u>	<u>\$ 8,162,614</u>
<b>Business-Type Activities:</b>				
Solid Waste	\$ 867,022	\$ -	\$ 22,327	\$ 889,349
Water Fund	1,183,386	-	72,166	1,255,552
Allowance for doubtful accounts	<u>(394,707)</u>	<u>-</u>	<u>-</u>	<u>(394,707)</u>
Total business-type activities	<u>\$ 1,655,701</u>	<u>\$ -</u>	<u>\$ 94,493</u>	<u>\$ 1,750,194</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	<u>\$ 170,539</u>	<u>\$ 94,493</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### Capital Assets

A summary of changes in the County's governmental capital assets follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>				
<b>Non-Depreciable Assets:</b>				
Land and improvements	\$ 3,500,690	\$ -	\$ -	\$ 3,500,690
Construction in progress	<u>3,816,248</u>	<u>140,945</u>	<u>-</u>	<u>3,957,193</u>
Total non-depreciable capital assets	<u>7,316,938</u>	<u>140,945</u>	<u>-</u>	<u>7,457,883</u>
<b>Depreciable Assets:</b>				
Buildings and improvements	24,609,536	13,700	-	24,623,236
Vehicles	3,289,116	71,159	(196,607)	3,163,668
Equipment	<u>5,031,251</u>	<u>111,225</u>	<u>(10,995)</u>	<u>5,131,481</u>
Total depreciable capital assets	<u>32,929,903</u>	<u>196,084</u>	<u>(207,602)</u>	<u>32,918,385</u>
Total capital assets	<u>40,246,841</u>	<u>337,029</u>	<u>(207,602)</u>	<u>40,376,268</u>
<b>Less Accumulated Depreciation:</b>				
Buildings and improvements	(10,215,332)	(558,435)	-	(10,773,767)
Vehicles	(2,331,348)	(349,692)	6,830	(2,674,210)
Equipment	<u>(3,647,535)</u>	<u>(371,104)</u>	<u>-</u>	<u>(4,018,639)</u>
Total accumulated depreciation	<u>(16,194,215)</u>	<u>\$(1,279,231)</u>	<u>\$ 6,830</u>	<u>(17,466,616)</u>
Governmental activity capital assets, net	<u>\$ 24,052,626</u>			<u>\$ 22,909,652</u>

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

<b>Governmental Activities:</b>	
General government	\$ 449,911
Public Safety	744,990
Economic and physical development	33,464
Human services	46,783
Cultural and recreational	<u>4,083</u>
Total	<u>\$ 1,279,231</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Capital assets for proprietary funds of the County at June 30, 2010 are as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Business-Type Activities:</b>				
<b>Solid Waste:</b>				
<b>Non-depreciable Assets:</b>				
Land	\$ 292,250	\$ -	\$ -	\$ 292,250
Construction in progress	<u>46,000</u>	<u>-</u>	<u>(46,000)</u>	<u>-</u>
Total non-depreciable assets	<u>338,250</u>	<u>-</u>	<u>(46,000)</u>	<u>292,250</u>
<b>Depreciable Assets:</b>				
Other improvements	19,721	7,402	-	27,123
Buildings	38,563	-	-	38,563
Vehicles	465,263	-	11,621	476,884
Equipment	<u>1,038,900</u>	<u>207,000</u>	<u>-</u>	<u>1,245,900</u>
Total depreciable capital assets	<u>1,562,447</u>	<u>214,402</u>	<u>11,621</u>	<u>1,788,470</u>
Other improvements	(11,783)	(1,489)	-	(13,272)
Buildings	(25,356)	(1,050)	-	(26,406)
Vehicles	(358,388)	(34,235)	(11,621)	(404,244)
Equipment	<u>(574,785)</u>	<u>(115,329)</u>	<u>-</u>	<u>(690,114)</u>
Less accumulated depreciation	<u>(970,312)</u>	<u>\$ (152,103)</u>	<u>\$ (11,621)</u>	<u>(1,134,036)</u>
Total solid waste capital assets, net	<u>\$ 930,385</u>			<u>\$ 946,684</u>



# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### B. Liabilities

#### Construction Commitments

The government has one active construction project as of June 30, 2010. The project includes the Water Construction Phase IXA. At year-end, the government's commitment was as follows: Herring & Rivenbark \$88,304.

#### Payables

Payables at Exhibit A for June 30, 2010 were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 1,578,517	\$ 691,838	\$ 272,656	\$ 2,543,011
Other governmental	<u>267,692</u>	<u>-</u>	<u>-</u>	<u>267,692</u>
Total governmental activities	<u>\$ 1,846,209</u>	<u>\$ 691,838</u>	<u>\$ 272,656</u>	<u>\$ 2,810,703</u>
<b>Business-Type Activities:</b>				
Solid waste	\$ 20,302	\$ -	\$ -	\$ 20,302
Water	<u>316,796</u>	<u>-</u>	<u>7,667</u>	<u>324,463</u>
Total business-type activities	<u>\$ 337,098</u>	<u>\$ -</u>	<u>\$ 7,667</u>	<u>\$ 344,765</u>

#### Pension Plan Obligations

##### Local Governmental Employees' Retirement System

**Plan Description.** Halifax County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS 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, or by calling (919) 981-5454.

**Funding Policy.** Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 4.90% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of Halifax County are established and may be amended by the North Carolina General Assembly.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The County's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$1,874,335, \$1,895,414 and \$1,845,747 respectively. The contributions made by the County equaled the required contributions for each year.

### Law Enforcement Officers' Special Separation Allowance

**Plan Description.** The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G. S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund. A separate report is not issued for the plan.

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>59</u>
Total	<u>60</u>

**Basis of Accounting.** Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan. A separate report is not issued for the plan.

**Method Used to Value Investments.** Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States government and United States agency securities are valued at the last reported sales price.

**Contributions.** The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial values. For the current year, the County contributed \$12,265 or .09% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration cost of the Separation Allowance is financed through investment earnings.

## HALIFAX COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5 to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investment. The unfunded actuarial accrued liability is being amortized as a level percentage of projected pay on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

#### **Annual Pension Cost and Net Pension Obligation**

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$	68,492
Interest on net pension obligation		23,904
Adjustment to annual required contribution		<u>(20,769)</u>
Annual pension cost		71,627
Contributions made		<u>(12,265)</u>
Increase (decrease) in net pension obligation		59,362
Net pension obligation:		
Beginning of year - July 1		<u>329,705</u>
End of year - June 30	\$	<u>389,067</u>

#### **Three-Year Trend Information**

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 54,515	44.86%	\$ 282,376
2009	62,109	23.80%	329,705
2010	71,627	17.12%	389,067

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### **Funded Status and Funding Progress**

As of December 31 2009, the most recent actuarial valuation date, the plan was 9.32% funded. The Actuarial Accrued Liability for benefits was \$886,767 and the Actuarial Value of Assets was \$82,634, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$804,133. The covered payroll (annual payroll of active employees covered by the plan) was \$2,089,433 and the ratio of the UAAL to the covered payroll was 38.49 percent. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

### **Supplemental Retirement Income Plan**

**Plan Description.** The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a board of trustees. The Plan provides retirement benefits to employees of the County. Article 5 of G. S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County allows all employees to contribute to the Plan but only provides matching contributions to employees engaged in law enforcement. 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 the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G. S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2010 were \$305,161, which consisted of \$105,737 from the County, \$20,825 from the law enforcement officers, and \$178,737 from employees not engaged in law enforcement.

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

**Plan Description.** The County also contributes to the Registers of Deeds' Supplemental Pension Fund (the Fund), a non-contributory, defined contribution pension plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible County Register of Deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G. S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Funding Policy.** On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of G. S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2010, the County's required and actual contributions were \$3,344.

**Other Post-Employment Benefits**

**Plan Description.** According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. The plan provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least thirty years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, twenty six retirees are eligible for post-retirement health benefits. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	26	N/A
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	466	56
Total	492	56

**Funding Policy.** The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 1.86 of annual covered payroll. For the current year, the County contributed \$107,500, or .56% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### Summary of Significant Accounting Policies

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

### Annual OPEB Cost and Net Obligation

The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation for the healthcare benefits:

	<u>Governmental</u> <u>Activities</u>	<u>Business -Type</u> <u>Activities</u>	<u>Total</u>
Annual required contribution	\$ 340,365	\$ 14,182	\$ 354,547
Interest on net OPEB obligation	15,899	662	16,561
Adjustments to annual required contribution	<u>(10,257)</u>	<u>(4,031)</u>	<u>(14,288)</u>
Annual OPEB cost (expense)	346,007	10,813	356,820
Contributions made	<u>(103,200)</u>	<u>(4,300)</u>	<u>(107,500)</u>
Increase (decrease) in net OPEB obligation	242,807	6,513	249,320
Net OPEB obligation:			
Beginning of year - July 1	<u>394,962</u>	<u>19,064</u>	<u>414,026</u>
End of year - June 30	<u>\$ 637,769</u>	<u>\$ 25,577</u>	<u>\$ 663,346</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2009	\$ 520,212	20.4%	\$ 414,026
2010	356,820	30.1%	663,346

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### **Fund Status and Funding Progress**

As of December 31, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$4,221,342. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,065,825, and the ratio of the UAAL to the covered payroll was 22.1 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, related to the actuarial accrued liabilities for benefits.

### **Actuarial Methods and Assumptions**

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

In the December 31, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 30 years.

As of June 30, 2010, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Board.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### **Other Employee Benefits**

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

### **Landfill Closure and Post-Closure Costs**

Federal and State laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County's only municipal solid waste landfill stopped accepting waste as of January 1, 1998. The County subsequently incurred costs of approximately \$350,000 to close the landfill. The \$2,494,480 reported as landfill post-closure care liability at June 30, 2010 represents the cumulative amount reported to-date for estimated monitoring costs yet to be incurred. These amounts are based on what it would cost to perform all post-closure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulations that help determine if a unit is financially able to meet post-closure care requirements. Management continues to analyze the costs associated with the above-mentioned environmental regulations and believes future funding will be available to meet all of the costs related to these regulations. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. Those funds are held in investments with a cost of \$77,520 (market value - \$77,520) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### Deferred/Unearned Revenues

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

	<u>Deferred</u> <u>Revenues</u>	<u>Unearned</u> <u>Revenues</u>
General Fund taxes receivable, net	\$ 1,793,674	\$ -
Special Revenue Fund taxes receivable, net	372,021	-
General Fund:		
Prepaid taxes not yet earned	67,829	67,829
USDA inventory	72,084	-
County school loan	<u>376,347</u>	<u>-</u>
Total	<u>\$ 2,681,955</u>	<u>\$ 67,829</u>

### Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County is insured by BB&T Insurance Services which is underwritten by Millennium Insurance Group. Workers' compensation claims are administered by KeyRisk. Through these companies, the County obtains coverage up to the statutory limits.

The County obtained blanket property insurance coverage of \$35,847,913 with a limit of 125% of the applicable building or personal property limit in any one occurrence. The County has a \$4,000,000 general aggregate limit for commercial general liability coverage. There have been no significant reductions in insurance coverage in the prior years.

The County does not carry flood insurance.

The County is self-insured for employee health and accident insurance. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The interfund premiums are based upon actual estimates of the amounts needed to pay prior and current year claims. Premiums are paid to the fund by the County for employees and by the employee for dependents. A third party administrator paid by the County administers health benefits and pays claims. The County has stop-loss insurance coverage with a commercial insurance company for claims that exceed \$85,000. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Changes in the fund's claims liability amounts for fiscal year 2009-2010 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Beginning</u> <u>Liability</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Ending</u> <u>Liability</u>
2008	\$ 626,730	\$ 2,393,135	\$ (2,510,041)	\$ 509,824
2009	509,824	3,447,172	(3,337,660)	619,336
2010	619,336	3,616,914	(3,544,412)	691,838

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and Tax Collector are each individually bonded for \$50,000 and \$100,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000. The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

### Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

### Long-Term Obligations

#### Capital Leases

The County has entered into an agreement to lease two-thirds of a building. The lease agreement qualifies as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The agreement was executed on May 18, 2006 for the lease of two-thirds of the building commonly known as the Halifax County Convention and Visitors Bureau. The agreement requires three monthly payments of \$2,138 and two monthly payments of \$4,606 in the first year; 79 monthly payments of \$4,606; 27 monthly payments of \$3,813; and 129 monthly payments of \$1,344 in the remaining years. Under the terms of the agreement, the County may purchase two-thirds undivided interest of the building for \$1 at the end of the lease term. The asset held under the capital lease agreement is included with other buildings reported by the County. The building was added to capital assets at \$506,692.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	
2011	\$ 55,334
2012	55,334
2013	55,334
2014	55,334
2015	22,199
2016-2020	106,775
2021-2025	106,820
2026-2027	<u>8,242</u>
Total minimum lease payments	465,372
Less: amount representing interest	<u>(109,608)</u>
Present value of minimum lease payments	<u>\$ 355,764</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### Notes Payable:

#### Serviced by the General Fund:

4.27% Certificate of Participation Schools Series 2006, payable in annual installments ranging from \$869,125 through 1,535,312; secured by school, to be transferred to Board of Education	\$ 13,600,000
Qualified Zone Academy Bond installment purchase contract, payable in annual sinking fund payments of \$89,500. Scheduled payments to be made by the County assume projected investment earnings at a fixed rate of 1.791%	1,642,400
3.97% note, payable in semi-annual installments of \$401,126, including interest beginning October 2003 through October 2011; secured by real estate transferred to Roanoke Rapids School District	1,157,139
4.26% note, payable in annual installments ranging \$359,405 to \$280,065, including interest beginning April 2005 through April 2015; secured by real estate transferred to Halifax County Board of Education	1,343,108
Non-interest bearing note, payable in annual installments of \$10,000 through 2011 and \$5,544 in 2012; note is an assumption of debt for past services	15,544
4.21% note, payable in annual installments of \$116,891, including interest beginning August 2003 through August 2013; secured by EMS building	422,209
4.45% note, payable in annual installments ranging of \$713,926 to \$394,548, including interest beginning December 2006 through December 2025; secured by DSS building	6,043,816
3.43% note, payable in annual intallments of \$52,536, including interest beginning February 2008 through 2012; secured by equipment	<u>99,904</u>
Total notes payable	<u>\$ 24,324,120</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

As of June 30, 2010, funds totaling \$447,500 have been deposited with NCCMT as part of the QZAB sinking fund requirement.

Annual debt service requirements to maturity for the County's notes payable, including interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,418,406	\$ 960,612	\$ 3,379,018
2012	2,049,305	861,878	2,911,183
2013	1,603,997	506,813	2,110,810
2014	1,608,528	718,943	2,327,471
2015	1,496,360	651,968	2,327,471
2016-2020	6,138,692	2,426,450	8,565,142
2021-2025	7,781,093	1,113,984	8,895,077
2026-2027	<u>1,227,739</u>	<u>55,059</u>	<u>1,282,798</u>
Total	<u>\$ 24,324,120</u>	<u>\$ 7,295,707</u>	<u>\$ 31,798,970</u>

### General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. General obligation bonds serviced by enterprise funds are recorded in the enterprise funds and are also collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Bonds payable at June 30, 2010 are comprised of the following individual issues:

**Serviced by Enterprise Fund - Water Fund:**

\$1,360,000 - 1999A Water Bonds due in annual installments through June 2039; annual installments ranging from \$61,060 to \$78,863, including interest at 4.75% per annum	\$ 1,204,000
\$1,222,000 - 1999B Water Bonds due in annual installments through June 2039; annual installments ranging from \$54,864 to \$71,462, including interest at 4.75% per annum	1,078,000
\$390,000 - 1999C Water Bonds due in annual installments through June 2039; annual installments ranging from \$17,510 to \$22,908, including interest at 4.75% per annum	343,500
\$6,821,000 - 2003A Water Bonds due in annual installments through June 2043; annual installments ranging from \$294,331 to \$309,320, including interest at 4.5% per annum	6,418,000
\$444,000 - 2003B Water Bonds due in annual installments through June 2043; annual installments ranging from \$19,375 to \$20,900, including interest at 4.5% per annum	423,000
\$5,835,000 - 2004 Water Bonds due in annual installments through June 2028; annual installments ranging from \$166,288 to \$326,800, including interest at 3.0% per annum	4,795,000
\$6,800,000 2009 Water Bonds due in annual installments through June 2049. Annual installments ranging from \$151,393 to \$359,500, including interest at 4.125% per annum	<u>6,800,000</u>
Total bonds payable	<u>\$ 21,061,500</u>

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

Annual debt service requirements to maturity for the County's water bonds are as follows:

<b><u>Year Ending June 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2011	\$ 348,500	\$ 901,624	\$ 1,250,124
2012	439,500	886,850	1,326,350
2013	459,000	868,298	1,327,298
2014	480,000	848,919	1,328,919
2015	495,500	828,655	1,324,155
2016-2020	2,781,500	3,834,868	6,616,368
2021-2025	3,298,500	3,215,068	6,513,568
2026-2030	3,224,500	2,465,379	5,689,879
2031-2035	2,812,500	1,833,804	4,646,304
2036-2040	3,192,000	1,161,886	4,353,886
2041-2045	2,315,000	509,618	2,824,618
2046-2049	<u>1,215,000</u>	<u>123,252</u>	<u>1,338,252</u>
Total	<u>\$ 21,061,500</u>	<u>\$ 17,478,221</u>	<u>\$ 38,539,721</u>

At June 30, 2010, the County had bonds authorized of \$10,000,000, with \$1,284,000 unissued and a legal debt margin of \$239,205,287.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### Changes in General Long-Term Obligations

The following is a summary of the changes in the County's long-term obligations for the fiscal year ended June 30, 2010:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
<b>Governmental Activities:</b>					
Notes payable	\$ 26,943,123	\$ -	\$ (2,619,003)	\$ 24,324,120	\$ 2,418,406
Capital leases	406,211	-	(50,447)	355,764	55,334
Compensated absences	1,559,646	710,189	(864,175)	1,405,660	463,868
Other post-employment benefits	394,962	356,264	(113,457)	637,769	-
Unfunded Special Separation Allowance	<u>329,705</u>	<u>92,396</u>	<u>(33,034)</u>	<u>389,067</u>	<u>-</u>
Total governmental activities	<u>\$ 29,633,647</u>	<u>\$ 1,158,849</u>	<u>\$ (3,680,116)</u>	<u>\$ 27,112,380</u>	<u>\$ 2,937,608</u>
<b>Business-Type Activities:</b>					
General obligation debt	\$ 14,595,000	\$ 6,800,000	\$ (333,500)	\$ 21,061,500	\$ 348,500
Bond anticipate note	6,800,000	-	(6,800,000)	-	-
Accrued landfill closure and post-closure care costs	2,502,433	-	(7,953)	2,494,480	82,318
Other post-employment benefits	19,064	14,844	(8,331)	25,577	-
Compensated absences	<u>81,487</u>	<u>29,864</u>	<u>(47,078)</u>	<u>64,273</u>	<u>19,282</u>
Total business-type activities	<u>\$ 23,997,984</u>	<u>\$ 6,844,708</u>	<u>\$ (7,196,862)</u>	<u>\$ 23,645,830</u>	<u>\$ 450,100</u>

Compensated absences, other post-employment benefits, and Law Enforcement Officers' Special Separation Allowance typically have been liquidated in the General Fund and are accounted for on a FIFO basis. The current portion of compensated absences at June 30, 2010 is \$483,150.

### Conduit Debt Obligations

Halifax County Industrial and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as by the letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**HALIFAX COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**C. Interfund Balances and Activity**

Transfers from/to other funds at June 30, 2010 consist of the following:

	<b>Transfers</b>		
	<b>From</b>	<b>To</b>	<b>Purpose</b>
General Fund	\$ 429,961	\$ -	
Special Revenue Fund:			
Reassessment	-	200,000	Fund project
Capital Project Fund:			
Alliance Drive Relocation	-	83,760	Fund project
Halifax County Sewer Upgrade	-	50,000	Fund project
Community Corrections	-	87,000	Fund project
Enterprise Fund - Solid Waste	-	1,629	Reimbursement among funds
Enterprise Fund - Water	-	7,572	Reimbursement among funds
Enterprise Fund - Solid Waste	3,557	-	Reimbursement among funds
Enterprise Fund - Water	11,348	-	Reimbursement among funds
Internal Service Fund	225,000	-	Insurance reimbursements
General Fund	-	239,905	
Total	<u>\$ 669,866</u>	<u>\$ 669,866</u>	

The composition of interfund balances as of June 30, 2010 is as follows:

<b>Receivable Entity</b>	<b>Payable Entity</b>	<b>Amount</b>
General Fund	Special Revenue Fund	\$ 67,627
General Fund	Capital Project fund	2,388,196
General Fund	Water Fund	68,328
Solid Waste Fund	Water Fund	192,753

The interfund balances above from the General Fund to the capital projects and from the Solid Waste Fund to the Water Fund are advances until project financing is received

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### 4. Related Organizations

The County's governing board is also responsible for appointing the members of the Board of the Industrial Facilities and Pollution Control Authority, but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to issue and service revenue bond debt for private business for economic development purposes. Its primary revenues are the payments to service the issued debt that are received from the businesses involved. The County is not responsible for the debt issued by the Authority and the Authority's debt is not included in determining the County's legal debt limit.

### 5. Joint Ventures

The County, in conjunction with the State of North Carolina and the Halifax County Board of Education, participates in a joint venture to operate Halifax Community College. Each of the three participants appoints four members of the thirteen-member Board of Trustees of the community college. The president of the community college's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The community college is included as a component of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,068,048 to the community college for operating purposes and capital outlay during the fiscal year ended June 30, 2010. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2010. Complete financial statements for the community college may be obtained from the community college's administrative offices at Highway 158, Weldon, North Carolina 27890.

The County, in conjunction with the Counties of Bertie, Hertford, and Northampton, participates in a joint venture to operate the Choanoke Public Transportation Authority. The County appoints three members to the Transportation Authority Board. Bertie, Hertford, and Northampton counties appoint two members each. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority because it and the other three governmental entities are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$452,856 to the Transportation Authority during the fiscal year ended June 30, 2010. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

# HALIFAX COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

### 6. Jointly Governed Organization

The County, in conjunction with three other counties and thirty-two municipalities, established the Region L Council of Governments (Council). The participating governments established the Council to coordinate funding received from various federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and professional service fees of \$22,391 to the Council during the fiscal year ended June 30, 2010.

### 7. Benefits Payments Issued by the State

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

	<b>Federal</b>	<b>State</b>
Energy Assistance Payment	\$ 665,607	\$ -
AFDC Payments and Penalties	(620)	(170)
AFDC Trans Child Care Payments	-	-
AFDC Unemployed Parents Assist	-	-
TANF Payments and Penalties	782,045	(34)
SC/SA Domiciliary Care Payment	-	871,363
State Foster Home	-	24,842
IV-E Adopt Subsidy and Vendor	311,270	83,822
IV-E Foster Care	63,185	17,037
IV-E Foster Care in Excess	78,229	-
CWS Adopt Subsidy and Vendor	-	108,867
Title XIX - Medicaid	74,745,303	27,315,617
Food Stamp Program	21,777,792	-
Total	<b>\$ 98,422,811</b>	<b>\$ 28,421,344</b>

### 8. Summary Disclosure of Significant Commitments and Contingencies

#### Federal and State Grants

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

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

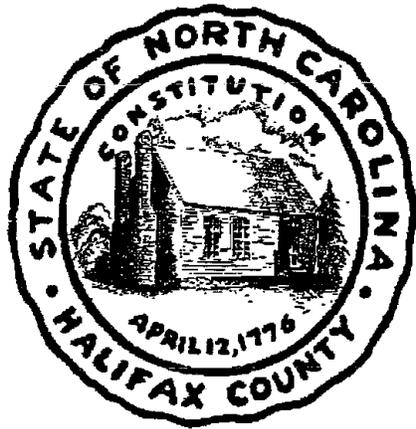
**This section contains additional information required by generally accepted accounting principles.**

**Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance**

**Schedule of Employer Contributions for the Law Enforcement Officer's Special Separation Allowance**

**Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance**

**Required Supplementary Information – Other Post-Employment Benefits – Retiree Health Plan**



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## HALIFAX COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2010**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) - Projected Unit Credit		Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
		B					
12/31/2009	\$ 82,634	\$ 886,767		\$ 804,133	9.32%	\$ 2,089,433	38.49%
12/31/2008	71,512	563,257		491,745	12.70%	2,128,279	23.11%
12/31/2007	43,903	489,736		445,833	8.96%	1,844,650	24.17%
12/31/2006	26,291	397,411		371,120	6.62%	1,863,109	19.92%
12/31/2005	28,178	427,652		399,474	6.59%	1,720,152	23.22%
12/31/2004	32,070	512,182		480,112	6.26%	1,662,692	28.88%
12/31/2003	59,560	445,588		386,028	13.37%	1,555,342	24.82%
12/31/2002	76,800	392,981		316,181	19.54%	1,531,083	20.65%
12/31/2001	78,996	370,349		291,353	21.33%	1,595,008	18.27%
12/31/2000	81,883	316,007		234,124	25.91%	1,381,630	16.95%
12/31/1999	79,478	229,759		150,281	34.59%	1,365,733	11.00%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution		Amount Contributed		Percentage of ARC Contributed
	(ARC)		By Employer		
2010	\$ 68,492		\$ 12,265		17.91%
2009	59,483		14,780		24.85%
2008	51,721		25,000		48.34%
2007	53,177		25,000		47.01%
2006	62,334		13,000		20.86%
2005	50,853		13,000		25.56%
2004	46,928		13,000		27.70%
2003	44,756		23,172		51.77%

**Notes to the Required Schedules:**

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	7.25%
Projected salary increases *	4.5 - 12.3%
Cost of living adjustments	N/A

\* Includes inflation at 3.75%

## HALIFAX COUNTY, NORTH CAROLINA

### OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2010

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)			Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
		Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)				
12/31/2006	\$ -	\$ 5,675,908	\$ 5,675,908	0.00%	\$ 17,464,576	32.50%	
12/31/2009	-	4,221,342	4,221,342	0.00%	19,065,825	21.10%	

#### Schedule of Employer Contributions

Year Ended June 30	Annual	
	Required Contribution	Percentage Contributed
2009	\$ 520,212	20.40%
2010	354,547	30.32%

#### Notes to the Required Schedules:

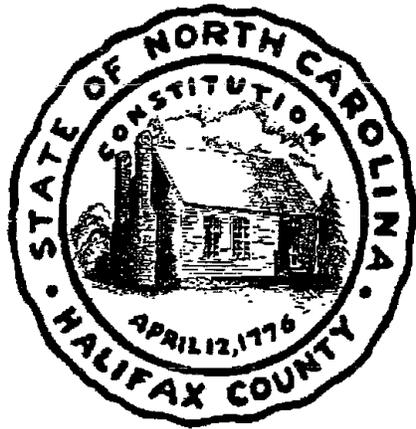
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions	
Investment rate of return*	4.00%
Medical trend rate	10.5% - 5.00%
Year of Ultimate trend rate	2017

\* Includes inflation of 3.75%

## **THE GENERAL FUND**

**The General Fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.**



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## HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - ALL DEPARTMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Social Services Fund</u>	<u>Emergency Management Services Fund</u>	<u>Total</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ 24,262,661	\$ -	\$ -	\$ -	\$ 24,262,661
Other taxes and licenses	6,335,084	-	-	838	6,335,922
Unrestricted intergovernmental revenues	467,532	-	-	-	467,532
Restricted intergovernmental revenues	2,904,269	4,592,140	10,151,585	488,209	18,136,203
Permits and fees	1,238,048	-	1,791	-	1,239,839
Sales and services	942,414	10,847	-	2,110,149	3,063,410
Investment earnings	79,421	719	-	-	80,140
Miscellaneous	<u>747,306</u>	<u>28,055</u>	<u>1,202</u>	<u>23,020</u>	<u>799,583</u>
Total revenues	<u>36,976,735</u>	<u>4,631,761</u>	<u>10,154,578</u>	<u>2,622,216</u>	<u>54,385,290</u>
<b>Expenditures:</b>					
General government	6,400,525	-	-	-	6,400,525
Public safety	6,826,261	-	-	3,291,765	10,118,026
Economic and physical development	1,098,629	-	-	-	1,098,629
Human services	1,889,787	6,306,343	14,374,948	-	22,571,078
Cultural and recreational	584,198	-	-	-	584,198
Education	8,603,330	-	-	-	8,603,330
Debt service					
Principal	2,324,591	7,594	5,775	204,313	2,542,273
Interest	<u>428,801</u>	<u>260</u>	<u>-</u>	<u>28,080</u>	<u>457,141</u>
Total expenditures	<u>28,156,122</u>	<u>6,314,197</u>	<u>14,380,723</u>	<u>3,524,158</u>	<u>52,375,200</u>
Revenues over (under) expenditures	<u>8,820,613</u>	<u>(1,682,436)</u>	<u>(4,226,145)</u>	<u>(901,942)</u>	<u>2,010,090</u>
<b>Other Financing Sources (Uses):</b>					
Intrafund transfers in (out)	(8,198,347)	2,197,663	4,284,969	1,715,715	-
Transfers in:					
Internal Service Fund	225,000	-	-	-	225,000
Enterprise funds	14,905	-	-	-	14,905
Transfers out:					
Special revenue funds	(200,000)	-	-	-	(200,000)
Capital projects funds	(220,760)	-	-	-	(220,760)
Enterprise funds	<u>(9,201)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,201)</u>
Total other financing sources (uses)	<u>(8,388,403)</u>	<u>2,197,663</u>	<u>4,284,969</u>	<u>1,715,715</u>	<u>(190,056)</u>
Net change in fund balance	432,210	515,227	58,824	813,773	1,820,034
<b>Fund Balance:</b>					
Beginning of year - July 1	<u>25,659,099</u>	<u>1,003,099</u>	<u>339,116</u>	<u>3,030,863</u>	<u>30,032,177</u>
End of year - June 30	<u>\$ 26,091,309</u>	<u>\$ 1,518,326</u>	<u>\$ 397,940</u>	<u>\$ 3,844,636</u>	<u>\$ 31,852,211</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Taxes	\$ 21,710,162	\$ 24,029,483	\$ 2,319,321	\$ 23,635,510
Penalties and interest	<u>175,000</u>	<u>233,178</u>	<u>58,178</u>	<u>228,407</u>
Total	<u>21,885,162</u>	<u>24,262,661</u>	<u>2,377,499</u>	<u>23,863,917</u>
<b>Other Taxes and Licenses:</b>				
Local option sales taxes	6,913,916	6,204,438	(709,478)	8,291,836
Cable franchise tax	<u>130,000</u>	<u>130,646</u>	<u>646</u>	<u>136,579</u>
Total	<u>7,043,916</u>	<u>6,335,084</u>	<u>(708,832)</u>	<u>8,428,415</u>
<b>Unrestricted Intergovernmental:</b>				
Fines and forfeitures	430,000	423,150	(6,850)	426,094
Beer and wine	<u>-</u>	<u>44,382</u>	<u>44,382</u>	<u>141,847</u>
Total	<u>430,000</u>	<u>467,532</u>	<u>37,532</u>	<u>567,941</u>
<b>Restricted Intergovernmental:</b>				
Federal and State grants	2,076,743	1,643,654	(433,089)	1,567,126
North Carolina ADM allocation	131,396	131,396	-	414,868
Lottery proceeds	974,681	468,731	(505,950)	362,191
Halifax ABC revenue	128,068	113,811	(14,257)	130,531
USDA commodity food	<u>561,547</u>	<u>546,677</u>	<u>(14,870)</u>	<u>478,810</u>
Total	<u>3,872,435</u>	<u>2,904,269</u>	<u>(968,166)</u>	<u>2,953,526</u>
<b>Permits and Fees:</b>				
Facility fees	110,000	116,024	6,024	127,987
Building inspection fees	100,000	112,930	12,930	109,426
Register of Deeds' fees	296,000	271,657	(24,343)	306,168
Other fees and rents	<u>551,431</u>	<u>737,437</u>	<u>186,006</u>	<u>543,122</u>
Total	<u>1,057,431</u>	<u>1,238,048</u>	<u>180,617</u>	<u>1,086,703</u>
<b>Sales and Services:</b>				
Occupancy tax administration	589,085	589,876	791	568,588
Jail fees	14,972	106,330	91,358	180,866
Central communications	<u>246,123</u>	<u>246,208</u>	<u>85</u>	<u>249,191</u>
Total	<u>850,180</u>	<u>942,414</u>	<u>92,234</u>	<u>998,645</u>
<b>Investment Earnings</b>	<u>416,050</u>	<u>79,421</u>	<u>(336,629)</u>	<u>388,167</u>
<b>Miscellaneous</b>	<u>839,957</u>	<u>747,306</u>	<u>(92,651)</u>	<u>713,152</u>
Total revenues	<u>36,395,131</u>	<u>36,976,735</u>	<u>581,604</u>	<u>39,000,466</u>

## HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2010

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
<b>Expenditures:</b>				
<b>General Government:</b>				
Governing body:				
Salaries and employee benefits	91,048	90,991		89,617
Operating expenditures	<u>59,130</u>	<u>56,040</u>		<u>68,359</u>
Total	<u>150,178</u>	<u>147,031</u>	<u>3,147</u>	<u>157,976</u>
Administration:				
Salaries and employee benefits	466,861	462,976		465,790
Operating expenditures	<u>23,166</u>	<u>20,509</u>		<u>25,098</u>
Total	<u>490,027</u>	<u>483,485</u>	<u>6,542</u>	<u>490,888</u>
Human resources:				
Salaries and employee benefits	232,419	214,227		187,484
Operating expenditures	<u>8,347</u>	<u>7,302</u>		<u>9,666</u>
Total	<u>240,766</u>	<u>221,529</u>	<u>19,237</u>	<u>197,150</u>
Non-departmental expenditures:				
Operating expenditures	<u>2,095,125</u>	<u>1,516,723</u>		<u>2,764,491</u>
Total	<u>2,095,125</u>	<u>1,516,723</u>	<u>578,402</u>	<u>2,764,491</u>
Finance:				
Salaries and employee benefits	358,048	358,047		345,056
Operating expenditures	19,964	19,820		31,348
Capital outlay	<u>-</u>	<u>-</u>		<u>6,696</u>
Total	<u>378,012</u>	<u>377,867</u>	<u>145</u>	<u>383,100</u>
Tax administration:				
Salaries and employee benefits	924,393	913,749		900,860
Operating expenditures	<u>213,146</u>	<u>179,825</u>		<u>184,020</u>
Total	<u>1,137,539</u>	<u>1,093,574</u>	<u>43,965</u>	<u>1,084,880</u>
Revaluation:				
Operating expenditures	<u>2,411</u>	<u>1,827</u>		<u>457</u>
Total	<u>2,411</u>	<u>1,827</u>	<u>584</u>	<u>457</u>
Legal:				
Salaries and employee benefits	165,804	163,256		159,176
Operating expenditures	<u>63,726</u>	<u>53,232</u>		<u>50,994</u>
Total	<u>229,530</u>	<u>216,488</u>	<u>13,042</u>	<u>210,170</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
Elections:				
Salaries and employee benefits	118,670	115,723		141,619
Operating expenditures	<u>66,451</u>	<u>64,608</u>		<u>27,704</u>
Total	<u>185,121</u>	<u>180,331</u>	<u>4,790</u>	<u>169,323</u>
Register of Deeds:				
Salaries and employee benefits	291,829	291,829		289,490
Operating expenditures	57,229	54,619		70,934
Capital outlay	<u>37,355</u>	<u>3,777</u>		<u>22,188</u>
Total	<u>386,413</u>	<u>350,225</u>	<u>36,188</u>	<u>382,612</u>
Information technology services:				
Salaries and employee benefits	186,735	186,117		174,599
Operating expenditures	<u>136,983</u>	<u>127,596</u>		<u>108,000</u>
Total	<u>323,718</u>	<u>313,713</u>	<u>10,005</u>	<u>282,599</u>
Maintenance and repairs - public buildings:				
Operating expenditures	19,128	19,020		145,713
Capital outlay	<u>22,600</u>	<u>22,600</u>		<u>4,075</u>
Total	<u>41,728</u>	<u>41,620</u>	<u>108</u>	<u>149,788</u>
Operations:				
Salaries and employee benefits	724,813	721,846		705,906
Operating expenditures	294,253	268,599		316,997
Capital outlay	<u>1,050</u>	<u>1,050</u>		<u>-</u>
Total	<u>1,020,116</u>	<u>991,495</u>	<u>28,621</u>	<u>1,022,903</u>
Other general government:				
Fuel center	1,358	1,285	73	1,403
Judicial services	16,280	11,522	4,758	9,320
Magistrates	18,740	18,740	-	18,740
Public buildings	24,418	23,044	1,374	28,891
Historic courthouse	121,548	121,548	-	103,628
Criminal justice building	9,779	9,425	354	10,424
Court service	218,504	218,504	-	214,956
Agriculture complex	36,840	36,840	-	35,042
Shell building	815	209	606	206
One stop shopping	-	-	-	9,158
CADA	<u>23,500</u>	<u>23,500</u>	<u>-</u>	<u>21,500</u>
Total	<u>471,782</u>	<u>464,617</u>	<u>7,165</u>	<u>453,268</u>
Total general government	<u>7,152,466</u>	<u>6,400,525</u>	<u>751,941</u>	<u>7,749,605</u>

# HALIFAX COUNTY, NORTH CAROLINA

## GENERAL FUND - GENERAL DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
<b>Public Safety:</b>				
Sheriff's department:				
Salaries and employee benefits	3,120,016	3,033,638		3,056,249
Operating expenditures	549,392	493,904		586,431
Capital outlay	<u>8,300</u>	<u>8,300</u>		<u>257,098</u>
Total	<u>3,677,708</u>	<u>3,535,842</u>	<u>141,866</u>	<u>3,899,778</u>
Jail:				
Salaries and employee benefits	990,418	974,960		990,205
Operating expenditures	<u>659,021</u>	<u>643,337</u>		<u>598,736</u>
Total	<u>1,649,439</u>	<u>1,618,297</u>	<u>31,142</u>	<u>1,588,941</u>
Emergency management:				
Salaries and employee benefits	60,496	59,165		57,828
Operating expenditures	<u>82,465</u>	<u>81,312</u>		<u>211,279</u>
Total	<u>142,961</u>	<u>140,477</u>	<u>2,484</u>	<u>269,107</u>
Central communications:				
Salaries and employee benefits	840,982	838,648		793,799
Operating expenditures	<u>16,941</u>	<u>12,078</u>		<u>17,994</u>
Total	<u>857,923</u>	<u>850,726</u>	<u>7,197</u>	<u>811,793</u>
Donations:				
Fire departments and rescue squads	<u>76,500</u>	<u>76,500</u>		<u>85,000</u>
Total	<u>76,500</u>	<u>76,500</u>	<u>-</u>	<u>85,000</u>
Planning and inspections:				
Salaries and employee benefits	358,936	358,936		353,303
Operating expenditures	<u>27,503</u>	<u>24,670</u>		<u>41,237</u>
Total	<u>386,439</u>	<u>383,606</u>	<u>2,833</u>	<u>394,540</u>
Other public safety:				
Coroner	27,000	22,100	4,900	26,500
Other donations	5,000	5,000	-	16,000
Controlled substance tax expenditures	114,000	840	113,160	-
Drug task force expenditures	15,000	-	15,000	4,000
DTF - federal asset forfeiture	75,000	37,643	37,357	58,762
Emergency Management supplement	21,816	13,859	7,957	11,871
Sheriff Bulletproof Vest Grant	136	-	136	2,533
Roanoke Rapids probation and parole	23,875	15,222	8,653	-
ARRA - School Resource Officer	151,035	55,136	95,899	-
JAG Grant	14,438	13,115	1,323	-

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
ARRA - JAG Grant	58,925	36,456	22,469	-
ARRA - Halifax County gang assessment	50,000	21,442	28,558	-
Edward Byrne Memorial JA Grant	-	-	-	700
Total	<u>556,225</u>	<u>220,813</u>	<u>335,412</u>	<u>120,366</u>
Total public safety	<u>7,347,195</u>	<u>6,826,261</u>	<u>520,934</u>	<u>7,169,525</u>
<b>Economic and Physical Development:</b>				
Halifax Developmental Commission:				
Salaries and employee benefits	157,066	157,045		136,449
Operating expenditures	<u>75,508</u>	<u>65,861</u>		<u>61,705</u>
Total	<u>232,574</u>	<u>222,906</u>	<u>9,668</u>	<u>198,154</u>
Tourism:				
Salaries and employee benefits	266,345	265,177		250,244
Travel	<u>6,000</u>	<u>6,000</u>		<u>11,987</u>
Total	<u>272,345</u>	<u>271,177</u>	<u>1,168</u>	<u>262,231</u>
Cooperative extension office:				
Salaries and employee benefits	236,502	233,115		217,771
Operating expenditures	<u>46,831</u>	<u>39,956</u>		<u>54,743</u>
Total	<u>283,333</u>	<u>273,071</u>	<u>10,262</u>	<u>272,514</u>
Rural life education:				
Salaries and employee benefits	38,987	38,591		42,517
Operating expenditures	<u>19,259</u>	<u>19,226</u>		<u>29,945</u>
Total	<u>58,246</u>	<u>57,817</u>	<u>429</u>	<u>72,462</u>
Natural resource conservation:				
Salaries and employee benefits	131,199	131,176		128,628
Operating expenditures	20,135	19,259		10,722
Capital outlay	-	-		21,998
Total	<u>151,334</u>	<u>150,435</u>	<u>899</u>	<u>161,348</u>
Other economic and physical development:				
4-H clubs	10,943	5,887	5,056	1,296
County council	27,337	6,867	20,470	8,310
Agri-Craft Co-op	12,558	6,750	5,808	7,251
Boards and commissions	3,348	1,973	1,375	2,926
Forestry protection	83,826	78,966	4,860	84,368
Economic development incentive	35,970	22,780	13,190	16,780

## HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Natural Resource Equipment Grant	59,219	-	59,219	-
Project management	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Total	<u>245,201</u>	<u>123,223</u>	<u>121,978</u>	<u>120,931</u>
Total economic and physical development	<u>1,243,033</u>	<u>1,098,629</u>	<u>144,404</u>	<u>1,087,640</u>
<b>Human Services:</b>				
Elderly transportation:				
Operating expenses	<u>203,030</u>	<u>182,821</u>	<u>20,209</u>	<u>190,503</u>
EFAP Administration:				
Salaries and employee benefits	41,944	41,793		40,981
Operating expenditures	<u>301,431</u>	<u>297,837</u>		<u>150,629</u>
Total	<u>343,375</u>	<u>339,630</u>	<u>3,745</u>	<u>191,610</u>
Supplemental foods:				
Salaries and employee benefits	158,487	155,046		157,005
Operating expenditures	30,716	24,545		26,949
USDA commodity foods	<u>269,860</u>	<u>269,860</u>		<u>295,852</u>
Total	<u>459,063</u>	<u>449,451</u>	<u>9,612</u>	<u>479,806</u>
Veterans service:				
Salaries and employee benefits	25,126	25,126		45,113
Operating expenditures	<u>635</u>	<u>635</u>		<u>3,320</u>
Total	<u>25,761</u>	<u>25,761</u>	<u>-</u>	<u>48,433</u>
Aging program coordinator:				
Salaries and employee benefits	15,326	15,326		29,400
Operating expenditures	<u>914</u>	<u>914</u>		<u>3,969</u>
Total	<u>16,240</u>	<u>16,240</u>	<u>-</u>	<u>33,369</u>
Other human services:				
Riverstone administration	31,218	24,266	6,952	26,486
Operation Restart	147,514	146,984	530	142,653
JCPC Advisory Board	536	536	-	176
JCPC Grant	60,000	60,000	-	65,690
COA - Health Promotion	-	-	-	22,946
Pesticide Recycling	6,709	-	6,709	350
Home and Community Block Grant	333,331	331,606	1,725	313,959
Council On Aging	19,078	19,078	-	21,287
Aging-SHIIP Mini Grant	3,723	2,730	993	4,384
Aging Division Grant	2,252	-	2,252	-

## HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2010

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/Under	2009
	Budget	Actual		Actual
CJPP/Day Reporting	94,332	91,144	3,188	101,765
Duke Endowment Grant	346	-	346	78
Service contracts	17,900	-	17,900	1,441
Multi-Jurisdictional Hazardous Mitigation Plan	25,250	23,988	1,262	-
School Age Care Grant	35,791	17,164	18,627	15,907
Operation Purple Camp	58,501	28,501	30,000	-
ARRA - Nutrition services programs	33,542	33,542	-	-
ARRA - Methodist Home Children programs	103,800	28,681	75,119	-
Halifax Helps Grant	2,723	-	2,723	-
Co-Op Student Incentive	<u>67,831</u>	<u>67,664</u>	<u>167</u>	<u>65,353</u>
Total other human services	<u>1,044,377</u>	<u>875,884</u>	<u>168,493</u>	<u>782,475</u>
Total human services	<u>2,091,846</u>	<u>1,889,787</u>	<u>202,059</u>	<u>1,726,196</u>
<b>Cultural and Recreational:</b>				
Library:				
Salaries and employee benefits	487,315	470,211		476,234
Operating expenditures	<u>112,861</u>	<u>95,632</u>		<u>103,574</u>
Total	<u>600,176</u>	<u>565,843</u>	<u>34,333</u>	<u>579,808</u>
Other cultural and recreational:				
Library/Gates Foundation	<u>25,771</u>	<u>18,355</u>		<u>32,629</u>
Total other cultural and recreational	<u>25,771</u>	<u>18,355</u>	<u>7,416</u>	<u>32,629</u>
Total cultural and recreational	<u>625,947</u>	<u>584,198</u>	<u>41,749</u>	<u>612,437</u>
<b>Education:</b>				
Public schools - current expenses	5,611,679	5,602,644		6,111,815
Public schools - capital outlay	2,858,031	1,533,976		2,434,609
Community colleges - current expenses	943,522	943,522		1,035,458
Community colleges - capital outlay	76,697	76,697		80,821
ADM - Public School Building Fund	<u>974,681</u>	<u>446,491</u>		<u>375,391</u>
Total education	<u>10,464,610</u>	<u>8,603,330</u>	<u>1,861,280</u>	<u>10,038,094</u>
<b>Debt Service:</b>				
Principal	2,407,856	2,324,591		2,288,341
Interest	<u>452,919</u>	<u>428,801</u>		<u>492,337</u>
Total debt service	<u>2,860,775</u>	<u>2,753,392</u>	<u>107,383</u>	<u>2,780,678</u>
Total expenditures	<u>31,785,872</u>	<u>28,156,122</u>	<u>3,629,750</u>	<u>31,164,175</u>
Revenues over (under) expenditures	<u>4,609,259</u>	<u>8,820,613</u>	<u>4,211,354</u>	<u>7,836,291</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	(8,385,246)	(8,198,347)	186,899	(8,973,262)
Transfers in:				
Internal Service Fund	225,000	225,000	-	225,000
Enterprise Fund	15,871	14,905	(966)	13,964
Capital Projects Fund	-	-	-	269,304
Special Revenue Fund	-	-	-	4,144
Transfers out:				
Special Revenue Fund	(200,000)	(200,000)	-	(272,500)
Capital Projects Fund	(220,760)	(220,760)	-	-
Enterprise Fund	(15,871)	(9,201)	6,670	(43,899)
Appropriated fund balance	<u>3,971,747</u>	<u>-</u>	<u>(3,971,747)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,609,259)</u>	<u>(8,388,403)</u>	<u>(3,779,144)</u>	<u>(8,777,249)</u>
Net change in fund balance	<u>\$ -</u>	432,210	<u>\$ 432,210</u>	(940,958)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>25,659,099</u>		<u>26,600,057</u>
End of year - June 30		<u>\$ 26,091,309</u>		<u>\$ 25,659,099</u>

## HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/(Under)	2009
	Budget	Actual		Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 4,244,988	\$ 4,592,140	\$ 347,152	\$ 4,193,529
Sales and services	84,051	10,847	(73,204)	11,586
Miscellaneous revenue	2,738	28,055	25,317	(3,518)
Investment earnings	<u>6,000</u>	<u>719</u>	<u>(5,281)</u>	<u>4,407</u>
Total revenues	<u>4,337,777</u>	<u>4,631,761</u>	<u>293,984</u>	<u>4,206,004</u>
<b>Expenditures:</b>				
<b>Human Services:</b>				
General:				
Salaries and employee benefits	395,009	176,998		341,543
Operating expenditures	<u>146,284</u>	<u>136,420</u>		<u>140,595</u>
Total	<u>541,293</u>	<u>313,418</u>	<u>227,875</u>	<u>482,138</u>
Animal control:				
Salaries and employee benefits	155,090	155,073		169,023
Operating expenditures	<u>36,607</u>	<u>36,607</u>		<u>45,958</u>
Total	<u>191,697</u>	<u>191,680</u>	<u>17</u>	<u>214,981</u>
AIDS control:				
Salaries and employee benefits	224,200	224,191		181,513
Operating expenditures	<u>866</u>	<u>866</u>		<u>928</u>
Total	<u>225,066</u>	<u>225,057</u>	<u>9</u>	<u>182,441</u>
Tuberculosis control:				
Salaries and employee benefits	123,857	97,824		73,822
Operating expenditures	<u>163,890</u>	<u>10,489</u>		<u>10,869</u>
Total	<u>287,747</u>	<u>108,313</u>	<u>179,434</u>	<u>84,691</u>
CDC Tuberculosis:				
Salaries and employee benefits	<u>32,202</u>	<u>32,202</u>		<u>35,885</u>
Total	<u>32,202</u>	<u>32,202</u>	<u>-</u>	<u>35,885</u>
Communicable disease:				
Salaries and employee benefits	25,571	19,925		12,240
Operating expenditures	<u>5,000</u>	<u>4,979</u>		<u>4,980</u>
Total	<u>30,571</u>	<u>24,904</u>	<u>5,667</u>	<u>17,220</u>

## HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/(Under)	2009
	Budget	Actual		Actual
Council On Aging:				
Salaries and employee benefits	148,648	147,749		138,605
Operating expenditures	<u>33,920</u>	<u>32,748</u>		<u>34,490</u>
Total	<u>182,568</u>	<u>180,497</u>	2,071	<u>173,095</u>
Home health:				
Salaries and employee benefits	795,327	712,759		731,159
Operating expenditures	<u>711,736</u>	<u>702,280</u>		<u>692,159</u>
Total	<u>1,507,063</u>	<u>1,415,039</u>	92,024	<u>1,423,318</u>
Hospice:				
Salaries and employee benefits	232,923	205,669		257,014
Operating expenditures	<u>85,850</u>	<u>84,383</u>		<u>103,781</u>
Total	<u>318,773</u>	<u>290,052</u>	28,721	<u>360,795</u>
Adult health/diabetes:				
Salaries and employee benefits	164,982	110,317		126,445
Operating expenditures	<u>87,007</u>	<u>65,265</u>		<u>59,274</u>
Total	<u>251,989</u>	<u>175,582</u>	76,407	<u>185,719</u>
Maternity:				
Salaries and employee benefits	329,092	320,371		330,255
Operating expenditures	<u>138,393</u>	<u>44,483</u>		<u>42,039</u>
Total	<u>467,485</u>	<u>364,854</u>	102,631	<u>372,294</u>
Family planning:				
Salaries and employee benefits	513,448	492,601		535,754
Operating expenditures	<u>157,713</u>	<u>98,556</u>		<u>101,021</u>
Total	<u>671,161</u>	<u>591,157</u>	80,004	<u>636,775</u>
Child services coordinator:				
Salaries and employee benefits	241,156	219,612		231,619
Operating expenditures	<u>147,710</u>	<u>11,027</u>		<u>10,470</u>
Total	<u>388,866</u>	<u>230,639</u>	158,227	<u>242,089</u>
Child health:				
Salaries and employee benefits	456,824	398,901		480,972
Operating expenditures	<u>67,365</u>	<u>65,239</u>		<u>63,495</u>
Total	<u>524,189</u>	<u>464,140</u>	60,049	<u>544,467</u>

## HALIFAX COUNTY, NORTH CAROLINA

### GENERAL FUND - PUBLIC HEALTH DEPARTMENT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	2010		Variance Over/(Under)	2009
	Budget	Actual		Actual
Environmental health:				
Salaries and employee benefits	518,025	502,386		479,432
Operating expenditures	<u>16,683</u>	<u>16,070</u>		<u>25,214</u>
Total	<u>534,708</u>	<u>518,456</u>	<u>16,252</u>	<u>504,646</u>
Other human services:				
Bioterrorism	53,587	53,587	-	62,962
H1N1 Wave 1	54,201	54,201	-	-
H1N1 Wave 2	5,800	5,800	-	-
H1N1 Wave 3	78,678	78,678	-	-
Health promotion expenditures	44,304	41,594	2,710	32,877
Hypertension	-	-	-	1,713
Primary care	32,720	25,017	7,703	40,170
BCCCP	19,656	19,656	-	26,917
CVD/Breast Cancer	8,200	8,200	-	9,284
Healthy Carolinian	10,000	9,996	4	15,727
Folic Acid Grant	207,535	175,237	32,298	175,675
Immunization Action Plan	82,662	68,287	14,375	93,855
Health Check Project	43,354	39,073	4,281	57,929
Baby Love Plus	93,553	93,257	296	86,428
Childhood lead poison	5,000	-	5,000	10,409
Health working and wellness	80,000	79,168	832	82,351
Jail Health	421,410	421,124	286	388,462
Improving Immunization Capacity	7,000	7,000	-	-
Closing the Gap Grant	650	478	172	762
Smart Start	-	-	-	<u>43,774</u>
Total other human services	<u>1,248,310</u>	<u>1,180,353</u>	<u>67,957</u>	<u>1,129,295</u>
Total human services	<u>7,403,688</u>	<u>6,306,343</u>	<u>1,097,345</u>	<u>6,589,849</u>
<b>Debt Service:</b>				
Principal	7,594	7,594		5,130
Interest	<u>260</u>	<u>260</u>		<u>2,725</u>
Total debt service	<u>7,854</u>	<u>7,854</u>	<u>-</u>	<u>7,855</u>
Revenues over (under) expenditures	<u>(3,073,765)</u>	<u>(1,682,436)</u>	<u>1,391,329</u>	<u>(2,391,700)</u>

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - PUBLIC HEALTH DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	2,215,056	2,258,348	43,292	2,110,222
Interfund transfer out	-	(60,685)	(60,685)	-
Appropriated fund balance	<u>858,709</u>	<u>-</u>	<u>(858,709)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,073,765</u>	<u>2,197,663</u>	<u>(876,102)</u>	<u>2,110,222</u>
Net change in fund balance	<u>\$ -</u>	515,227	<u>\$ 515,227</u>	(281,478)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>1,003,099</u>		<u>1,284,577</u>
End of year - June 30		<u>\$ 1,518,326</u>		<u>\$ 1,003,099</u>

## HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - SOCIAL SERVICES DEPARTMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 10,989,926	\$ 10,151,585	\$ (838,341)	\$ 10,663,809
Permits and fees	1,028	1,791	763	3,115
Miscellaneous revenue	-	1,202	1,202	1,445
Total revenues	<u>10,990,954</u>	<u>10,154,578</u>	<u>(836,376)</u>	<u>10,668,369</u>
<b>Expenditures:</b>				
<b>Human Services:</b>				
General:				
Salaries and employee benefits	7,857,345	7,746,588		7,582,595
Operating expenditures	<u>948,525</u>	<u>673,821</u>		<u>747,108</u>
Total	<u>8,805,870</u>	<u>8,420,409</u>	<u>385,461</u>	<u>8,329,703</u>
Other human services:				
Fees and refunds	64,806	17,049	47,757	8,380
Family planning	10,000	8,520	1,480	4,292
Chore services	156,877	153,946	2,931	142,982
Daycare	3,056,580	2,852,678	203,902	3,023,917
Work First	367,293	280,683	86,610	337,468
Purchased services	70,000	31,926	38,074	47,997
4D-Purchase	8,620	2,119	6,501	36,952
Medicaid	782,500	732,307	50,193	3,063,624
Social Services to the Aged	881,118	878,455	2,663	975,736
CBA Foster Care	390,688	296,884	93,804	284,794
Adoptive assistance	125,000	108,867	16,133	99,456
Crisis intervention	572,373	569,926	2,447	802,479
CP&L energy	3,723	2,715	1,008	1,636
Special foster care	25,000	8,765	16,235	6,981
CPS Staff Grant	36,786	2,006	34,780	1,588
Aid to the Blind	<u>11,535</u>	<u>7,693</u>	<u>3,842</u>	<u>6,199</u>
Total other human services	<u>6,562,899</u>	<u>5,954,539</u>	<u>608,360</u>	<u>8,844,481</u>
Total human services	<u>15,368,769</u>	<u>14,374,948</u>	<u>993,821</u>	<u>17,174,184</u>
<b>Debt Service:</b>				
Principal	<u>5,776</u>	<u>5,775</u>	<u>1</u>	<u>5,774</u>
Revenues over (under) expenditures	<u>(4,383,591)</u>	<u>(4,226,145)</u>	<u>157,446</u>	<u>(6,511,589)</u>

## HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - SOCIAL SERVICES DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

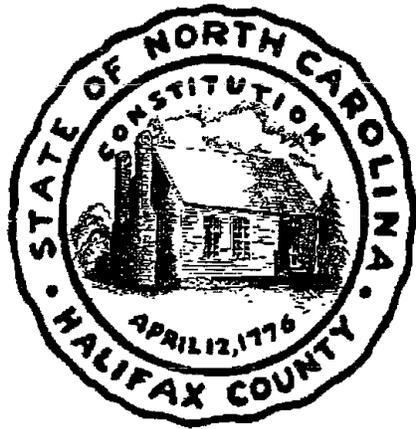
	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	4,284,969	4,284,969	-	6,849,996
Appropriated fund balance	<u>98,622</u>	<u>-</u>	<u>(98,622)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,383,591</u>	<u>4,284,969</u>	<u>(98,622)</u>	<u>6,849,996</u>
Net change in fund balance	<u>\$ -</u>	58,824	<u>\$ 58,824</u>	338,407
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>339,116</u>		<u>709</u>
End of year - June 30		<u>\$ 397,940</u>		<u>\$ 339,116</u>

## HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - EMERGENCY MANAGEMENT SERVICES DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Other taxes and licenses	\$ 3,000	\$ 838	\$ (2,162)	\$ 1,933
Restricted intergovernmental revenues	164,646	488,209	323,563	404,029
Sales and services	1,793,548	2,110,149	316,601	2,958,363
Interest income	-	-	-	137
Miscellaneous revenue	<u>19,823</u>	<u>23,020</u>	<u>3,197</u>	<u>3,621</u>
Total revenues	<u>1,981,017</u>	<u>2,622,216</u>	<u>641,199</u>	<u>3,368,083</u>
<b>Expenditures:</b>				
<b>Public Safety:</b>				
General:				
Salaries and employee benefits	2,637,775	2,586,012		2,510,568
Operating expenditures	745,499	679,728		663,336
Capital outlay	<u>26,025</u>	<u>26,025</u>		<u>125,193</u>
Total	<u>3,409,299</u>	<u>3,291,765</u>	<u>117,534</u>	<u>3,299,097</u>
<b>Debt Service:</b>				
Principal	251,796	204,313		197,679
Interest	<u>33,137</u>	<u>28,080</u>		<u>34,716</u>
Total debt service	<u>284,933</u>	<u>232,393</u>	<u>52,540</u>	<u>232,395</u>
Total expenditures	<u>3,694,232</u>	<u>3,524,158</u>	<u>170,074</u>	<u>3,531,492</u>
Revenues over (under) expenditures	<u>(1,713,215)</u>	<u>(901,942)</u>	<u>(811,273)</u>	<u>(163,409)</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers in (out)	1,715,715	1,715,715	-	13,044
Appropriated fund balance	<u>(2,500)</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Total other financing sources (uses)	<u>1,713,215</u>	<u>1,715,715</u>	<u>2,500</u>	<u>13,044</u>
Net change in fund balance	<u>\$ -</u>	813,773	<u>\$ 813,773</u>	(150,365)
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>3,030,863</u>		<u>3,181,228</u>
End of year - June 30		<u>\$ 3,844,636</u>		<u>\$ 3,030,863</u>

**COMBINING STATEMENTS FOR NONMAJOR FUNDS**



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## HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010

	<u>Nonmajor</u>		
	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,444,484	\$ 147,039	\$ 1,591,523
Accounts receivable	127,961	260,995	388,956
Due from other governments	9,521	7,184	16,705
Taxes receivable, net	<u>372,020</u>	<u>-</u>	<u>372,020</u>
Total assets	<u>\$ 1,953,986</u>	<u>\$ 415,218</u>	<u>\$ 2,369,204</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 189,775	\$ 77,917	\$ 267,692
Due to other funds	67,627	2,388,196	2,455,823
Deferred revenues	<u>372,020</u>	<u>-</u>	<u>372,020</u>
Total liabilities	<u>629,422</u>	<u>2,466,113</u>	<u>3,095,535</u>
<b>Fund Balances:</b>			
Reserved by State statute	42,757	30,986	73,743
Unreserved:			
Undesignated	<u>1,281,807</u>	<u>(2,081,881)</u>	<u>(800,074)</u>
Total fund balances	<u>1,324,564</u>	<u>(2,050,895)</u>	<u>(726,331)</u>
Total liabilities and fund balances	<u>\$ 1,953,986</u>	<u>\$ 415,218</u>	<u>\$ 2,369,204</u>

## HALIFAX COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Nonmajor</b>		
	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,762,634	\$ -	\$ 4,762,634
Other taxes and licenses	560,944	-	560,944
Unrestricted intergovernmental	15,809	-	15,809
Restricted intergovernmental revenues	525,862	811,470	1,337,332
Investment earnings	<u>24,231</u>	<u>-</u>	<u>24,231</u>
Total revenues	<u>5,889,480</u>	<u>811,470</u>	<u>6,700,950</u>
<b>Expenditures:</b>			
Current:			
Public safety	1,983,857	73,511	2,057,368
Education	3,317,590	-	3,317,590
Economic and physical development	72,486	540,649	613,135
Human services	440,249	-	440,249
Debt service:			
Principal	127,177	-	127,177
Interest	<u>3,027</u>	<u>-</u>	<u>3,027</u>
Total expenditures	<u>5,944,386</u>	<u>614,160</u>	<u>6,558,546</u>
Revenues over (under) expenditures	<u>(54,906)</u>	<u>197,310</u>	<u>142,404</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>200,000</u>	<u>220,760</u>	<u>420,760</u>
Total other financing sources (uses)	<u>200,000</u>	<u>220,760</u>	<u>420,760</u>
Net change in fund balances	145,094	418,070	563,164
<b>Fund Balances:</b>			
Beginning of year - July 1	<u>1,179,470</u>	<u>(2,468,965)</u>	<u>(1,289,495)</u>
End of year - June 30	<u>\$ 1,324,564</u>	<u>\$ (2,050,895)</u>	<u>\$ (726,331)</u>

## NONMAJOR SPECIAL REVENUE FUNDS

**Special Revenue Funds** are used to account for specific revenues that are legally restricted for expenditure for particular purposes.

**Emergency Telephone System Fund** – accounts for collection of monies to provide enhanced 911 services.

**Reassessment Fund** – This fund is used to account for the accumulation of funds for tax revaluation years.

**Our Community Hospital Center Fund** – accounts for the ad valorem tax levies for the hospital.

**Weldon School District Fund** – accounts for the ad valorem tax levies for the Weldon school district.

**Fire District Fund** – accounts for the ad valorem tax levies for the fire districts.

**Roanoke Rapids School Assessment Fund** – accounts for the ad valorem tax levies for the Roanoke Rapids school district.

**Project Budget Daniel Street Sewer Expansion Fund** - accounts for grant revenues that are specifically restricted for the sewer expansion project.

**Project Budget CDBG Scattered Site Rehab 2008**– This fund is used to account for the Community Development Block Grant that is funding assistance to citizens for housing rehabilitation.

**Project Budget United Salvage Project Fund** - accounts for grant revenues that are specifically restricted for the installation of a sewer main and pumping station project.

**HALIFAX COUNTY, NORTH CAROLINA**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010**

	<b>Emergency Telephone System Fund</b>	<b>Reassessment Fund</b>	<b>Our Community Hospital Center Fund</b>	<b>Weldon School District Fund</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 303,828	\$ 985,931	\$ 6,228	\$ 35,226
Accounts receivable	38,416	-	11,102	39,040
Due from other governments	4,341	-	-	-
Taxes receivable, net	<u>-</u>	<u>-</u>	<u>46,217</u>	<u>130,687</u>
 Total assets	 <u>\$ 346,585</u>	 <u>\$ 985,931</u>	 <u>\$ 63,547</u>	 <u>\$ 204,953</u>
 <b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 13,335	\$ -	\$ 17,330	\$ 74,266
Due to General Fund	-	-	-	-
Deferred revenues	<u>-</u>	<u>-</u>	<u>46,217</u>	<u>130,687</u>
Total liabilities	<u>13,335</u>	<u>-</u>	<u>63,547</u>	<u>204,953</u>
 <b>Fund Balances:</b>				
Reserved by State statute	42,757	-	-	-
Unreserved:				
Undesignated	<u>290,493</u>	<u>985,931</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>333,250</u>	<u>985,931</u>	<u>-</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ 346,585</u>	 <u>\$ 985,931</u>	 <u>\$ 63,547</u>	 <u>\$ 204,953</u>

Schedule D-1

Fire District Fund	Roanoke Rapids School Assessment Fund	Project Budget			Total
		Daniel Street Sewer Expansion Fund	CDBG Scattered Site Rehab 2008	United Salvage Fund	
\$ 20,524	\$ 24,917	\$ 4,077	\$ -	\$ 63,753	\$ 1,444,484
39,403	-	-	-	-	127,961
-	-	-	-	5,180	9,521
<u>114,661</u>	<u>80,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,020</u>
<u>\$ 174,588</u>	<u>\$ 105,372</u>	<u>\$ 4,077</u>	<u>\$ -</u>	<u>\$ 68,933</u>	<u>\$ 1,953,986</u>
\$ 59,928	\$ 24,916	\$ -	\$ -	\$ -	\$ 189,775
-	-	-	-	67,627	67,627
<u>114,660</u>	<u>80,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,020</u>
<u>174,588</u>	<u>105,372</u>	<u>-</u>	<u>-</u>	<u>67,627</u>	<u>629,422</u>
-	-	-	-	-	42,757
-	-	4,077	-	1,306	1,281,807
-	-	4,077	-	1,306	1,324,564
<u>\$ 174,588</u>	<u>\$ 105,372</u>	<u>\$ 4,077</u>	<u>\$ -</u>	<u>\$ 68,933</u>	<u>\$ 1,953,986</u>

# HALIFAX COUNTY, NORTH CAROLINA

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2010

	<b>Emergency Telephone System Fund</b>	<b>Reassessment Fund</b>	<b>Our Community Hospital Center Fund</b>	<b>Weldon School District Fund</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ 370,731	\$ 1,277,771
Other taxes and licenses	-	-	69,518	244,474
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	460,993	-	-	-
Investment earnings	<u>1,027</u>	<u>2,381</u>	-	-
Total revenues	<u>462,020</u>	<u>2,381</u>	<u>440,249</u>	<u>1,522,245</u>
<b>Expenditures:</b>				
Public safety	397,295	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	440,249	-
Education	-	-	-	1,522,245
Debt service :				
Principal	127,177	-	-	-
Interest and fees	<u>3,027</u>	-	-	-
Total expenditures	<u>527,499</u>	<u>-</u>	<u>440,249</u>	<u>1,522,245</u>
Revenues over (under) expenditures	<u>(65,479)</u>	<u>2,381</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from General Fund	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(65,479)	202,381	-	-
<b>Fund Balances:</b>				
Beginning of year - July 1	<u>398,729</u>	<u>783,550</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 333,250</u>	<u>\$ 985,931</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule D-2

<u>Project Budget</u>					
<u>Fire District Fund</u>	<u>Roanoke Rapids School Assessment Fund</u>	<u>Daniel Street Sewer Expansion Fund</u>	<u>CDBG Scattered Site Rehab 2008</u>	<u>United Salvage Fund</u>	<u>Total</u>
\$ 1,339,610	\$ 1,774,522	\$ -	\$ -	\$ -	\$ 4,762,634
246,952	-	-	-	-	560,944
-	-	-	15,809	-	15,809
-	-	-	-	64,869	525,862
-	20,823	-	-	-	24,231
<u>1,586,562</u>	<u>1,795,345</u>	<u>-</u>	<u>15,809</u>	<u>64,869</u>	<u>5,889,486</u>
1,586,562	-	-	-	-	1,983,857
-	-	-	8,923	63,563	72,486
-	-	-	-	-	440,249
-	1,795,345	-	-	-	3,317,590
-	-	-	-	-	127,177
-	-	-	-	-	3,027
<u>1,586,562</u>	<u>1,795,345</u>	<u>-</u>	<u>8,923</u>	<u>63,563</u>	<u>5,944,386</u>
-	-	-	6,886	1,306	(54,906)
-	-	-	-	-	200,000
-	-	-	-	-	200,000
-	-	-	6,886	1,306	145,094
-	-	4,077	(6,886)	-	1,179,470
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,077</u>	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$ 1,324,564</u>

## HALIFAX COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental:				
Line charge fee	\$ -	\$ -	\$ -	\$ 86
Wireless funding	426,000	460,993	34,993	461,026
Miscellaneous	111,423	-	(111,423)	2,545
Investment earnings	<u>4,000</u>	<u>1,027</u>	<u>(2,973)</u>	<u>4,610</u>
Total revenues	<u>541,423</u>	<u>462,020</u>	<u>(79,403)</u>	<u>468,267</u>
<b>Expenditures:</b>				
Public safety:				
Operating expenses	315,394	301,470	13,924	356,880
Capital outlay	95,825	95,825	-	12,308
Debt service:				
Principal	127,177	127,177	-	124,220
Interest	<u>3,027</u>	<u>3,027</u>	<u>-</u>	<u>5,984</u>
Total expenditures	<u>541,423</u>	<u>527,499</u>	<u>13,924</u>	<u>499,392</u>
Revenues over (under) expenditures	<u>-</u>	<u>(65,479)</u>	<u>(65,479)</u>	<u>(31,125)</u>
<b>Other Financing Sources (Uses):</b>				
Transfer (to) from Special Revenue Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,369</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,369</u>
Net change in fund balance	<u>\$ -</u>	<u>(65,479)</u>	<u>\$ (65,479)</u>	<u>36,244</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>398,729</u>		<u>362,485</u>
End of year - June 30		<u>\$ 333,250</u>		<u>\$ 398,729</u>

## HALIFAX COUNTY, NORTH CAROLINA

### REASSESSMENT FUND

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED JUNE 30, 2010

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 8,000	\$ 2,381	\$ (5,619)	\$ 8,844
<b>Expenditures:</b>				
Current:				
General government:				
Operating expenditures	908,000	-	908,000	-
Revenues over (under) expenditures	(900,000)	2,381	902,381	8,844
<b>Other Financing Sources (Uses):</b>				
Transfer in - General Fund	200,000	200,000	-	200,000
Appropriated fund balance	700,000	-	(700,000)	-
Total other financing sources (uses)	900,000	200,000	(700,000)	200,000
Net change in fund balance	\$ -	202,381	\$ 202,381	208,844
<b>Fund Balance:</b>				
Beginning of year - July 1		783,550		574,706
End of year - June 30		\$ 985,931		\$ 783,550

## HALIFAX COUNTY, NORTH CAROLINA

### OUR COMMUNITY HOSPITAL DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 384,860	\$ 370,731	\$ (14,129)	\$ 374,293
Local option sales tax	84,700	69,518	(15,182)	98,244
Total revenues	<u>469,560</u>	<u>440,249</u>	<u>(29,311)</u>	<u>472,537</u>
<b>Expenditures:</b>				
Human services:				
Our Community Hospital	<u>469,560</u>	<u>440,249</u>	<u>29,311</u>	<u>472,537</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

### WELDON SCHOOL DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Ad valorem tax	\$ 1,291,073	\$ 1,277,771	\$ (13,302)	\$ 1,307,980
Local option sales tax	<u>304,550</u>	<u>244,474</u>	<u>(60,076)</u>	<u>337,186</u>
Total revenues	<u>1,595,623</u>	<u>1,522,245</u>	<u>(73,378)</u>	<u>1,645,166</u>
<b>Expenditures:</b>				
Education:				
Payments to school district	<u>1,595,623</u>	<u>1,522,245</u>	<u>73,378</u>	<u>1,645,166</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

### FIRE DISTRICT FUND

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

#### IN FUND BALANCE - BUDGET AND ACTUAL

#### FOR THE YEAR ENDED JUNE 30, 2010

#### WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,387,444	\$ 1,339,610	\$ (47,834)	\$ 1,324,644
Local option sales tax	<u>262,814</u>	<u>246,952</u>	<u>(15,862)</u>	<u>290,051</u>
Total revenues	<u>1,650,258</u>	<u>1,586,562</u>	<u>(63,696)</u>	<u>1,614,695</u>
<b>Expenditures:</b>				
Current:				
Public safety:				
Payments to fire districts	<u>1,650,258</u>	<u>1,586,562</u>	<u>63,696</u>	<u>1,614,695</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA**

**ROANOKE RAPIDS SCHOOL ASSESSMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Ad valorem tax	\$ 1,779,267	\$ 1,774,522	\$ (4,745)	\$ 58,875
Interest	<u>27,000</u>	<u>20,823</u>	<u>(6,177)</u>	<u>889</u>
Total revenues	<u>1,806,267</u>	<u>1,795,345</u>	<u>(10,922)</u>	<u>59,764</u>
<b>Expenditures:</b>				
Education:				
Payments to school district	<u>1,806,267</u>	<u>1,795,345</u>	<u>10,922</u>	<u>59,764</u>
Total expenditures	<u>1,806,267</u>	<u>1,795,345</u>	<u>10,922</u>	<u>59,764</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

**DANIEL STREET SEWER EXPANSION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental:					
CDBG	\$ 193,136	\$ 177,602	\$ -	\$ 177,602	\$ (15,534)
<b>Expenditures:</b>					
Economic and physical development:					
Construction	148,792	145,482	-	145,482	3,310
Administration	21,782	20,385	-	20,385	1,397
Engineering	64,527	49,624	-	49,624	14,903
Total expenditures	235,101	215,491	-	215,491	19,610
Revenues over (under) expenditures	(41,965)	(37,889)	-	(37,889)	4,076
<b>Other Financing Sources (Uses):</b>					
Transfer in - Enterprise Fund	41,965	41,966	-	41,966	1
Total other financing sources (uses)	41,965	41,966	-	41,966	1
Net change in fund balance	\$ -	\$ 4,077	\$ -	\$ 4,077	\$ 4,077

## HALIFAX COUNTY, NORTH CAROLINA

**CDBG SCATTERED SITE REHAB 2008**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Actual</u>				
<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>	<u>Variance</u> <u>Over/Under</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
CDBG	\$ 400,000	\$ -	\$ 15,809	\$ 15,809	\$ (384,191)
Total revenues	<u>400,000</u>	<u>-</u>	<u>15,809</u>	<u>15,809</u>	<u>(384,191)</u>
<b>Expenditures:</b>					
Economic and physical development:					
Administration	47,000	6,886	8,923	15,809	31,191
Rehabilitation	293,000	-	-	-	293,000
Relocation	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Total expenditures	<u>400,000</u>	<u>6,886</u>	<u>8,923</u>	<u>15,809</u>	<u>384,191</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,886)</u>	<u>\$ 6,886</u>	<u>\$ -</u>	<u>\$ -</u>

**HALIFAX COUNTY, NORTH CAROLINA**

**UNITED SALVAGE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Actual</u>				
<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
NC Industrial development	\$ 91,000	\$ -	\$ 64,869	\$ 64,869	\$ (26,131)
<b>Expenditures:</b>					
Economic and physical development:					
Professional services	20,500	-	18,000	18,000	2,500
Construction	69,620	-	44,942	44,942	24,678
Administration	880	-	621	621	259
Total expenditures	<u>91,000</u>	<u>-</u>	<u>63,563</u>	<u>63,563</u>	<u>27,437</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$ 1,306</u>	<u>\$ 1,306</u>

## **NONMAJOR CAPITAL PROJECT FUNDS**

**Capital project funds are used to account for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.**

**RPO Peanut Belt Capital Budget** – This fund is used to account for the economic development projects of the Peanut Belt Planning Organization.

**Enfield/Inborden School Capital Project Fund** – This fund is used to account for the construction of a new public school in the southern end of the county.

**Littleton Building Project** – This fund is used to account for the upfitting of the shell building for the project.

**QZAB Project** – This fund is used to account for school construction projects funded with QZAB monies.

**Piezotronics Project** – This fund is used to account for the upfitting of a shell building to meet specifications for an economic development project.

**Alliance Drive Relocation Project** - This fund is used for expenses related to moving an existing driveway due to expansion in the Industrial Park.

**Halifax County Sewer Upgrade Project** - This fund is used for the improvements made in the Corporate Park.

**Community Corrections Project** - This fund is used for the relocation of magistrates and parole officers to a central site owned by the County.

**HALIFAX COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010**

	<u>Annual Budget</u>	<u>Enfield</u>			
	<u>RPO</u>	<u>Inborden</u>			
	<u>Peanut Belt</u>	<u>School</u>	<u>Littleton</u>	<u>QZAB</u>	<u>Piezotronics</u>
	<u>Capital</u>	<u>Capital</u>	<u>Building</u>	<u>Project</u>	<u>Project</u>
	<u>Project</u>	<u>Project</u>	<u>Project</u>	<u>Project</u>	<u>Project</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 54,363	\$ -	\$ 13,438	\$ -	\$ -
Accounts receivable	30,981	-	-	-	-
Due from other governments	<u>5</u>	<u>-</u>	<u>195</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 85,349</u>	<u>\$ -</u>	<u>\$ 13,633</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 30,686	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>748,653</u>	<u>-</u>	<u>1,373,036</u>
Total liabilities	<u>30,686</u>	<u>-</u>	<u>748,653</u>	<u>-</u>	<u>1,373,036</u>
<b>Fund Balances:</b>					
Reserved by State statute	30,986	-	-	-	-
Unreserved:					
Undesignated	<u>23,677</u>	<u>-</u>	<u>(735,020)</u>	<u>-</u>	<u>(1,373,036)</u>
Total fund balances	<u>54,663</u>	<u>-</u>	<u>(735,020)</u>	<u>-</u>	<u>(1,373,036)</u>
Total liabilities and fund balances	<u>\$ 85,349</u>	<u>\$ -</u>	<u>\$ 13,633</u>	<u>\$ -</u>	<u>\$ -</u>

**Schedule E-1**

<u>Alliance Drive Relocation Project</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>Community Corrections Project</u>	<u>Total</u>
\$ 41,175	\$ 19,369	\$ 18,694	\$ 147,039
229,987	-	27	260,995
<u>4,926</u>	<u>-</u>	<u>2,058</u>	<u>7,184</u>
<u>\$ 276,088</u>	<u>\$ 19,369</u>	<u>\$ 20,779</u>	<u>\$ 415,218</u>
\$ 39,941	\$ -	7,290	\$ 77,917
<u>266,507</u>	<u>-</u>	<u>-</u>	<u>2,388,196</u>
<u>306,448</u>	<u>-</u>	<u>7,290</u>	<u>2,466,113</u>
-	-	-	30,986
<u>(30,360)</u>	<u>19,369</u>	<u>13,489</u>	<u>(2,081,881)</u>
<u>(30,360)</u>	<u>19,369</u>	<u>13,489</u>	<u>(2,050,895)</u>
<u>\$ 276,088</u>	<u>\$ 19,369</u>	<u>\$ 20,779</u>	<u>\$ 415,218</u>

**HALIFAX COUNTY, NORTH CAROLINA**

**NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Annual Budget</u>	<u>Enfield</u>			
	<u>RPO</u>	<u>Inborden</u>			
	<u>Peanut Belt</u>	<u>School</u>	<u>Littleton</u>	<u>QZAB</u>	<u>Piezotronics</u>
	<u>Capital</u>	<u>Capital</u>	<u>Building</u>	<u>Project</u>	<u>Project</u>
	<u>Project</u>	<u>Project</u>	<u>Project</u>	<u>Project</u>	<u>Project</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 101,483	\$ -	\$ 480,000	\$ -	\$ -
Total revenues	<u>101,483</u>	<u>-</u>	<u>480,000</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Public safety	-	-	-	-	-
Economic and physical development	98,477	-	67,434	-	-
Total expenditures	<u>98,477</u>	<u>-</u>	<u>67,434</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>3,006</u>	<u>-</u>	<u>412,566</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in:					
General Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,006	-	412,566	-	-
<b>Fund Balances:</b>					
Beginning of year - July 1	<u>51,657</u>	<u>-</u>	<u>(1,147,586)</u>	<u>-</u>	<u>(1,373,036)</u>
End of year - June 30	<u>\$ 54,663</u>	<u>\$ -</u>	<u>\$ (735,020)</u>	<u>\$ -</u>	<u>\$ (1,373,036)</u>

Schedule E-2

<u>Alliance Drive Relocation Project</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>Community Corrections Project</u>	<u>Total</u>
\$ 229,987	\$ -	\$ -	\$ 811,470
<u>229,987</u>	<u>-</u>	<u>-</u>	<u>811,470</u>
-	-	73,511	73,511
<u>344,107</u>	<u>30,631</u>	<u>-</u>	<u>540,649</u>
<u>344,107</u>	<u>30,631</u>	<u>73,511</u>	<u>614,160</u>
<u>(114,120)</u>	<u>(30,631)</u>	<u>(73,511)</u>	<u>197,310</u>
<u>83,760</u>	<u>50,000</u>	<u>87,000</u>	<u>220,760</u>
<u>83,760</u>	<u>50,000</u>	<u>87,000</u>	<u>220,760</u>
(30,360)	19,369	13,489	418,070
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,468,965)</u>
<u>\$ (30,360)</u>	<u>\$ 19,369</u>	<u>\$ 13,489</u>	<u>\$ (2,050,895)</u>

## HALIFAX COUNTY, NORTH CAROLINA

## RPO PEANUT BELT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2010

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>Variance Over/(Under)</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ <u>104,625</u>	\$ <u>101,483</u>	\$ <u>(3,142)</u>	\$ <u>106,712</u>
<b>Expenditures:</b>				
Economic development	<u>104,625</u>	<u>98,477</u>	<u>6,148</u>	<u>102,007</u>
Net change in fund balance	\$ <u>-</u>	<u>3,006</u>	\$ <u>3,006</u>	<u>4,705</u>
<b>Fund Balance:</b>				
Beginning of year - July 1		<u>51,657</u>		<u>46,952</u>
End of year - June 30		\$ <u>54,663</u>		\$ <u>51,657</u>

## HALIFAX COUNTY, NORTH CAROLINA

ENFIELD/INBORDEN SCHOOL CAPITAL PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ 238,693	\$ 771,553	\$ -	\$ 771,553	\$ 532,860
Miscellaneous	<u>52,368</u>	<u>51,671</u>	<u>-</u>	<u>51,671</u>	<u>(697)</u>
Total revenues	<u>291,061</u>	<u>823,224</u>	<u>-</u>	<u>823,224</u>	<u>532,163</u>
<b>Expenditures:</b>					
Geotechnical investigation	18,703,270	16,200,118	-	16,200,118	2,503,152
Architect design	467,940	460,266	-	460,266	7,674
Survey	6,900	6,900	-	6,900	-
Administration	893,678	799,986	-	799,986	93,692
Capital outlay	446,409	366,128	-	366,128	80,281
Debt service - principal	<u>731,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,074</u>
Total expenditures	<u>21,249,271</u>	<u>17,833,398</u>	<u>-</u>	<u>17,833,398</u>	<u>3,415,873</u>
Revenues over (under) expenditures	<u>(20,958,210)</u>	<u>(17,010,174)</u>	<u>-</u>	<u>(17,010,174)</u>	<u>3,948,036</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	4,184,156	10,174	-	10,174	4,173,982
Interfund transfer in - public school building	-	500,000	-	500,000	(500,000)
Interfund transfer out - public school building	-	(500,000)	-	(500,000)	500,000
Long-term debt issued	17,000,000	17,000,000	-	17,000,000	-
Contingency	<u>(225,946)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,946)</u>
Total other financing sources (uses)	<u>20,958,210</u>	<u>17,010,174</u>	<u>-</u>	<u>17,010,174</u>	<u>3,948,036</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

**LITTLETON BUILDING PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental	\$ 1,089,279	\$ 33,129	\$ 480,000	\$ 513,129	\$ (576,150)
Miscellaneous revenue	<u>6,425</u>	<u>56,425</u>	<u>-</u>	<u>56,425</u>	<u>50,000</u>
Total revenues	<u>1,095,704</u>	<u>89,554</u>	<u>480,000</u>	<u>569,554</u>	<u>(526,150)</u>
<b>Expenditures:</b>					
Economic and physical development: Construction	<u>1,400,327</u>	<u>1,319,260</u>	<u>67,434</u>	<u>1,386,694</u>	<u>13,633</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	82,120	82,120	-	82,120	-
Appropriated fund balance	<u>222,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,503)</u>
Total other financing sources (uses)	<u>304,623</u>	<u>82,120</u>	<u>-</u>	<u>82,120</u>	<u>(222,503)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,147,586)</u>	<u>\$ 412,566</u>	<u>\$ (735,020)</u>	<u>\$ (735,020)</u>

## HALIFAX COUNTY, NORTH CAROLINA

**QZAB SCHOOL BUILDING PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 33,644	\$ 33,644	\$ -	\$ 33,644	\$ -
Investment earnings	<u>28,357</u>	<u>28,551</u>	<u>-</u>	<u>28,551</u>	<u>194</u>
Total revenues	<u>62,001</u>	<u>62,195</u>	<u>-</u>	<u>62,195</u>	<u>194</u>
<b>Expenditures:</b>					
Education:					
Legal	31,432	31,325	-	31,325	107
Administration	150,556	149,690	-	149,690	866
Construction	<u>1,532,361</u>	<u>1,523,580</u>	<u>-</u>	<u>1,523,580</u>	<u>8,781</u>
Total expenditures	<u>1,714,349</u>	<u>1,704,595</u>	<u>-</u>	<u>1,704,595</u>	<u>9,754</u>
<b>Other Financing Sources (Uses):</b>					
Long-term debt issued	1,642,400	1,642,400	-	1,642,400	-
Appropriated fund balance	<u>9,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,948)</u>
Total other financing sources (uses)	<u>1,652,348</u>	<u>1,642,400</u>	<u>-</u>	<u>1,642,400</u>	<u>(9,948)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

**PIEZOTRONICS PROJECT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Actual</u>			<u>Variance Over/Under</u>	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>		<u>Total to Date</u>
<b>Revenues:</b>					
Restricted intergovernmental:					
Contributions	\$ 1,852,000	\$ 427,000	\$ -	\$ 427,000	\$ (1,425,000)
Miscellaneous	<u>146,154</u>	<u>116,262</u>	<u>-</u>	<u>116,262</u>	<u>(29,892)</u>
Total revenues	<u>1,998,154</u>	<u>543,262</u>	<u>-</u>	<u>543,262</u>	<u>(1,454,892)</u>
<b>Expenditures:</b>					
Education:					
Administration	11,863	11,480	-	11,480	383
Architect	143,627	143,405	-	143,405	222
Construction	<u>2,423,352</u>	<u>2,342,101</u>	<u>-</u>	<u>2,342,101</u>	<u>81,251</u>
Total expenditures	<u>2,578,842</u>	<u>2,496,986</u>	<u>-</u>	<u>2,496,986</u>	<u>81,856</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	<u>580,688</u>	<u>580,688</u>	<u>-</u>	<u>580,688</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,373,036)</u>	<u>\$ -</u>	<u>\$ (1,373,036)</u>	<u>\$ (1,373,036)</u>

## HALIFAX COUNTY, NORTH CAROLINA

### ALLIANCE DRIVE RELOCATION PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental	\$ 303,164	\$ -	\$ 229,987	229,987	\$ (73,177)
<b>Expenditures:</b>					
Economic and physical development:					
Construction	386,924	-	344,107	344,107	42,817
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	83,760	-	83,760	83,760	-
Net change in fund balance	\$ -	\$ -	\$ (30,360)	\$ (30,360)	\$ (30,360)

## HALIFAX COUNTY, NORTH CAROLINA

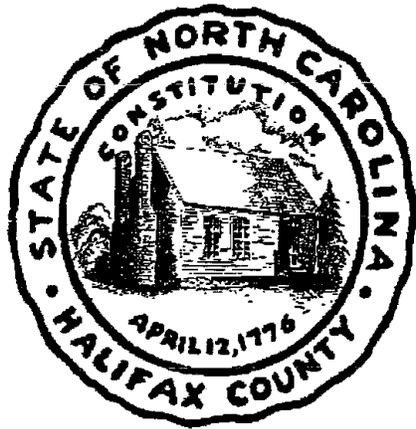
### HALIFAX COUNTY SEWER UPGRAGE PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Miscellaneous revenue	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Total revenues	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(550,000)</u>
<b>Expenditures:</b>					
Economic and physical development:					
Professional	65,000	-	-	-	65,000
Engineering	228,500	-	-	-	228,500
Land	40,000	-	30,631	30,631	9,369
Contingency	<u>266,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,500</u>
Total expenditures	<u>600,000</u>	<u>-</u>	<u>30,631</u>	<u>30,631</u>	<u>569,369</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,369</u>	<u>\$ 19,369</u>	<u>\$ 19,369</u>

## HALIFAX COUNTY, NORTH CAROLINA

### COMMUNITY CORRECTIONS PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Expenditures:</b>					
Public Safety:					
Construction	\$ 87,000	\$ -	\$ 73,511	\$ 73,511	\$ 13,489
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	87,000	-	87,000	87,000	-
Net change in fund balance	\$ -	\$ -	\$ 13,489	\$ 13,489	\$ 13,489



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## **ENTERPRISE FUND**

**Enterprise funds account for operations that are financed and operated in a manner similar to provide business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.**



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HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Operating revenues:				
Solid waste fees	\$ 4,145,402	\$ 3,101,885	\$ (1,043,517)	\$ 3,215,041
Other taxes and licenses	<u>77,000</u>	<u>78,893</u>	<u>1,893</u>	<u>76,003</u>
Total operating revenues	<u>4,222,402</u>	<u>3,180,778</u>	<u>(1,041,624)</u>	<u>3,291,044</u>
Non-operating revenues:				
Interest earned on investments	<u>103,158</u>	<u>15,399</u>	<u>(87,759)</u>	<u>82,710</u>
Total revenues	<u>4,325,560</u>	<u>3,196,177</u>	<u>(1,129,383)</u>	<u>3,373,754</u>
<b>Expenditures:</b>				
Landfill operations:				
Salaries and benefits	386,849	342,033		362,210
Operating expenses	3,436,591	2,699,312		2,349,935
Capital outlay	<u>234,000</u>	<u>214,402</u>		<u>109,844</u>
Total landfill operations	<u>4,057,440</u>	<u>3,255,747</u>	<u>801,693</u>	<u>2,821,989</u>
Ash monofill cell:				
Salaries and benefits	42,787	43,130		42,230
Operating expenses	<u>46,584</u>	<u>33,009</u>		<u>10,339</u>
Total Ash monofill cell	<u>89,371</u>	<u>76,139</u>	<u>13,232</u>	<u>52,569</u>
Landfill closure:				
Landfill closure expenditures	<u>139,000</u>	<u>29,876</u>		<u>20,624</u>
Total expenditures	<u>4,285,811</u>	<u>3,361,762</u>	<u>924,049</u>	<u>2,895,182</u>
Revenues over (under) expenditures	<u>39,749</u>	<u>(165,585)</u>	<u>(205,334)</u>	<u>478,572</u>
<b>Other Financing Sources (Uses):</b>				
Interfund transfers in (out)	(243,750)	(256,850)	(13,100)	-
General Fund - transfer in	3,058	1,629	(1,429)	3,911
General Fund - transfer out	(3,557)	(3,557)	-	(2,933)
Capital Project Fund - transfer in	-	-	-	750
Appropriated retained earnings	<u>204,500</u>	<u>-</u>	<u>(204,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(39,749)</u>	<u>(258,778)</u>	<u>(219,029)</u>	<u>1,728</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (424,363)</u>	<u>\$ (424,363)</u>	<u>\$ 480,300</u>

HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SOLID WASTE FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2010  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		<u>Variance</u>	
		<u>Over/Under</u>	
<b>Reconciliation From Budgetary Basis</b>			
<b>(Modified Accrual) To Full Accrual:</b>			
Revenues and other financing sources over			
(under) expenditures and other financing uses		\$ (424,363)	\$ 480,300
Depreciation		(152,104)	(122,736)
Gain (loss) on sale of capital assets		-	(90,686)
Capital outlay		214,402	109,844
Capital contribution from project		-	3,650
Intrafund transfer to capital project		256,850	-
Change in accounts receivable		92,330	(178,195)
Change in accounts payable and other accrued		(174,345)	(51,389)
Change in post-closure liability estimate		<u>7,953</u>	<u>5,575</u>
Change in net assets		<u>\$ (179,277)</u>	<u>\$ 156,363</u>

## HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,139,444	\$ 4,135,947	\$ (3,497)	\$ 4,144,069
Sewer sales	162,740	175,694	12,954	154,800
Industrial Center sales	1,176,617	168,641	(1,007,976)	855,517
Tap fees	88,550	48,973	(39,577)	63,200
Penalties and other charges	208,000	220,653	12,653	203,243
Miscellaneous	797	97,419	96,622	20,416
Total operating revenues	<u>5,776,148</u>	<u>4,847,327</u>	<u>(928,821)</u>	<u>5,441,245</u>
Non-operating revenues:				
Interest earned on investments	<u>62,248</u>	<u>10,509</u>	<u>(51,739)</u>	<u>48,931</u>
Total revenues	<u>5,838,396</u>	<u>4,857,836</u>	<u>(980,560)</u>	<u>5,490,176</u>
<b>Expenditures:</b>				
Water Department:				
Salaries and employee benefits	683,811	630,827	-	643,068
Water purchases	1,610,689	1,566,099	-	1,391,667
Other operating expenditures	1,261,307	892,320	-	981,178
Capital outlay	<u>67,500</u>	<u>-</u>	<u>-</u>	<u>22,336</u>
Total water operations	<u>3,623,307</u>	<u>3,089,246</u>	<u>534,061</u>	<u>3,038,249</u>
Treatment plant:				
Salaries and employee benefits	179,026	34,083	-	182,641
Other operating expenditures	969,354	119,760	-	955,413
Capital outlay	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total treatment plant operations	<u>1,173,380</u>	<u>153,843</u>	<u>1,019,537</u>	<u>1,138,054</u>
Debt service:				
Debt service principal	518,500	333,500	-	471,386
Debt service interest	<u>743,085</u>	<u>724,061</u>	<u>-</u>	<u>651,197</u>
Total debt service	<u>1,261,585</u>	<u>1,057,561</u>	<u>204,024</u>	<u>1,122,583</u>
Total expenditures	<u>6,058,272</u>	<u>4,300,650</u>	<u>1,757,622</u>	<u>5,298,886</u>
Revenues over (under) expenditures	<u>(219,876)</u>	<u>557,186</u>	<u>777,062</u>	<u>191,290</u>

## HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>2010</u>		<u>Variance</u> <u>Over/Under</u>	<u>2009</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Other Financing Sources (Uses):</b>				
General Fund - transfer in	8,957	7,572	(1,385)	6,638
General Fund - transfer out	(12,314)	(11,348)	966	(10,285)
Bond anticipation note retired	(6,800,000)	(6,800,000)	-	-
General obligation bond issued	6,800,000	6,800,000	-	-
Capital Project Fund - transfer out	-	-	-	(31,800)
Intrafund transfers	(48,015)	-	48,015	(139,927)
Appropriated fund balance	<u>271,248</u>	<u>-</u>	<u>(271,248)</u>	<u>-</u>
Total other financing sources (uses)	<u>219,876</u>	<u>(3,776)</u>	<u>(223,652)</u>	<u>(175,374)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 553,410</u>	<u>\$ 553,410</u>	<u>\$ 15,916</u>
<b>Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 553,410		\$ 15,916
Debt principal		333,500		471,386
Capital outlay		-		22,336
Change in accounts receivable		(21,348)		(51,389)
Interfund transfer out		-		23,450
Intrafund transfer		-		139,927
Change in accounts payable and other accruals		(121,409)		13,152
Interest income from water capital projects		321		64,761
Capital contributions from water capital projects		1,021,862		335,348
Depreciation		<u>(976,252)</u>		<u>(995,153)</u>
Change in net assets		<u>\$ 790,084</u>		<u>\$ 39,734</u>

## HALIFAX COUNTY, NORTH CAROLINA

### WASTEWATER TREATMENT EXPANSION PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 900,000	\$ 707,786	\$ 170,632	\$ 878,418
N.C. Rural Economic Development	600,000	-	499,504	499,504
Contributions	<u>47,500</u>	<u>47,500</u>	<u>-</u>	<u>47,500</u>
Total revenues	<u>1,547,500</u>	<u>755,286</u>	<u>670,136</u>	<u>1,425,422</u>
<b>Expenditures:</b>				
Economic and physical development:				
Administration and professional	44,154	23,550	9,000	32,550
Planning	5,000	5,000	-	5,000
Construction	<u>1,531,696</u>	<u>671,555</u>	<u>727,208</u>	<u>1,398,763</u>
Total expenditures	<u>1,580,850</u>	<u>700,105</u>	<u>736,208</u>	<u>1,436,313</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - General Fund	<u>33,350</u>	<u>33,350</u>	<u>-</u>	<u>33,350</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 88,531</u>	<u>\$ (66,072)</u>	<u>\$ 22,459</u>

## HALIFAX COUNTY, NORTH CAROLINA

**PHASE IX WATER CAPITAL PROJECT  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 310,761	\$ 310,761	\$ -	\$ 310,761
NC Rural Economic Development	483,064	-	351,726	351,726
Interest earned	<u>2,595</u>	<u>174,857</u>	<u>321</u>	<u>175,178</u>
Total revenues	<u>796,420</u>	<u>485,618</u>	<u>352,047</u>	<u>837,665</u>
<b>Expenditures:</b>				
Economic and physical development:				
Administration and professional	416,339	398,960	(500)	398,460
Site prep	649,485	327,495	-	327,495
Construction	<u>4,658,012</u>	<u>4,446,756</u>	<u>-</u>	<u>4,446,756</u>
Total expenditures	<u>5,723,836</u>	<u>5,173,211</u>	<u>(500)</u>	<u>5,172,711</u>
Economic and physical development: Phase IX - A				
Administration and professional	425,783	216,163	200,547	416,710
Land and right-of-way	20,000	20,000	-	20,000
Construction	2,336,375	1,287,113	983,988	2,271,101
Contingency	9,560	-	-	-
Interest	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total expenditures	<u>2,891,718</u>	<u>1,523,276</u>	<u>1,284,535</u>	<u>2,807,811</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer in - Water Fund	138,075	138,075	-	138,075
Long-term debt issued	5,275,000	5,275,000	-	5,275,000
Long-term debt issued - A	1,525,000	1,525,000	-	1,525,000
Appropriated fund balance	<u>881,059</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,819,134</u>	<u>6,938,075</u>	<u>-</u>	<u>6,938,075</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 727,206</u>	<u>\$ (931,988)</u>	<u>\$ (204,782)</u>

## HALIFAX COUNTY, NORTH CAROLINA

**HALIFAX AND MERCURY LANE WATER MANAGEMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 46,900	\$ 45,407	\$ -	\$ 45,407
<b>Expenditures:</b>				
Economic and physical development:				
Administration and professional	3,350	3,350	-	3,350
Construction	<u>67,000</u>	<u>64,760</u>	<u>-</u>	<u>64,760</u>
Total expenditures	<u>70,350</u>	<u>68,110</u>	<u>-</u>	<u>68,110</u>
<b>Other Financing Sources (Uses):</b>				
Interfund transfer in - General Fund	23,450	23,450	-	23,450
Interfund transfer out - General Fund	<u>-</u>	<u>(747)</u>	<u>-</u>	<u>(747)</u>
Total other financing sources (uses)	<u>23,450</u>	<u>22,703</u>	<u>-</u>	<u>22,703</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## HALIFAX COUNTY, NORTH CAROLINA

### MDWS - SEWER CAPITAL PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Years</b>	<b>Current Year</b>	
<b>Revenues:</b>				
Restricted intergovernmental	\$ 46,000	\$ 46,000	\$ -	\$ 46,000
<b>Expenditures:</b>				
Legal and administrative permits	6,000	6,000	-	6,000
Site surveys	40,000	40,000	-	40,000
Total expenditures	46,000	46,000	-	46,000
Revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -

## HALIFAX COUNTY, NORTH CAROLINA

ENFIELD CONVENIENCE SITE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Expenditures:</b>				
Economic and physical development:				
Construction	\$ 194,500	\$ -	\$ -	\$ -
Land	22,000	-	-	-
Environmental assessment	5,000	-	-	-
Administration	350	-	-	-
Engineering	20,000	-	-	-
Land clearance	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>256,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfer - Solid Waste Disposal	<u>256,850</u>	<u>-</u>	<u>256,850</u>	<u>256,850</u>
Revenues and other financing sources over (under) expenditures and other financing uses				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,850</u>	<u>\$ 256,850</u>



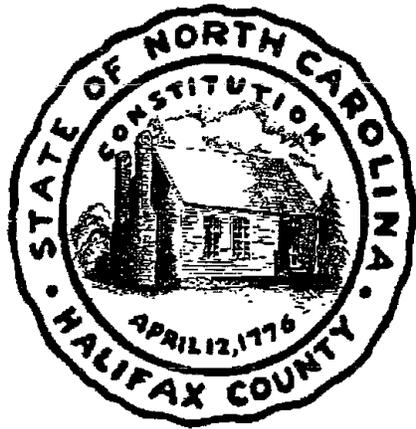
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## **INTERNAL SERVICE FUNDS**

### **Internal Service Funds:**

**Health Insurance Fund** – This fund is used to account for the cost of employee healthcare benefits.

**Unemployment Insurance Fund** – This fund is used to account for the cost of workmen's compensation insurance.



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**HALIFAX COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2010**

	<b>Health Insurance Fund</b>	<b>Unemployment Insurance Fund</b>	<b>Total</b>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,407,405	\$ 376,649	\$ 1,784,054
Accounts receivable, net	<u>1,237</u>	<u>-</u>	<u>1,237</u>
Total assets	<u>1,408,642</u>	<u>376,649</u>	<u>1,785,291</u>
<b>Liabilities and Net Assets:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	<u>712,809</u>	<u>-</u>	<u>712,809</u>
<b>Net Assets:</b>			
Unrestricted	<u>\$ 695,833</u>	<u>\$ 376,649</u>	<u>\$ 1,072,482</u>

## HALIFAX COUNTY, NORTH CAROLINA

### INTERNAL SERVICE FUNDS

#### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>	<u>Total</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 3,348,844	\$ 255,831	\$ 3,604,675	\$ 3,530,093
<b>Operating Expenses:</b>				
Unemployment claims	-	40,345	40,345	28,190
Health insurance premiums and administration	3,544,412	-	3,544,412	3,337,660
Total operating expenses	3,544,412	40,345	3,584,757	3,365,850
Operating income (loss)	(195,568)	215,486	19,918	164,243
<b>Non-operating Revenues:</b>				
Investment earnings	3,838	1,282	5,120	28,934
Income (loss) before operating transfers	(191,730)	216,768	25,038	193,177
Transfer in (out) - General Fund	-	(225,000)	(225,000)	(225,000)
Net income (loss)	(191,730)	(8,232)	(199,962)	(31,823)
<b>Net Assets:</b>				
Beginning of year - July 1	887,563	384,881	1,272,444	1,304,267
End of year - June 30	\$ 695,833	\$ 376,649	\$ 1,072,482	\$ 1,272,444

## HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009

	<u>2010</u>			<u>2009</u>
	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 3,349,542	\$ 255,831	\$ 3,605,373	\$ 3,529,871
Cash paid for goods and services	<u>(3,501,663)</u>	<u>(40,345)</u>	<u>(3,542,008)</u>	<u>(3,238,255)</u>
Net cash provided (used) by operating activities	<u>(152,121)</u>	<u>215,486</u>	<u>63,365</u>	<u>291,616</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfer out - General Fund	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	<u>3,838</u>	<u>1,282</u>	<u>5,120</u>	<u>28,394</u>
Net cash provided (used) by investing activities	<u>3,838</u>	<u>1,282</u>	<u>5,120</u>	<u>28,394</u>
Net increase (decrease) in cash, cash equivalents and investments	(148,283)	(8,232)	(156,515)	95,550
<b>Cash, Cash Equivalents, and Investments:</b>				
Beginning of year - July 1	<u>1,555,688</u>	<u>384,881</u>	<u>1,940,569</u>	<u>1,845,019</u>
End of year - June 30	<u>\$ 1,407,405</u>	<u>\$ 376,649</u>	<u>\$ 1,784,054</u>	<u>\$ 1,940,569</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (195,568)	\$ 215,486	\$ 19,918	\$ 164,243
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	698	-	698	(222)
Increase (decrease) in accounts payable	<u>42,749</u>	<u>-</u>	<u>42,749</u>	<u>127,595</u>
Net cash provided (used) by operating activities	<u>\$ (152,121)</u>	<u>\$ 215,486</u>	<u>\$ 63,365</u>	<u>\$ 291,616</u>

## HALIFAX COUNTY, NORTH CAROLINA

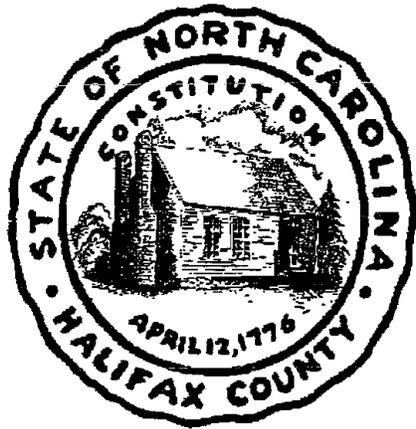
### INTERNAL SERVICE FUND - HEALTH INSURANCE FUND SCHEDULE OF REVENUES AND EXPENDITURES FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2010

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 3,900,000	\$ 3,348,844	\$ (551,156)
<b>Operating Expenses:</b>			
Health insurance premiums and administration	3,920,000	3,544,412	375,588
Operating income (loss)	(20,000)	(195,568)	(175,568)
<b>Non-Operating Revenues:</b>			
Investment earnings	20,000	3,838	(16,162)
Revenues over (under) expenditures	\$ -	\$ (191,730)	\$ (191,730)

## HALIFAX COUNTY, NORTH CAROLINA

### INTERNAL SERVICE FUND - UNEMPLOYMENT INSURANCE FUND SCHEDULE OF REVENUES AND EXPENDITURES FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2010

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 417,500	\$ 255,831	\$ (161,669)
<b>Operating Expenses:</b>			
Unemployment claims	200,000	40,345	159,655
Operating income (loss)	217,500	215,486	(2,014)
<b>Non-Operating Revenues:</b>			
Investment earnings	7,500	1,282	(6,218)
Income (loss) before operating transfers	225,000	216,768	(8,232)
Transfer (in) out - General Fund	(225,000)	(225,000)	-
Revenues over (under) expenditures	\$ -	\$ (8,232)	\$ (8,232)



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## **AGENCY FUNDS**

**(Fiduciary Fund Types)**

**Trust Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are used to account for assets held by the County as agent for individuals, private organizations, other governments, and/or other funds.**

### **Agency Funds:**

**Social Services Trust Fund** – accounts for monies held by the Social Services department for the benefit of certain individuals in the County.

**Tax Collection Agency Fund** – accounts for ad valorem property taxes that are billed and collected by the County for municipalities within the County.

**DMV Fines and Forfeitures Fund** – accounts for the proceeds of the motor vehicle taxes that are collected by the County on behalf of the municipalities within the County.

**Register of Deeds Trust Fund Fee** – accounts for monies remitted monthly to the State per G.S. 7-B, 1301 from all marriage licenses.



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## HALIFAX COUNTY, NORTH CAROLINA

### AGENCY FUNDS COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Social Services Trust Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 58,761	\$ 355,602	\$ 367,565	\$ 46,798
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 58,761	\$ 355,602	\$ 367,565	\$ 46,798
<b>Tax Collection Agency Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 96,502	\$ 9,977,141	\$ 9,831,616	\$ 242,027
Taxes receivable, net	450,290	10,760,517	10,426,933	783,874
Total assets	\$ 546,792	\$ 20,737,658	\$ 20,258,549	\$ 1,025,901
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 96,502	\$ 9,977,141	\$ 9,831,616	\$ 242,027
Intergovernmental payable	450,290	10,760,517	10,426,933	783,874
Total liabilities	\$ 546,792	\$ 20,737,658	\$ 20,258,549	\$ 1,025,901
<b>DMV Fines and Forfeitures:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 31,138	\$ 31,138	\$ -
<b>Liabilities:</b>				
Intergovernmental payable - State of North Carolina	\$ -	\$ 31,138	\$ 31,138	\$ -
<b>ROD Trust Fee:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 3,720	\$ 3,270	\$ 450
Total assets	\$ -	\$ 3,720	\$ 3,270	\$ 450
<b>Liabilities:</b>				
Intergovernmental payable - North Carolina State Treasurer	\$ -	\$ 3,720	\$ 3,270	\$ 450
<b>Totals - All Agency Funds</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 155,263	\$ 10,367,601	\$ 10,233,589	\$ 289,275
Taxes receivable, net	450,290	10,760,517	10,426,933	783,874
Total assets	\$ 605,553	\$ 21,128,118	\$ 20,660,522	\$ 1,073,149
<b>Liabilities and Fund Balance:</b>				
<b>Liabilities:</b>				
Miscellaneous liabilities	\$ 155,263	\$ 10,332,743	\$ 10,199,181	\$ 288,825
Intergovernmental payable	450,290	10,795,375	10,461,341	784,324
Total liabilities	\$ 605,553	\$ 21,128,118	\$ 20,660,522	\$ 1,073,149



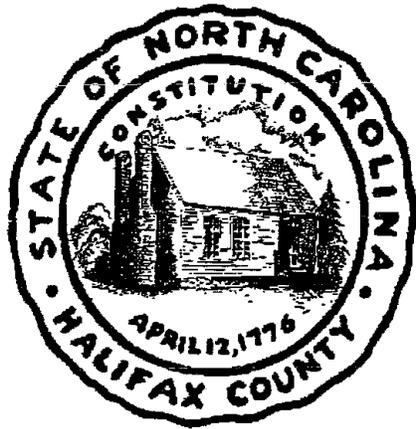
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## **OTHER SCHEDULES**

**This section contains additional information on property taxes**

**Schedule of Ad Valorem Taxes Receivable**

**Analysis of Current Tax Levy**



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## HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND  
JUNE 30, 2010

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2009</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2010</u>
2009-2010	\$ -	\$ 24,181,539	\$ 23,263,860	\$ 917,679
2008-2009	826,587	-	570,336	256,251
2007-2008	327,465	-	134,479	192,986
2006-2007	212,149	-	31,331	180,818
2005-2006	181,392	-	19,653	161,739
2004-2005	156,110	-	15,143	140,967
2003-2004	161,238	-	12,789	148,449
2002-2003	138,333	-	7,448	130,885
2001-2002	113,034	-	5,140	107,894
2000-2001	91,811	-	5,060	86,750
1999-2000	<u>78,421</u>	<u>-</u>	<u>78,421</u>	<u>-</u>
Total	<u>\$ 2,286,540</u>	<u>\$ 24,181,539</u>	<u>\$ 24,143,660</u>	2,324,418
Motor vehicle taxes receivable for 2010				117,775
Less: allowance for uncollectible ad valorem taxes receivable				<u>(648,520)</u>
Ad valorem taxes, net				<u>\$ 1,793,673</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 24,262,661
<b>Reconciling Items:</b>				
Gross receipts tax				(15,854)
Penalties collected on ad valorem taxes - Agency Fund				(239,681)
Amounts written off for tax years per statute of limitations				78,422
Abatements and releases				(8,376)
Refunds				(124,950)
Writeoffs/discounts				211,288
Tax bill adjustments				(26,210)
Miscellaneous adjustments				<u>6,360</u>
Total collections and credits				<u>\$ 24,143,660</u>

# HALIFAX COUNTY, NORTH CAROLINA

## ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2010

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 3,276,950,147	\$ 0.6800	\$ 22,383,652	\$ 22,383,652	\$ -
Motor vehicles taxed at current year's rate	<u>307,906,912</u>	<u>0.6800</u>	<u>2,093,767</u>	<u>-</u>	<u>2,093,767</u>
Total original levy	<u>3,584,857,059</u>		<u>24,477,419</u>	<u>22,383,652</u>	<u>2,093,767</u>
<b>Discoveries</b>	<u>14,805,735</u>	0.6800	<u>100,679</u>	<u>100,679</u>	<u>-</u>
<b>Abatements</b>	<u>(58,317,500)</u>	0.6800	<u>(396,559)</u>	<u>(359,001)</u>	<u>(37,558)</u>
Total property valuation	<u>\$ 3,541,345,294</u>				
<b>Net Levy</b>			24,181,539	22,125,330	2,056,209
Uncollected taxes at June 30, 2010			<u>917,679</u>	<u>707,191</u>	<u>210,488</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 23,263,860</u>	<u>\$ 21,418,139</u>	<u>\$ 1,845,721</u>
<b>Current Levy Collection Percentage</b>			<u>96.21%</u>	<u>96.80%</u>	<u>89.76%</u>

**HALIFAX COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
FOR THE YEAR ENDED JUNE 30, 2010****Secondary Market Disclosure:****Assessed Valuation:**

Assessment ratio		86%
Real property	\$	2,599,443,151
Personal property		819,002,637
Public service companies		<u>142,435,241</u>
Total assessed valuation	\$	<u>3,560,881,029</u>
Tax rate per \$100		0.68
Levy (included discoveries, releases and abatements)	\$	<u>24,213,991</u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts, fire protection districts, and the community hospital.

School Districts	\$	1,313,341
Fire Protection Districts		1,120,081
Community Hospital		<u>379,720</u>
Total	\$	<u>2,813,142</u>



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# STATISTICAL SECTION

(unaudited)

This part of Halifax County's Comprehensive Annual Financial Report presents detailed information as a context for understanding how the information in the financial statements, note disclosures, and required supplementary information depicts the government's overall financial health.

## Contents

	<u>Pages</u>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	125
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	130
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	134
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	137
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the County's financial information relates to the services provided and the activities it performs.	140

**Schedule 1**  
**Halifax County, North Carolina**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,987,959	\$ 16,324,481	\$ 15,903,882	\$ 16,542,906
Restricted	58,992	58,192	89,618	89,618
Unrestricted	<u>14,562,807</u>	<u>10,725,835</u>	<u>11,984,749</u>	<u>12,708,171</u>
Total governmental activities net assets	<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<u>\$ 27,978,249</u>	<u>\$ 29,340,695</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 13,947,296	\$ 12,725,129	\$ 13,264,059	\$ 14,421,955
Restricted	-	-	-	-
Unrestricted	<u>7,598,212</u>	<u>8,209,572</u>	<u>7,633,787</u>	<u>5,758,236</u>
Total business-type activities net assets	<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<u>\$ 20,897,846</u>	<u>\$ 20,180,191</u>
Primary government				
Invested in capital assets, net of related debt	\$ 29,935,255	\$ 29,049,610	\$ 29,167,941	\$ 30,964,861
Restricted	58,992	58,192	89,618	89,618
Unrestricted	<u>22,161,019</u>	<u>18,935,407</u>	<u>19,618,536</u>	<u>18,466,407</u>
Total primary government net assets	<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>	<u>\$ 48,876,095</u>	<u>\$ 49,520,886</u>

(1) Eight years presented due to implementation of GASB Statement No. 34 in Fiscal Year 2003.

**Fiscal Year**

<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
\$ 12,700,784	\$ 12,337,967	\$ 11,821,605	\$ 11,047,317	N/A	N/A
57,658	1,195,232	69,412	62,160		
<u>24,037,834</u>	<u>17,409,976</u>	<u>18,630,429</u>	<u>11,766,246</u>		
<u>\$ 36,796,276</u>	<u>\$ 30,943,175</u>	<u>\$ 30,521,446</u>	<u>\$ 22,875,723</u>		
\$ 14,537,104	\$ 14,805,053	\$ 15,256,490	\$ 14,514,682		
-	-	-	-		
<u>3,648,978</u>	<u>2,516,250</u>	<u>3,103,225</u>	<u>3,104,712</u>		
<u>\$ 18,186,082</u>	<u>\$ 17,321,303</u>	<u>\$ 18,359,715</u>	<u>\$ 17,619,394</u>		
\$ 27,237,888	\$ 27,143,020	\$ 27,078,095	\$ 25,561,999		
57,658	1,195,232	69,412	62,160		
<u>27,686,812</u>	<u>19,926,226</u>	<u>21,733,654</u>	<u>14,870,958</u>		
<u>\$ 54,982,358</u>	<u>\$ 48,264,478</u>	<u>\$ 48,881,161</u>	<u>\$ 40,495,117</u>		

**Schedule 2**  
**Halifax County, North Carolina**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 9,781,235	\$ 11,094,199	\$ 8,844,192	\$ 9,365,516
Public safety	11,872,036	12,291,389	12,153,355	9,859,448
Economic and physical development	1,648,548	1,156,054	780,355	1,671,471
Human services	21,431,637	25,268,365	25,764,084	26,121,156
Cultural and recreational	528,298	578,152	554,833	442,423
Education	11,920,920	12,159,112	16,571,006	23,973,376
Interest and fees	<u>460,169</u>	<u>532,773</u>	<u>579,473</u>	<u>637,840</u>
Total governmental activities expenses	<u>\$ 57,642,843</u>	<u>\$ 63,080,044</u>	<u>\$ 65,247,298</u>	<u>\$ 72,071,230</u>
Business-type activities:				
Water and Sewer	\$ 5,064,811	\$ 5,787,146	\$ 6,486,493	\$ 4,990,957
Landfill/Solid Waste	<u>3,465,856</u>	<u>3,210,966</u>	<u>2,445,520</u>	<u>2,248,862</u>
Total business-type activities	<u>\$ 8,530,667</u>	<u>\$ 8,998,112</u>	<u>\$ 8,932,013</u>	<u>\$ 7,239,819</u>
	<u>\$ 66,173,510</u>	<u>\$ 72,078,156</u>	<u>\$ 74,179,311</u>	<u>\$ 79,311,049</u>
Total primary governmental expenses				
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:	\$ 2,695,952	\$ 2,301,996	\$ 2,412,155	\$ 2,991,008
General government	2,413,056	3,152,842	2,407,032	2,480,344
Public Safety	-	-	7,144	14,992
Economic and physical development	40,693	19,664	116,303	20,841
Human services	5,992	4,514	-	-
Cultural and recreation	18,458,663	19,390,471	18,592,406	18,407,546
Operating grants and contributions	<u>1,371,293</u>	<u>640,654</u>	<u>930,192</u>	<u>-</u>
Capital grants and contributions	<u>\$ 24,985,649</u>	<u>\$ 25,510,141</u>	<u>\$ 24,465,232</u>	<u>\$ 23,914,731</u>
Total governmental activities program revenues				
Business-type activities:				
Charges of services:				
Water and Sewer	\$ 4,825,979	\$ 5,389,856	\$ 5,868,898	\$ 5,230,740
Solid Waste	3,194,215	3,129,176	3,059,677	2,865,798
Operating grants and contributions	-	-	-	18,502
Capital grants and contributions	<u>1,021,862</u>	<u>252,287</u>	<u>358,948</u>	<u>545,569</u>
Total business-type activities program revenues	<u>\$ 9,042,056</u>	<u>\$ 8,771,319</u>	<u>\$ 9,287,523</u>	<u>\$ 8,660,609</u>
Total primary governmental program revenues	<u>\$ 34,027,705</u>	<u>\$ 34,281,460</u>	<u>\$ 33,752,755</u>	<u>\$ 32,575,340</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$(32,657,194)	\$(37,569,903)	\$(40,782,066)	\$(48,156,499)
Business-type activities	<u>511,389</u>	<u>(226,793)</u>	<u>355,510</u>	<u>1,420,790</u>
Total primary government net expense	<u>\$(32,145,805)</u>	<u>\$(37,796,696)</u>	<u>\$(40,426,556)</u>	<u>\$(46,735,709)</u>

Fiscal

**Schedule 2**  
**Halifax County, North Carolina**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 29,073,973	\$ 27,031,921	\$ 26,283,349	\$ 26,892,818
Local option sales tax	6,765,382	9,017,316	11,147,940	11,224,258
Other Taxes	131,484	138,512	489,499	162,525
Interest	109,491	436,090	1,350,134	2,424,199
Miscellaneous	72,410	107,007	-	-
Transfers	<u>5,704</u>	<u>(30,684)</u>	<u>148,698</u>	<u>(2,882)</u>
Total governmental activities	<u>\$ 36,158,444</u>	<u>\$ 36,700,162</u>	<u>\$ 39,419,620</u>	<u>\$ 40,700,918</u>
Business-type activities:				
Other Taxes	\$ -	\$ -	\$ 83,899	\$ 84,494
Privilege Tax	78,893	76,003	-	-
Interest	26,229	156,961	426,944	485,943
Miscellaneous	-	-	-	-
Transfers	<u>(5,704)</u>	<u>30,684</u>	<u>(148,698)</u>	<u>2,882</u>
Total business-type activities	<u>\$ 99,418</u>	<u>\$ 263,648</u>	<u>\$ 362,145</u>	<u>\$ 573,319</u>
Total primary government	<u>\$ 36,257,862</u>	<u>\$ 36,963,810</u>	<u>\$ 39,781,765</u>	<u>\$ 41,274,237</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 3,501,250	\$ (869,741)	\$ (1,362,446)	\$ (7,455,581)
Business-type activities	<u>610,807</u>	<u>36,855</u>	<u>717,655</u>	<u>1,994,109</u>
Total primary government	<u>\$ 4,112,057</u>	<u>\$ (832,886)</u>	<u>\$ (644,791)</u>	<u>\$ (5,461,472)</u>

(1) Eight years presented due to implementation of GASB Statement No. 34 in Fiscal Year 2003.

<b>Fiscal Year</b>					
<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
\$ 10,211,044	\$ 7,698,532	\$ 7,116,623	\$ 8,500,178	N/A	N/A
10,052,711	8,890,593	8,403,482	8,748,991		
1,147,987	453,428	1,184,197	1,550,913		
25,931,106	31,319,162	33,319,002	32,018,419		
401,453	466,682	462,043	497,013		
14,876,729	10,210,577	9,627,621	30,559,332		
<u>338,167</u>	<u>371,056</u>	<u>437,614</u>	<u>499,731</u>		
<u>\$ 62,959,197</u>	<u>\$ 59,410,030</u>	<u>\$ 60,550,582</u>	<u>\$ 82,374,577</u>		
\$ 5,322,080	\$ 6,428,356	\$ 4,982,173	\$ 4,270,730		
<u>1,940,213</u>	<u>2,248,419</u>	<u>2,158,409</u>	<u>2,654,305</u>		
<u>\$ 7,262,293</u>	<u>\$ 8,676,775</u>	<u>\$ 7,140,582</u>	<u>\$ 6,925,035</u>		
<u>\$ 70,221,490</u>	<u>\$ 68,086,805</u>	<u>\$ 67,691,164</u>	<u>\$ 89,299,612</u>		
\$ 1,549,543	\$ 964,228	\$ 919,984	\$ 1,674,934		
2,429,014	2,044,812	1,723,913	1,715,687		
463,496	128,997	396,142	99,088		
6,129	355,558	3,048,181	1,411,696		
36,043	37,480	36,703	8,615		
16,108,612	21,147,425	26,011,802	25,386,448		
<u>1,388,553</u>	<u>250,321</u>	<u>2,178,862</u>	<u>22,119,207</u>		
<u>\$ 21,981,390</u>	<u>\$ 24,928,821</u>	<u>\$ 34,315,587</u>	<u>\$ 52,415,675</u>		
\$ 4,944,059	\$ 4,937,390	\$ 4,406,902	\$ 4,180,452		
2,686,642	2,459,691	2,903,549	3,169,971		
18,502	18,502	521,662	332,987		
<u>231,401</u>	<u>171,509</u>	<u>171,211</u>	<u>1,076,079</u>		
<u>\$ 7,880,604</u>	<u>\$ 7,587,092</u>	<u>\$ 8,003,324</u>	<u>\$ 8,759,489</u>		
<u>\$ 29,861,994</u>	<u>\$ 32,515,913</u>	<u>\$ 42,318,911</u>	<u>\$ 61,175,164</u>		
\$(40,977,807)	\$(34,481,209)	\$(26,234,995)	\$(29,958,902)		
<u>618,311</u>	<u>(1,089,683)</u>	<u>862,742</u>	<u>1,834,454</u>		
<u>\$(40,359,496)</u>	<u>\$(35,570,892)</u>	<u>\$(25,372,253)</u>	<u>\$(28,124,448)</u>		

<b>Fiscal Year</b>					
<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
\$ 33,794,125	\$ 24,190,324	\$ 24,978,410	\$ 24,245,261		
10,358,468	9,779,111	-	7,386,075		
168,945	148,923	8,245,592	698,397		
1,619,907	515,500	195,877	215,279		
773,508	91,582	279,117	350,425		
<u>115,955</u>	<u>177,498</u>	<u>181,722</u>	<u>606,300</u>		
<b><u>\$ 46,830,908</u></b>	<b><u>\$ 34,902,938</u></b>	<b><u>\$ 33,880,718</u></b>	<b><u>\$ 33,501,737</u></b>		
\$ 80,029	\$ 77,403	\$ -	\$ 75,854		
-	-	-	-		
282,394	151,366	59,301	-		
-	-	-	86,686		
<u>(115,955)</u>	<u>(177,498)</u>	<u>(181,722)</u>	<u>(606,300)</u>		
<b><u>\$ 246,468</u></b>	<b><u>\$ 51,271</u></b>	<b><u>\$ (122,421)</u></b>	<b><u>\$ (443,760)</u></b>		
<b><u>\$ 47,077,376</u></b>	<b><u>\$ 34,954,209</u></b>	<b><u>\$ 33,758,297</u></b>	<b><u>\$ 33,057,977</u></b>		
\$ 5,853,101	\$ 421,729	\$ 7,645,723	\$ 3,542,835		
<u>864,779</u>	<u>(1,038,412)</u>	<u>740,321</u>	<u>1,390,694</u>		
<b><u>\$ 6,717,880</u></b>	<b><u>\$ (616,683)</u></b>	<b><u>\$ 8,386,044</u></b>	<b><u>\$ 4,933,529</u></b>		

Schedule 3

Halifax County, North Carolina  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 7,830,230	7,092,581	6,680,731	6,724,983	5,974,150	6,243,558	5,132,547	4,707,492	3,696,639	4,269,377
Unreserved	24,021,981	22,939,596	24,385,840	25,854,498	26,288,682	17,161,395	17,054,721	11,903,256	9,169,376	3,908,647
Total General Fund	\$ 31,852,211	30,032,177	31,066,571	32,579,481	32,262,832	23,404,953	22,187,268	16,610,748	12,866,015	8,178,024
All other governmental funds										
Reserved	\$ 73,743	88,104	248,233	217,175	141,333	1,237,302	105,133	191,849	64,064	237,998
Unreserved, reported in:										
Undesignated	-	-	-	-	-	-	-	1,049,043	-	-
Special revenue funds	1,136,906	1,102,165	1,253,991	889,988	889,988	747,510	604,959	-	616,573	502,298
Capital projects funds	(2,514,505)	(1,731,444)	281,507	17,303,300	17,303,300	(2,046,725)	(367,556)	-	356,155	1,087,062
Permanent funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	(1,289,955)	(381,546)	1,752,676	18,334,671	18,334,671	(61,913)	342,536	1,240,892	1,036,792	1,827,358

Schedule 4

Halifax County, North Carolina  
Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues</b>										
Ad valorem taxes	\$ 29,025,525	26,929,709	26,645,328	26,716,334	36,246,776	24,620,028	24,716,501	23,128,884	22,628,891	20,783,134
Other taxes and licenses	6,896,866	9,155,828	11,637,439	11,386,783	10,527,413	9,928,034	9,025,985	8,085,268	7,330,520	7,264,958
Unrestricted intergovernmental revenues	683,641	567,941	561,175	630,484	601,198	599,277	736,658	598,729	1,463,745	2,087,923
Restricted intergovernmental revenues	1,239,839	1,089,818	1,132,806	1,416,031	1,135,397	20,933,170	27,418,069	48,613,883	48,582,627	48,282,330
Permits and fees	3,063,410	3,968,594	3,043,037	3,060,770	2,853,994	2,088,402	928,470	904,132	1,088,491	764,055
Sales and services	104,371	407,156	1,284,516	2,339,579	1,539,551	473,766	180,274	196,359	1,456,930	1,361,974
Investment earnings	799,583	742,245	649,621	457,060	1,152,402	280,069	279,118	141,712	259,724	931,955
Miscellaneous	61,086,240	61,709,047	63,983,039	64,343,167	70,970,002	59,901,126	65,493,604	83,554,905	82,886,057	82,043,709
<b>Total revenues</b>	<b>61,086,240</b>	<b>61,709,047</b>	<b>63,983,039</b>	<b>64,343,167</b>	<b>70,970,002</b>	<b>59,901,126</b>	<b>65,493,604</b>	<b>83,554,905</b>	<b>82,886,057</b>	<b>82,043,709</b>
<b>Expenditures</b>										
General government	6,400,525	7,749,605	6,571,683	6,619,523	10,390,233	5,563,541	4,806,691	4,250,654	2,844,471	3,353,111
Public safety	12,175,394	13,164,754	12,574,099	10,710,355	10,749,615	9,503,518	9,179,172	8,462,156	8,338,349	8,707,465
Economic and physical development	23,011,327	25,982,318	27,133,595	31,258,022	28,144,753	31,390,826	34,381,379	32,945,803	4,119,589	1,773,052
Human services	584,198	612,437	595,436	543,258	492,024	537,581	591,072	475,916	31,493,242	31,328,884
Cultural and recreational	11,920,920	11,744,244	16,571,006	23,973,376	14,876,729	10,210,577	9,627,621	30,559,332	31,165,031	556,519
Education	-	-	1,822,427	-	-	-	-	459,511	589,976	1,715,761
Capital outlay	2,669,450	2,624,133	2,689,537	2,522,662	1,413,080	1,309,238	1,232,459	1,117,624	1,061,924	1,073,498
Debt service	460,168	532,773	579,473	637,841	338,167	370,845	437,614	499,731	589,898	613,081
Principal	58,933,746	63,846,206	69,390,280	80,901,209	68,849,867	61,586,310	61,485,000	80,312,372	80,676,721	85,655,039
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,152,494</b>	<b>(2,137,159)</b>	<b>(5,407,241)</b>	<b>(16,558,042)</b>	<b>2,120,135</b>	<b>(1,685,184)</b>	<b>4,008,604</b>	<b>3,242,533</b>	<b>2,209,336</b>	<b>(3,611,330)</b>
Excess of revenues over (under) expenditures										
<b>Other financing sources (uses)</b>										
Intrafund transfers in (out)	660,665	887,783	1,016,154	1,029,132	986,216	1,324,865	1,049,883	1,619,874	2,036,779	629,484
Transfers in-	(429,961)	(693,467)	(642,456)	(807,014)	(645,261)	(1,047,367)	(768,161)	(913,574)	(201,481)	(71,215)
Transfers out-	-	-	-	-	-	20,310	-	-	-	-
Sale of capital assets	-	-	-	-	-	2,220,622	466,362	-	-	-
Installment purchase obligations issued	-	950,796	506,692	24,793,574	-	-	(98,734)	-	-	-
Advance refunding payment	-	-	-	-	-	-	-	-	-	-
Operating transfers (to) from component unit	-	-	-	-	-	-	-	-	(147,209)	(126,274)
Origination fees	-	-	-	-	-	-	-	-	(47,550)	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	47,550	-
Total other financing sources (uses)	230,704	194,316	1,324,494	728,810	25,134,529	2,498,120	669,660	706,300	1,688,089	431,995
Net change in fund balances	2,383,198	(1,942,843)	(4,087,747)	(15,839,232)	27,254,668	812,986	4,678,284.00	3,948,833	3,897,825	(3,179,335)
Debt services as a percentage of non-capital expenditures	5.34%	4.91%	4.71%	3.91%	2.54%	2.73%	2.72%	2.03%	2.06%	2.01%

Schedule 5

Halifax County, North Carolina  
Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Total	Total Direct Tax Rate
	Residential Property	Public Service	Property			
2010	\$ 2,599,433,151	142,435,241	819,002,637	3,560,868,0290.6800		
2009	2,603,714,835	157,174,358	755,127,735	3,516,016,9280.6800		
2008	2,565,732,240	152,640,937	797,774,936	3,516,148,1130.6800		
2007	1,881,563,995	127,542,574	812,461,530	2,821,568,0990.8650		
2006	1,855,471,722	113,599,077	765,434,571	2,734,505,3700.8650		
2005	1,813,198,512	107,412,690	777,559,326	2,698,170,5280.8650		
2004	1,784,560,532	111,270,000	740,146,000	2,635,976,5320.8650		
2003	1,767,573,095	117,756,245	760,589,347	2,645,918,6870.8650		
2002	1,737,632,028	122,231,783	762,292,369	2,622,156,1800.7850		
2001	1,797,431,000	118,491,000	717,670,000	2,633,592,0000.7150		

Schedule 6

Halifax County, North Carolina  
 Direct and Overlapping Property Tax Rates,  
 Last Ten Fiscal Years  
 (rates per \$100 of assessed value)

	Year Taxes Are Payable											
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
<b>County Direct Rates</b>	\$	0.6800	0.6800	0.6800	0.8655	0.8655	0.8655	0.8655	0.8655	0.7855	0.7155	0.6300
<b>City Rates</b>												
Roanoke Rapids		0.6240	0.5790	0.5790	0.4990	0.4990	0.4990	0.5090	0.5090	0.4900	0.4900	0.4900
Enfield		0.7500	0.7500	0.7500	0.7000	0.7000	0.7000	0.6500	0.6000	0.6000	0.6000	0.6000
Halifax		0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.3900
Scotland Neck		0.6400	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Hobgood		0.5700	0.5700	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Littleton		0.6500	0.6100	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
Weldon		0.6800	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7900	0.7900
<b>School District</b>												
Weldon		0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Roanoke Rapids		0.2100	0.2100	-	-	-	-	-	-	-	-	-
<b>Fire Districts</b>												
Rheasville		0.0700	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Davie		0.0900	0.0900	0.0720	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Darlington		0.0900	0.0900	0.0672	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Thelma		-	-	-	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Littleton		0.0460	0.0460	0.3300	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Brinkleyville		-	-	-	-	-	-	0.0700	0.0700	0.0700	0.0700	0.0600
Arcola		0.0700	0.0700	0.5520	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600
Enfield		0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Halifax		0.0726	0.0726	0.0626	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Hobgood		0.0719	0.0719	0.0719	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Scotland Neck		0.0649	0.0649	0.0649	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0500
Weldon		0.0845	0.0845	0.0845	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Tillery		0.0500	0.0500	0.0488	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
<b>Hospital District</b>												
Our Community Hospital		0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
<b>Emergency Medical Services District</b>												
Halifax Emergency Medical Services		N/A										

Source: State Department of Revenue, Bureau of Property Tax

Schedule 7

Halifax County, North Carolina  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westmoreland L C & E	143,315,231			30.32% \$148,873,714		28.43%
Kapstone Kraft Paper Corp	10,472,092			23.37% \$20,091,622		19.35%
Dominion-Virginia Power	87,517,464	3	18.51%	18.51% \$17,001,300	3	15.21%
Reser's Fine Food, Inc	21,516,075	4	4.55%	4.55% \$47,868	4	9.96%
Carolina Tel & Tel Company	34,615	5	4.45%	4.45% \$3,845,869	5	8.33%
CSX Transportation	19,497,896	6	4.12%	4.12% \$3,682,011	6	6.01%
Kennametal Inc.	18,268,144	7	3.86%	3.86% \$27,001,414	7	5.14%
Halifax EMC	18,133,658	8	3.84%	3.84% \$13,879,839	8	2.63%
PVC Inc.	16,617,315	9	3.52%	3.52% \$13,631,649	9	2.58%
Safelite Glass Corp	16,358,418	10	3.46%	3.46% \$12,428,299	10	2.36%
Totals	\$ 472,730,907		100.00%	\$ 527,490,645		100.00%

Source: State Department of Revenue, Bureau of Property Tax

Schedule 8

Halifax County, North Carolina  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied		Total		Collected within the		Total Collections to Date		
	(Original Levy)	Adjustments	Adjusted Levy Amount	Fiscal Year of the Levy	Percentage of	Original Levy	Subsequent Amount	Adjusted Levy	
2010	\$ 24,477,489	(295,880)	24,181,609	23,263,860	95.04%	\$	917,678	24,143,660	99.84%
2009	24,149,388	(104,523)	24,044,865	23,218,278	96.14%		826,587	23,952,570	99.62%
2008	23,375,303	562,670	23,937,973	23,209,724	99.29%		728,249	23,936,900	100.00%
2007	23,941,561	465,003	24,406,564	23,650,788	98.79%		755,776	24,472,018	100.27%
2006	23,903,560	265,628	24,169,188	23,429,508	98.02%		739,680	29,825,467	123.40%
2005	23,498,215	(159,040)	23,339,175	21,943,282	93.38%		1,395,893	22,693,471	97.23%
2004	23,774,111	(945,894)	22,828,217	21,940,001	92.29%		888,216	22,801,262	99.88%
2003	24,381,740	864,028	25,245,768	20,176,923	82.75%		920,512	21,085,163	83.52%
2002	20,195,072	472,592	20,667,664	19,852,494	98.30%		815,170	20,565,091	99.50%
2001	18,083,191	463,651	18,546,842	17,522,752	96.90%		1,024,090	18,680,613	100.72%

Schedule 9

Halifax County, North Carolina  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	General Bonded Debt Outstanding		Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Capita
		Less: Amounts Restricted to Repaving	Net			
2010	\$ 21,061,500	\$ (2,061,500)	\$ 19,000,000	2.2%	0.59%	\$ 381.74
2009	14,595,000	(14,595,000)	-	1.5%	0.42%	266.90
2008	14,918,000	(14,918,000)	-	1.2%	0.42%	269.51
2007	15,230,500	(15,230,500)	-	1.2%	0.54%	264.76
2006	15,532,000	(15,532,000)	-	N/A	0.57%	N/A
2005	15,824,000	(15,824,000)	-	1.4%	0.59%	280.85
2004	15,975,000	(15,975,000)	-	1.4%	0.61%	280.52
2003	8,818,000	(8,818,000)	-	1.1%	0.33%	153.70
2002	8,939,000	(8,939,000)	-	0.8%	0.34%	155.21
2001	9,056,000	(9,056,000)	-	0.8%	0.34%	157.47
2000	9,196,000	(9,196,000)	-	0.8%	0.35%	160.29

Note: Details regarding the County's outstanding debt can

Schedule 10

Halifax County, North Carolina

Direct and Overlapping Governmental Activities Debt

As of June 30, 2010

	<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:	Halifax County	\$ 21,061,500	100%	\$ -
	Underlying:			
	Enfield	2,320,000	100%	-
	Halifax	-	100%	-
	Littleton	297,500	100%	-
	Roanoke Rapids	170,000	100%	-
	Scotland Neck	304,000	100%	-
	Weldon	470,000	100%	-
	Total	\$ 24,623,000		\$ -

Sources: Assessed value data

Debt outstanding data provided by the County.

Note: Overlapping governments estimate the portion of the outstanding Name of Government. This process the entire debt burden borne by the taxpayer is a resident, and, therefore, responsible for repaying

Schedule 11

Halifax County, North Carolina  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (dollars in thousands)

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Assessed Value of Property	3,569,881	3,516,016	3,516,148	2,825,568	2,795,125	2,698,170	2,635,976	3,216,021	2,635,013	2,618,162
Debt limit, 8% of Assessed Value (Statutory Limitation)	284,870	281,281	281,292	225,785	223,530	215,854	210,878	257,282	210,801	209,453
Amount of Debt Applicable to General Obligation Bonds	14,595	14,595	14,918	15,230	15,532	15,824	15,975	8,818	8,939	9,056
Less: Resources restricted to Installment purchase contracts	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)	(4,324)
Total net debt applicable to limit	10,271	10,271	10,594	10,906	11,208	11,500	11,651	4,494	4,615	4,732
Legal debt margin	\$ 260,546	\$ 254,338	\$ 251,600	\$ 194,167	\$ 189,286	\$ 204,820	\$ 201,414	\$ 246,973	\$ 199,270	\$ 196,910
Total net debt applicable to the limit as a percentage of debt limit	8.54%	9.58%	10.55%	13.98%	15.32%	5.11%	4.49%	4.01%	5.47%	5.99%

\*\* Installment Debt includes COPS, QZAB,  
 and Installment Purchases

Note: Under State finance law  
 obligation debt subject to the limitation may be offset by amounts set aside for repaying general

Schedule 12

Halifax County, North Carolina  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2010	55,173	\$ 969,555	\$ 17,573	7,807	12.6%
2009	54,684	977,641	17,878	8,161	14.6%
2008	55,352	1,290,477	23,314	10,800	8.6%
2007	57,523	1,341,091	23,314	8,476	7.3%
2006	56,172	N/A	N/A	8,718	7.0%
2005	56,344	1,144,515	20,313	9,585	8.4%
2004	56,947	1,150,158	20,197	9,585	9.9%
2003	57,370	792,279	13,810	9,895	0.1%
2002	57,594	1,115,998	19,377	10,062	11.3%
2001	57,508	1,172,933	20,396	10,205	10.1%

Note: Population, median  
Personal income information

on the census at the start of the school year.

**Schedule 13**  
**Halifax County, North Carolina**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2010			2001		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Halifax Regional Medical Center	1,000	1	16.04%	880	2	15.08%
Halifax County Schools	619	2	9.93%	900	1	15.42%
County of Halifax	539	3	8.65%	776	3	13.30%
KapStone	504	4	8.09%	554	4	9.49%
Roanoke Rapids City Schools	419	5	6.72%	453	5	7.76%
Walmart	400	6	6.42%	198	9	3.39%
Safelite (Belron USA)	380	7	6.10%	300	6	5.14%
AAA Carolinas	332	8	5.33%	120	16	2.06%
Halifax Community College	305	9	4.89%	160	12	2.74%
New Dixie Oil	240	10	3.85%	150	14	2.57%
Reser's Fine Foods	240	11	3.85%	110	18	1.89%
Weldon City Schools	195	12	3.13%	200	8	3.43%
Patch Rubber	185	13	2.97%	185	10	3.17%
Halifax Linen Service	160	14	2.57%	120	17	2.06%
Kennametal	154	15	2.47%	150	15	2.57%
Coastal Lumber Company	150	16	2.41%	172	11	2.95%
City of Roanoke Rapids	144	17	2.31%	157	13	2.69%
PCB Piezotronics	137	18	2.20%	0	19	0.00%
Flambeau Airmold	<u>130</u>	19	<u>2.09%</u>	<u>250</u>	7	<u>4.28%</u>
Total	<u>6,233</u>		<u>100.00%</u>	<u>5,835</u>		<u>100.00%</u>

Source: State Department of Commerce.

Schedule 14

Halifax County, North Carolina

Full-Time Equivalent County Government Employees by Function

Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of June									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Justice and law enforcement	88	73	74	75	74	72	72	65	69	N/A
Health and human services	283	288	287	300	287	300	324	388	493	N/A
Environment, parks, and education	3	3	5	5	5	4	4	4	4	N/A
Public works	20	24	24	26	24	24	24	22	22	N/A
General government	162	163	167	174	167	150	183	170	145	N/A
Total	539	570	556	580	557	550	607	649	733	

Source: County Budget Office.

N/A - NOT AVAILABLE

Schedule 15

Halifax County, North Carolina  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Sheriff	Volume of calls	28,006	38,257	38,620	35,010	32,749	35,028	31,026	25,873	27,826	31,210
	Incident reports filed	2,069	3,188	2,835	2,229	2,630	2,750	N/A	N/A	N/A	N/A
EMS	Volume of calls	12,339	12,076	11,290	11,041	10,262	10,086	9,866	9,598	9,098	8,109
	Response time (in minutes)	8.43	8.43	8.63	8.31	8.40	8.39	8.60	8.00	8.30	8.40
Water	Transports	9,030	8,917	8,422	8,006	10,224	9,428	9,298	8,961	N/A	N/A
	New connections	85	191	233	168	171	158	195	284	734	182
Water	Water mains breaks	21	10	9	10	N/A	N/A	N/A	N/A	N/A	N/A
	Average daily consumption										
	(thousands of gallons)	2,565,640	1,938,500	2,034,000	2,223,725	2,500,000	N/A	N/A	N/A	N/A	N/A

Sources: Various government departments

Note: Indicators are not available for the general government function.

N/A - NOT AVAILABLE

\*N/A - EMS BECAME A COUNTY ENTITY ON 1/1/00.

Schedule 16

Halifax County, North Carolina  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

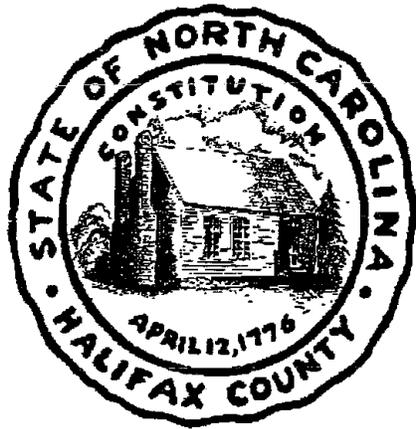
Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	40	40	40	40	40	40	40	40	40	40
EMS										
Stations	6	6	6	6	6	6	6	6	6	6
Ambulances/QRV/S20	19	19	19	19	19	19	19	19	19	19
Water										
Water mains (miles)	540.50	520.50	506.54	449.84	443.84	N/A	N/A	N/A	N/A	N/A
Fire hydrants	1,550	1,502	1,452	1,338	1,332	N/A	N/A	N/A	N/A	N/A
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	2,825,000	2,825,000	N/A	N/A	N/A	N/A	N/A
Sewer										
Sanitary sewers (miles)	10	10	10	10	10	N/A	N/A	N/A	N/A	N/A

Sources: Various County departments

Note: No capital asset indicators are available for the general government function.

N/A - NOT AVAILABLE

\*N/A - EMS BECAME A COUNTY ENTITY 1/1/00.



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**HALIFAX COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

# **HALIFAX COUNTY NORTH CAROLINA**



## **COMPLIANCE LETTERS**

**For the Fiscal Year Ended  
June 30, 2010**

**HALIFAX COUNTY, NORTH CAROLINA**  
**Compliance Letters**  
**For the Fiscal Year Ended June 30, 2010**

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

To the Board of Commissioners  
Halifax County, North Carolina

We have audited the 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 Halifax County, North Carolina, as of and for the year ended June 30, 2010, not presented here, which collectively comprise Halifax County's basic financial statements, and have issued our report thereon dated October 21, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of Halifax Tourism Development Authority and Halifax County ABC Board were not audited in accordance with *Government Auditing Standards*. Another auditor audited the financial statements of Halifax County ABC Board, as described in our report on Halifax County's financial statements.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Halifax County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Halifax County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

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

This report is intended solely for the information and use of the management, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specific parties.

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

Martin Starnes & Associates, CPAs, P.A.  
October 21, 2010

**Report On Compliance With Requirements That Could Have A Direct and  
Material Effect On Each Major Federal Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133  
and The State Single Audit Implementation Act**

To the Board of Commissioners  
Halifax County, North Carolina

**Compliance**

We have audited the compliance of Halifax County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 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 Halifax County's major federal programs for the year ended June 30, 2010. Halifax County's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Halifax County's management. Our responsibility is to express an opinion on Halifax County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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 Halifax County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Halifax County's compliance with those requirements.

In our opinion, Halifax County 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, 2010.

## **Internal Control Over Compliance**

Management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Halifax County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, 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 County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal and State Awards**

We have audited the 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 Halifax County as of and for the year ended June 30, 2010, which collectively comprise Halifax County's basic financial statements and have issued our report thereon dated October 21, 2010. We did not audit the financial statements of Halifax County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Halifax County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Halifax County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, others within the organization, members of the Board of Commissioners, and federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specific parties.

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

Martin Starnes & Associates, CPAs, P.A.  
October 21, 2010

**Report On Compliance With Requirements That Could Have A Direct and Material Effect  
On Each Major State Program And On Internal Control Over Compliance  
In Accordance With Applicable Sections of OMB Circular A-133  
and The State Single Audit Implementation Act**

To the Board of Commissioners  
Halifax County, North Carolina

**Compliance**

We have audited Halifax County, North Carolina's compliance with the types of compliance requirements described in applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 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 Halifax County's major State programs for the year ended June 30, 2010. Halifax County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Halifax County's management. Our responsibility is to express an opinion on Halifax County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, 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 Halifax County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Halifax County's compliance with those requirements.

In our opinion, Halifax County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2010.

## **Internal Control Over Compliance**

Management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Halifax County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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 County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a 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.

Our consideration of the 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 significant deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal and State Awards**

We have audited the 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 Halifax County as of and for the year ended June 30, 2010, and have issued our report thereon dated October 21, 2010. We did not audit the financial statements of Halifax County ABC Board. Those financial statements were audited by other auditors whose reports thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Halifax County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Halifax County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management, members of the Board of Commissioners, federal and State awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specific parties.

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

Martin Starnes & Associates, CPAs, P.A.  
October 21, 2010

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified No
- Significant deficiencies identified that are not considered to be material weaknesses No

Non-compliance material to financial statements noted No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified No
- Significant deficiencies identified that are not considered to be material weaknesses No

Non-compliance material to federal awards No

Type of auditors' report issued on compliance for major federal programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 No

Identification of major federal programs:

<u><b>Federal Program/Cluster Name</b></u>	<u><b>CFDA#</b></u>
Medical Assistance Program	93.778
Subsidized Childcare Cluster	93.558, 93.575, 93.596, 93.667
Supplemental Nutrition Assistance Program	10.561
Low Income Energy Assistance	93.568

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section I - Summary of Auditor's Results (continued)**

Dollar threshold used to distinguish between  
Type A and Type B Programs \$2,623,062

Auditee qualified as low-risk auditee? No

**State Awards**

Internal control over major State programs:

• Material weakness(es) identified No

• Significant deficiencies identified that are not  
considered to be material weaknesses No

Non-compliance material to State awards No

Type of auditors' report issued on compliance for major  
State programs Unqualified

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:**

Medical Assistance Program  
Subsidized Childcare Cluster  
Public School Building Capital Fund - Lottery Proceeds  
Rural Center - Water Construction Ph IXA

**HALIFAX COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section II - Financial Statements Findings**

N/A

**Section III - Federal Award Findings and Questioned Costs**

N/A

**Section IV - State Award Findings and Questioned Costs**

N/A

**HALIFAX COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

None reported

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<b>FEDERAL ASSISTANCE</b>			
<i>Cash Programs</i>			
<b><u>U. S. Dept. of Health and Human Services</u></b>			
<b>Passed through the NC Department of Health and Human Services:</b>			
<b>Division of Social Services:</b>			
Administration:			
Low-Income Home Energy Assistance Block Grant			
Administration:	93.568	\$ 88,313	\$ -
Crisis Intervention	93.568	569,627	-
Child Welfare Services - State Grants			
Permanency Planning - Special	93.645	3,406	1
Permanency Planning - Regular	93.645	12,377	4,176
Division of Aging and Adult Services			
SSBG-Adult Day Care	93.667	31,010	4,457
SSBG-Adult Day Care over 60	93.667	-	24,853
In-Home Services	93.667	7,066	-
In-Home Services over 60	93.667	3,953	-
Social Services Block Grant	93.667	436,689	29,607
Child Support Enforcement-Incentive Recovery			
IV-D Administration	93.563	250,043	-
IV-D Administration	93.563	584,459	-
Links	93.674	11,664	2,916
Links Transitional Funds	93.674	8,145	-
Temporary Assistance for Needy Families Cluster			
TANF Domestic Violence	93.558	2,789	-
Work First Funct Assess	93.558	2,250	-
Work First Administration	93.558	53,916	-
Work First Service	93.558	419,613	-
Work First Benefits (WFB)	93.558	10,835	-
Family Preservation	93.556	1,220	-
CPS Expansion State	N/A	-	130,268
DCD Smart Start	N/A	-	30,400
Energy Assist Private Grants	N/A	-	2,715
IV-D Offset Fees - Esc	93.563	524	(26)
IV-D Offset Fees - Federal	93.563	4,531	-
AFDC Incent/Prog Integrity	N/A	-	86
TANF Incent/Prog Integrity	N/A	-	3,130

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Direct Benefit Payments:			
Energy Assistance Payment	93.568	665,607	-
AFDC Payments & Penalties	93.560	(620)	(170)
TANF Payments & Penalties	93.558	782,045	(34)
SC/SA Domiciliary Care Payment	N/A	-	876,936
State Foster Home	N/A	-	24,842
Total Administration		<u>3,949,464</u>	<u>1,134,159</u>
Administration for Children and Families			
Child Welfare Services			
Foster Care and Adoption Cluster:			
Adoption/Foster Care	N/A	396,373	-
IV-E CPS	93.658	361,871	95,893
IV-E Adopt Subsidy & Vendor-Direct Benefit payments	93.659	341,161	69,070
IV-E Foster Care in Excess-Direct Benefit payments	93.658	85,605	17,041
IV-E Admin County Paid to CCI	93.658	662	331
IV-E Family Foster Max	93.658	775	-
IV-E Foster Care	93.658	69,215	13,945
IV-E Foster Care/Off Trn	93.658	117,695	-
IV-E Max Level III	93.658	2,425	-
Child and Family Teams	93.658	12,645	18,468
Foster Care At-Risk Maximization	N/A	-	(32)
Foster Care Special Provision	N/A	-	1,691
SFHF Maximization	N/A	-	878
CWS Adopt Subsidy & Vendor-Direct Benefit payments	N/A	-	139,598
Total Foster Care and Adoption Cluster		<u>1,388,426</u>	<u>356,884</u>
<b>Division of Social Services:</b>			
Adt Cr Hm Cs Mgt/Spec	93.778	27,034	13,507
MA Expansion	93.778	31,100	31,100
Medical Assist Admin	93.778	814,174	-
Medical Transp Admin	93.778	9,013	-
NC Health Choice	93.767	49,308	2,602
		<u>930,630</u>	<u>47,209</u>
<b>Division of Child Development:</b>			
<b>Child Care Development Fund Cluster</b>			
<b>Division of Social Services:</b>			
Child Care Development Fund - Administration	93.596	120,726	-
<b>Division of Child Development:</b>			
Child Care Development Fund - Discretionary	93.575	1,073,651	-
Child Care Development Fund - Mandatory	93.596	199,761	-
Child Care Development Fund - Match	93.596	479,895	257,351
<b>ARRA - Child Care Development Block Grant</b>	93.713	209,578	-
Total Child Care Fund Cluster		<u>2,083,611</u>	<u>257,351</u>

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Social Services Block Grant	93.667	7,746	-
Temporary Assistance for Needy Families	93.558	278,063	-
Smart Start		-	52,912
State Appropriations		-	56,669
TANF-MOE		-	337,509
Total Subsidized Child Care Cluster		<u>285,809</u>	<u>447,090</u>
Total Division of Social Services		<u>8,637,941</u>	<u>2,242,693</u>
<b>Division of Medical Assistance:</b>			
Direct Benefit Payments:			
Medical Assistance Program	93.778	<u>74,745,304</u>	<u>26,977,622</u>
Total Division of Medical Assistance		<u>74,745,304</u>	<u>26,977,622</u>
<b>Division of Public Health:</b>			
First Time Motherhood	93.110	12,000	-
Tuberculosis Control	93.116	32,202	-
Family Planning Services	93.218	76,961	-
Immunization Program	93.268	29,086	-
Temporary Assistance for Needy Families	93.558	12,684	-
Centers for Disease Control & Prevention			
Investigations and Technical Assistance	93.283	163,424	-
Healthy Start Baby Love Plus Initiative	93.926	91,410	-
Statewide Health Promotion Program	93.991	19,427	-
Maternal and Child Health	93.994	<u>356,106</u>	-
Total Division of Public Health		<u>793,300</u>	-
<b>Upper Coastal Plain Council of Government</b>			
Access Services - Title III-B	93.044	34,525	2,031
In Home III-B	93.044	130,999	7,706
Congregate Nutrition, Title III-C1	93.045	41,767	2,457
ARRA - Congregate Nutrition, Title III-C1	93.707	18,545	1,091
Home Delivered Meals, Title III-C2	93.045	52,423	3,084
ARRA - Home Delivered Meals, Title III-C2	93.705	9,129	537
In-Home SSBG	93.667	73,454	2,099
Family Caregiver, Title III-E	93.052	<u>15,911</u>	<u>1,061</u>
Total Upper Coastal Plain Council of Government		<u>376,753</u>	<u>20,066</u>
Total U.S. Dept. of Health and Human Services		<u>84,553,297</u>	<u>29,240,381</u>

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<b><u>U. S. Department of Agriculture</u></b>			
Passed through NC Department of Health and Human Services Division of Public Health			
AGRI-SFP Food Program Meal	10.559	-	-
WIC - Direct Benefit Payments	10.557	<u>1,749,210</u>	<u>-</u>
Total Division of Public Health Cluster		<u>1,749,210</u>	<u>-</u>
Supplemental Nutrition Assistance Program Cluster:			
Supplemental Nutrition Assistance Program-Administration	10.561	584,342	-
Supplemental Nutrition Assistance Program-Fraud Administration	10.561	42,270	-
Food & Nutrition Svcs Recovery	10.561	<u>90,361</u>	<u>-</u>
Total Supplemental Nutrition Assistance Program Cluster		<u>716,973</u>	<u>-</u>
Passed through Upper Coastal Plain Council of Govt. USDA Supplement	10.570	<u>21,969</u>	<u>-</u>
Passed through NC Department of Agriculture			
TEFAP Program	10.569	-	359,147
TEFAP Administrative Costs	10.568	-	17,217
Commodity Supplemental Food Program	10.565	<u>-</u>	<u>268,023</u>
Total Commodity Foods		<u>-</u>	<u>644,387</u>
<b>Total U.S. Dept. of Agriculture</b>		<b><u>2,488,152</u></b>	<b><u>644,387</u></b>
<b><u>U. S. Dept. of Housing and Urban Development</u></b>			
Passed through NC Department of Commerce Division of Economic and Community Development			
2010 CDBG Scattered Site Rehab Project	14.228	15,809	-
CDBG Wastewater Treatment Plant Expansion Project	14.228	<u>170,632</u>	<u>-</u>
<b>Total U.S. Dept. of Housing and Urban Development</b>		<b><u>186,441</u></b>	<b><u>-</u></b>
<b><u>U.S. Department of Justice</u></b>			
Passed through the NC Department of Crime Control and Public Safety			
Juvenile Justice and Delinquency Prevention	16.540	207,520	-
Bulletproof Vest Program	16.607	<u>-</u>	<u>1,053</u>
<b>Total U.S. Department of Justice</b>		<b><u>207,520</u></b>	<b><u>1,053</u></b>
<b>TOTAL FEDERAL AWARDS</b>		<b><u>87,435,410</u></b>	<b><u>29,885,821</u></b>

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<b>STATE AWARDS</b>			
<b><u>North Carolina Department of Health and Human Services</u></b>			
Division of Aging:			
Passed through Upper Coastal Plain Council of Governments			
Access Services		-	47,515
Home-Delivered Meals		-	21,970
In-Home Services		-	165,451
Caregiver Match		-	9,866
Total Upper Coastal Plain Council of Governments		-	244,802
Division of Public Health:			
Risk Reduction / Health		-	7,811
General Health		-	166,323
Minority Health		-	19,000
Public Health Nurse Training		-	600
Breast and Cervical Cancer Control		-	6,120
TB Medical Services		-	2,518
Tuberculosis		-	66,352
Woman's Preventative Health		-	11,954
Communicable Disease		-	2,293
Wisewoman		-	8,200
LHD Smokefree Law		-	1,655
Preparedness and Response		-	44,763
AIDS		-	500
Total Division of Public Health		-	338,089
<b>Total NC Dept of Health and Human Services</b>		-	<b>582,891</b>
<b><u>North Carolina Department of Transportation</u></b>			
Rural General Public Transportation		-	49,735
Elderly and Handicapped Transportation		-	44,415
Work First Transportation		-	7,760
Rural General Public Transportation Supplement		-	38,545
Elderly and Handicapped Transportation Supplement		-	29,821
Work First Transportation Supplement		-	12,111
Peanut Belt Rural Transportation Planning Organization		-	80,558
<b>Total NC Department of Transportation</b>		-	<b>262,944</b>

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<b><u>North Carolina Department of Correction</u></b>			
Criminal Justice		-	158,808
<b>Total NC Department of Correction</b>		-	<b>158,808</b>
<b><u>North Carolina Department of Crime Control &amp; Public Safety</u></b>			
Emergency Management - Performance Grant		-	7,600
Emergency Management - Supplement Award		-	18,064
<b>Total NC Dept of Crime Control &amp; Public Safety</b>		-	<b>25,664</b>
<b><u>North Carolina Department of Commerce</u></b>			
Passed through The Rural Center Water Construction Ph IXA		-	351,725
<b>Total NC Dept of Commerce</b>		-	<b>351,725</b>
<b><u>North Carolina Department of Cultural Resources</u></b>			
State Aid to Libraries		-	111,657
Gates Foundation Grant		-	14,300
<b>Total NC Dept of Cultural Resources</b>		-	<b>125,957</b>
<b><u>North Carolina Department of Environment and Natural Resources</u></b>			
Division of Natural Resources:			
Economic & Physical Development State Grant		-	4,000
State Cost Share		-	20,097
Division of Waste Management:			
Scrap Tires Grant		-	17,828
Division of Water Resources:			
LGWCC-Aquatic Weed Control Grant		-	75,000
<b>Total NCDENR</b>		-	<b>116,925</b>

## HALIFAX COUNTY, NORTH CAROLINA

### SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR YEAR ENDED JUNE 30, 2010

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<b><u>North Carolina Department of Insurance</u></b>			
Division of Senior Health Insurance and Information Program: SHIIP Grant			2,252
<b>Total NC Insurance</b>			<b>2,252</b>
<b><u>North Carolina Department of Administration</u></b>			
Department of Veteran's Affairs		-	2,000
<b>Total NC Dept of Admin</b>			<b>2,000</b>
<b><u>North Carolina Department of Public Instruction</u></b>			
Public School Building Capital Fund - ADM funds		-	131,396
Public School Building Capital Fund - Lottery Funds		-	468,731
<b>Total NC Public Instruction</b>			<b>600,127</b>
<b>Total State Awards</b>			<b>2,229,292</b>
<b>Total Federal and State awards</b>		<b>\$ 87,435,410</b>	<b>\$ 32,115,113</b>
<b><u>Other</u></b>			
National Military Family Association, Inc. Operation Purple Camp FY 10		\$ -	\$ 21,000
Operation Purple Camp		-	8,550

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

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and State grant activity of Halifax County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal awards to the County and are included on this schedule.

2. The following are clustered by the NC Department of Health and Human Services and are treated separately for State audit requirement purposes: Subsidized Child Care, Foster Care and Adoption