

HALIFAX COUNTY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2012**

HALIFAX COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Prepared by the Halifax County Office of Budget and Finance

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



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

		<u>Page</u>
	Introductory Section:	
	Letter of Transmittal	i-vii
	Organizational Chart	viii
	Certificate of Achievement for Excellence in Financial Reporting	ix
	List of Principal Officials	x
	Financial Section:	
	Independent Auditors' Report	1-2
	Management's Discussion and Analysis	3-13
	Basic Financial Statements - Overview:	
	Government-Wide Financial Statements:	
<u>Exhibit</u>	A Statement of Net Assets	14
	B Statement of Activities	15-16
	Fund Financial Statements:	
	C Balance Sheet - Governmental Funds	17
	D Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
	E Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	19
	F General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	20
	G Statement of Net Assets - Proprietary Funds	21
	H Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	22

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements (continued):	
I	Statement of Cash Flows - Proprietary Funds	23-24
J	Statement of Fiduciary Net Assets - Fiduciary Funds	25
K	Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	26
	Notes to the Basic Financial Statements	27-66
<u>Schedule</u>		
	Required Supplemental Financial Data:	
A-1	Law Enforcement Officers' Special Separation Allowance - Required Supplementary Information	67
A-2	Other Post-Employment Benefits - Retiree Health Plan	68
	Supplementary Information:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual - General Fund Consolidated	69
B-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Departments	70
B-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Department	71-77
B-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Health Department	78-81
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Social Services Department	82-83
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Management Services Department	84

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Supplementary Information (continued):	
B-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Reassessment Fund	85
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet - Nonmajor Governmental Funds	86
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	87
	Special Revenue Funds:	
D-1	Combining Balance Sheet - Nonmajor Special Revenue Funds	88-89
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	90-91
D-3	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	92
D-4	Our Community Hospital District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	93
D-5	Weldon School District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	94
D-6	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	95
D-7	Roanoke Rapids School Assessment Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	96
D-8	CDBG Scattered Site Rehab 2008 - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	97

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Special Revenue Funds (continued):	
D-9	United Salvage Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	98
D-10	CDBG Scattered Site Housing - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	99
	Capital Project Funds:	
E-1	Combining Balance Sheet- Nonmajor Capital Projects Funds	100-101
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	102-103
E-3	RPO Peanut Belt - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	104
E-4	Littleton Building Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	105
E-5	Piezotronics Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
E-6	Alliance Drive Relocation Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
E-7	Major Halifax County Sewer Upgrade Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Capital Project Funds (continued):	
E-8	Community Corrections Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109
E-9	Industrial Building Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	110
E-10	QCSB Roanoke Rapids - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	111
E-11	Jail Construction Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	112
	Enterprise Funds:	
F-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	113-114
F-2	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	115-116
F-3	Wastewater Treatment Expansion Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	117
F-4	Phase IX Water Capital Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118
F-5	Phase X Water Capital Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	119

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Enterprise Funds (continued):	
F-6	Meadows Waste Water - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	120
F-7	Phase XI - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	121
F-8	Enfield Convenience Site - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	122
F-9	Transfer Station Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	123
F-10	C&D Landfill Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	124
	Internal Service Funds:	
G-1	Combining Statement of Net Assets	125
G-2	Combining Statement of Revenues, Expenses, and Changes in Net Assets	126
G-3	Combining Statement of Cash Flows	127
G-4	Health Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	128
G-5	Unemployment Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	129
	Agency Funds:	
H-1	Combining Schedule of Changes in Assets and Liabilities	130

HALIFAX COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Additional Financial Data:	
I-1	Schedule of Ad Valorem Taxes Receivable	131
I-2	Analysis of Current Tax Levy	132
I-3	Analysis of Current Tax Levy - Secondary Market Disclosure	133
	Statistical Section:	
1	Net Assets By Component	134-135
2	Change in Net Assets	136-139
3	Fund Balances - Government Funds	140
4	Changes in Fund Balances - Governmental Funds	141
5	Assessed Value and Actual Value of Taxable Property	142
6	Direct and Overlapping Property Tax Rates	143
7	Principal Property Taxpayers	144
8	Property Tax Levies and Collections	145
9	Ratio of General Bonded Debt Outstanding	146
10	Direct and Overlapping Governmental Activities Debt	147
11	Legal Debt Margin Information	148
12	Demographic and Economic Statistics	149
13	Principal Employers	150
14	Full-Time Equivalent County Government Employees by Function	151
15	Operating Indicators by Function	152



This page left intentionally blank

INTRODUCTORY SECTION



This page left intentionally blank



October 29, 2012

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, 2012. 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 the 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 corporate bodies with powers outlined 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 its surpluses to the General Funds of the County, cities and towns in which it operates which represent 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 located in northeastern North Carolina in the upper coastal plains, halfway between New York and Florida. It is the fourteenth largest county in North Carolina and covers an area of 731 square miles. Interstate 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.

The 2010 Census reports Halifax County’s population at 54,691. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,754.

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

Our local economy continues to show modest signs of improvement and emergence from the great recession. Tourism spending grew by 8.8% in 2012 compared to 2011, representing nearly \$80 million in tourism-related revenues generated in Halifax County. Halifax County’s location along Interstate 95, diverse destination attractions, and solid foundation of shopping, restaurants and hotels choices, continues to contribute to the attraction of tourists and the steady increase in overall tourism spending over the past few years.

Retail sales for the fiscal year ended June 30, 2012 showed a 10% increase over 2011 levels (10.3%) and the trend is continuing. Unemployment has only slightly decreased, from 14.4% in June 2011 to 13.7% in June 2012, following the state and national trends of slow employment growth. Value of construction permits for January through June of 2012 is up 39.9% over the same period in 2011, from \$5,611,526 to \$7,851,508.

Halifax County's prospects for new business and industry are strong. The County is one of two final sites (the other site is in South Carolina) being vetted by a large European manufacturing facility that represents \$110 million investment and 350 new jobs. With the global focus toward renewable energy, our area's forest product resources and "wood basket" location are becoming increasingly attractive to biomass, wood pellet and other forest products related industries.

Equally important to the future of Halifax County is its existing manufacturing base. Halifax County continues to work with existing business and industry to provide a supportive climate for growth and expansion. Currently, two major employers are planning expansions that will add additional jobs and investment for Halifax County. The County's largest employer, Halifax Regional Medical Center, recently completed a \$6.5 million modernization and expansion of its outpatient services.

A continued 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

Reser's Fine Foods has completed Phase I of the company's East Coast expansion project at the Halifax Industrial Center located on NC Highway 903. This project represents an investment of \$62 million and 500 jobs over the next five years. The company plans to add new product lines at the Halifax County facility. Construction is underway of a 35,000 square foot manufacturing facility at the new Halifax Corporate Park located on NC Highway 561 for Empire Foods, which will create 200 new jobs. Last year, LSA America recently broke ground for a new facility at the Halifax-Northampton Regional Airport for production of light sport aircraft.

The Halifax-Northampton Regional Airport continues development with the installation of new navigational aids underway. A best use study was completed this year by the UNC Center for Competitive Economies and has identified several feasible future uses of the former airport site, owned by Halifax County. This 240+ acre site is located on US Highway 158 just outside of Roanoke Rapids and has generated a great deal of business interest, especially in the area of renewable energy development. Currently, the 95th Squadron Model Airplane Club is utilizing 40 acres of the site for model airplane exhibitions and events.

On July 2, 2012, the Halifax County Commissioners authorized the issuance of Revenue Bonds in the amount of \$2,687,000 to allow the County's water system to grow. The funding of this project was coordinated through USDA Rural Development with a \$1,513,000 million dollars in grant and \$2,687,000 million dollars loan for a period of 40 years with 2% interest rate. The Phase XI project is estimated to cost approximately \$4,726,800 and will include 18 roads and 175 customers. Halifax County Public Utilities applied for money through North Carolina Department of Environmental and Natural Resources "Drinking-State

Revolving Loan” for a Phase XI-A water project in the amount of \$1,585,228. The loan is for 20 years with no interest. Phase XI-A is water quality project to run a 12” water main down Highway 301 to the Town of Enfield and tie into the existing water main. The County has been purchasing water from the Town on Thirteen Bridges Road. Both projects have been approved and estimated completion is in the Spring of 2013. 90% percent of Halifax County’s Rural Residents are receiving pure, safe drinking water.

On July 9, 2012, the County Commissioners awarded a Contract to build a Transfer Station at the County Landfill on Liles Road in Littleton. The completion date of the Transfer Station will be April 2013. The county estimates a saving of over \$400,000 thousand dollars a year by building and operating the Transfer Station. The current contract with Waste industries ends June 2013.

The County provided the three public school systems with \$5,399,529 in current expense and \$2,913,021 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

Small and commercial business development is on the upswing with a marked increase in inquiries in the past six months. We have several prime location opportunities available and the efforts of community leaders in Roanoke Rapids, Weldon, Hobgood, Littleton, Enfield, and Scotland Neck to improve their downtown business districts are paying dividends. Roanoke Rapids, a North Carolina Main Street Community, had 35 new businesses open in the city limits in the 2011-2012 fiscal year and the Town of Weldon had 14 new businesses open in their downtown during this same period

Development of the 700-acre Halifax Corporate Park located on NC Highway 561 adjacent to the Halifax-Northampton Regional Airport is nearing completion. Designated in 2011 by the North Carolina Department of Commerce as a “North Carolina Certified Industrial Park,” this designation provides 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. Construction of a \$4.3 million regional sewer line is now complete and the NC Department of Transportation is nearing completion of a \$2 million interior access road to serve the Park. Halifax County is constructing a 35,000 square foot industrial building at the Halifax Corporate Park that will be leased to Empire Foods and is scheduled for completion in the summer of 2013. Preliminary design for extension of the CSX rail line into the Park and development of a rail transloading facility will be completed this year. This additional transportation option will add even greater logistical appeal, not just for businesses locating in the Park, but for industry throughout Halifax County that need access to raw materials and supplies via rail.

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 passed a resolution Committing Fund Balance for capital outlay projects for all three school districts as well as Halifax Community College. Roanoke Rapids Graded School system will make their final loan payment for Belmont Elementary in October 2012.

The Board of Commissioners has elected to fund FY 2013 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, 2012, 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 two 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 48,500 rural county residents and the collection and disposal of wastewater from approximately 1,100 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.

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 related OMB 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, 2010. This was the twelfth 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.

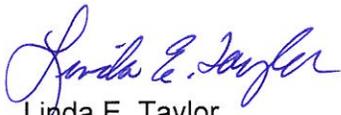
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 the preparation of this report. Due credit also should be given to the Board of Commissioners for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

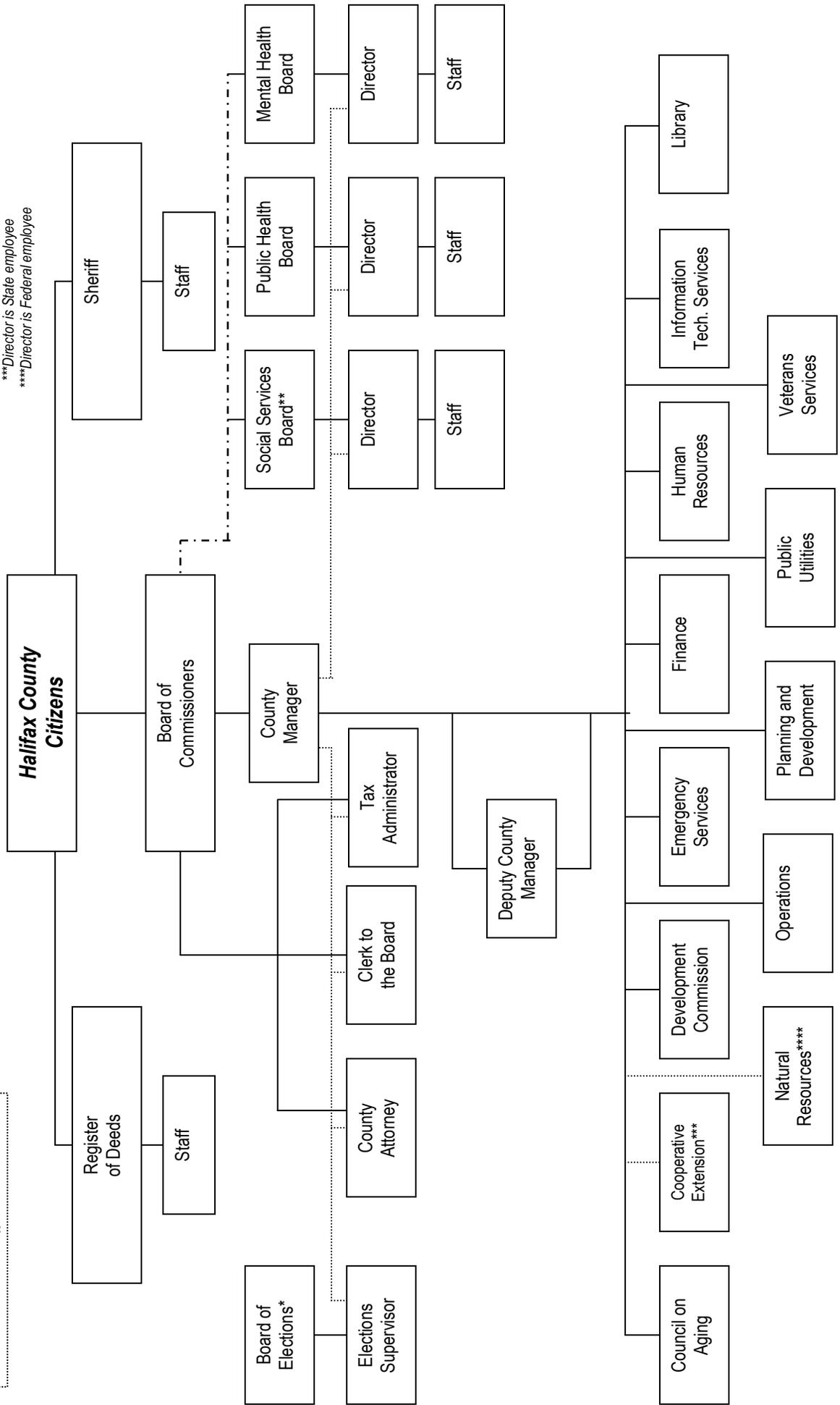
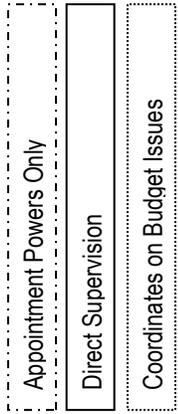
Respectfully submitted,


Tony N. Brown
County Manager


Linda E. Taylor
Assistant County Manager of Financial
Services

Organizational Chart ~ Halifax County

*The State Board of Elections appoints the 3- member Board of Elections from names submitted by the State chairs of the Democratic and Republican Parties
 **The Commissioners appoint 2 members to the DSS Board; the North Carolina Social Services Commission appoints 2; the Halifax County DSS Board appoints the fifth member
 ***Director is State employee
 ****Director is Federal employee



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, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

HALIFAX COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2012

Board of Commissioners

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

Administrative Officials

Tony N. Brown, County Manager
Linda E. Taylor, Assistant County Manager of Financial Services
Dia H. Denton, Assistant County Manager of Operations
Judy Evans-Barbee, Register of Deeds
Jeff P. Frazier, Sheriff
Barbara J. Harris-Ellis, Director of Health Services
Michael G. Felt, Director of Social Services
Virginia N. Orvedahl, Director of Library

FINANCIAL SECTION



This page left intentionally blank

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, 2012, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Halifax County ABC Board which represents 87.03 percent, 86.40 percent, and 85.43 percent, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by another auditor 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 auditor.

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 County ABC Board and Halifax Tourism Development Authority 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 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2012, 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, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Law Enforcement Officer's Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

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 financial statements as a whole. The introductory section, combining 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express any assurance on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 29, 2012

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, 2012. 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 Halifax County exceeded its liabilities at the close of the fiscal year by \$52,928,083. The County’s net assets of governmental activities exhibited an increase of \$2,228,510 with the Business-type activities showing a decrease in the amount of \$2,789,083 resulting in the government’s total net assets decreasing by \$560,573. This business decrease can be attributed to changing the estimated closing costs, set by state statute, to the minimum of \$3,000,000. The governmental activities can be attributed to a continued aggressive tax collections, hiring freeze on vacant positions and limited capital asset expenditures.

As of the close of the current fiscal year, Halifax County’s governmental funds reported combined ending fund balances of \$33,815,553 after a net increase of \$1,205,316. Approximately 50.9% of this total amount or \$17,113,20 is restricted or non-spendable.

The County’s unassigned fund balance for the General Fund was \$13,226,413 or 24.2% of total general fund expenditures at the close of the current fiscal year.

The County holds an A+ bond rating from Standard and Poor’s effective as of June 30, 2012.

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 non-major 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 four 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 67 and 68 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>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current assets	\$ 38,489,140	\$ 36,859,709	\$ 9,878,425	\$ 10,504,058	\$ 48,367,565	\$ 47,363,767
Restricted assets	1,637,472	1,524,513	4,453,396	446,071	6,090,868	1,970,584
Capital assets	<u>23,987,882</u>	<u>21,862,547</u>	<u>33,873,682</u>	<u>35,973,597</u>	<u>57,861,564</u>	<u>57,836,144</u>
Total assets	<u>64,114,494</u>	<u>60,246,769</u>	<u>48,205,503</u>	<u>46,923,726</u>	<u>112,319,997</u>	<u>107,170,495</u>
Liabilities:						
Current liabilities	3,211,598	2,568,659	690,923	853,020	3,902,521	3,421,679
Non-current liabilities	<u>26,024,642</u>	<u>25,028,366</u>	<u>29,464,751</u>	<u>25,231,794</u>	<u>55,489,393</u>	<u>50,260,160</u>
Total liabilities	<u>29,236,240</u>	<u>27,597,025</u>	<u>30,155,674</u>	<u>26,084,814</u>	<u>59,391,914</u>	<u>53,681,839</u>
Net Assets:						
Invested in capital assets, net of related debt	18,477,076	15,509,024	11,893,823	13,581,258	30,370,899	29,090,282
Restricted	16,423,142	11,130,798	-	-	16,423,142	11,130,798
Unrestricted	<u>(21,964)</u>	<u>6,009,922</u>	<u>6,156,006</u>	<u>7,257,654</u>	<u>6,134,042</u>	<u>13,267,576</u>
Total net assets	<u>\$ 34,878,254</u>	<u>\$ 32,649,744</u>	<u>\$ 18,049,829</u>	<u>\$ 20,838,912</u>	<u>\$ 52,928,083</u>	<u>\$ 53,488,656</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 \$52,929,083 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. \$30,370,899 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.

Thirty-one percent of total net assets represent resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, 11.6% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 11.7% 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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 5,763,358	\$ 6,541,820	\$ 12,972,754	\$ 8,037,372	\$ 18,736,112	\$ 14,579,192
Operating grants and contributions	21,669,387	17,744,622	2,511	-	21,671,898	17,744,622
Capital grants and contributions	1,369,143	1,018,199	-	224,763	1,369,143	1,242,962
General revenue:						
Property taxes	29,060,545	28,853,192	-	-	29,060,545	28,853,192
Local option sales tax	7,441,555	6,544,483	-	-	7,441,555	6,544,483
Other taxes	121,816	124,282	84,179	81,674	205,995	205,956
Interest	39,565	99,372	-	16,273	39,565	115,645
Miscellaneous	432,380	206,482	8,427	-	440,807	206,482
Total revenues	65,897,749	61,132,452	13,067,871	8,360,082	78,965,620	69,492,534
Expenses:						
General government	11,155,986	10,435,130	-	-	11,155,986	10,435,130
Public safety	12,844,194	12,274,234	-	-	12,844,194	12,274,234
Economic and physical development	1,711,426	1,757,528	-	-	1,711,426	1,757,528
Human services	21,780,365	22,082,009	-	-	21,780,365	22,082,009
Recreational	683,275	539,435	-	-	683,275	539,435
Education	14,579,569	11,696,274	-	-	14,579,569	11,696,274
Interest and fees	938,783	396,649	-	-	938,783	396,649
Water and sewer	-	-	6,961,383	5,071,355	6,961,383	5,071,355
Landfill/solid waste	-	-	8,871,212	3,906,530	8,871,212	3,906,530
Total expenses	63,693,598	59,181,259	15,832,595	8,977,885	79,526,193	68,159,144
Revenues over (under) expenses	2,204,151	1,951,193	(2,764,724)	(617,803)	(560,573)	1,333,390
Transfers	24,359	88,793	(24,359)	(88,793)	-	-
Increase in net assets	2,228,510	2,039,986	(2,789,083)	(706,596)	(560,573)	1,333,390
Net Assets:						
Beginning of year - July 1	32,649,744	30,609,758	20,838,912	21,545,508	53,488,656	52,155,266
End of year - June 30	\$ 34,878,254	\$ 32,649,744	\$ 18,049,829	\$ 20,838,912	\$ 52,928,083	\$ 53,488,656

Governmental Activities

Of total net assets, governmental activities accounted for \$34,878,254 with Operating Grants and Contributions funding, \$21,669,387 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2012, interest revenues continued to decline with interest rates around .012 to .25%. The County remained fairly constant with fees from construction which had taken a downturn in the previous fiscal years. With no major capital purchases in the fiscal year, analysis of true need versus want in regards to expenses and a tough stance on tax collections, governmental net assets showed an increase of \$2,228,510.

Business-Type Activities

Business-type activities decreased the County's net assets by \$2,789,083. Revenues generated by Charges for Services in the business-type activities increased by \$4,935,382, with expenses increasing \$6,854,710 but Capital Grants and Contributions decreased dramatically 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 Halifax County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Halifax County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Halifax County. At the end of the current fiscal year, fund balance available in the General Fund was \$23,027,794 while total fund balance reached \$33,291,780. The County currently has an available fund balance of 60.9% of General Fund expenditures, while total fund balance represents 61.8 % of that same amount.

At June 30, 2012, the governmental funds of Halifax County reported a combined fund balance of \$33,815,553, a 3.7 percent increase over last year. This increase is due to controlled and restricted spending across all funds and an aggressive pursuit of ad valorem taxes by the Tax Collector as well as the County Attorney.

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, 2012, the net change in fund balances per the governmental funds totaled \$1,205,316, while the governmental activities column of the Government-Wide Financial Statements indicated a \$2,228,510 change in net assets. 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.

Fund balance may serve as a useful measure of a government's net resources available for spending. Approximately \$17,210,559 of the total governmental fund balances constitutes restricted 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.

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 \$429,927 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital Project Funds reported expenditures of \$2,993,502 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. Net assets of Solid Waste at year-end totaled \$3,661,393 and the Water Fund totaled \$14,388,436 for a cumulative total of \$18,049,829. 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, 2012, total net assets amounted to \$741,076, which is an increase of \$10,376 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 increase in the General Fund's fund balance by \$693,658.

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, 2012 amounts to \$57,861,564 (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 increase in the County's capital assets for the current fiscal year was less than 1%.

Halifax County's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and improvements	\$ 3,500,690	\$ 3,500,690	\$ 436,727	\$ 443,850	\$ 3,937,417	\$ 3,944,540
Buildings	26,198,663	24,635,736	46,597,478	37,077,977	72,796,141	61,713,713
Equipment	4,732,280	5,168,134	3,388,666	3,300,784	8,120,946	8,468,918
Vehicles	3,501,059	3,223,089	824,862	705,541	4,325,921	3,928,630
Construction in progress	7,103,318	4,634,202	2,190,903	11,292,767	9,294,221	15,926,969
Subtotal	45,036,010	41,161,851	53,438,636	52,820,919	98,474,646	93,982,770
Less: Accumulated depreciation	(21,048,128)	(19,299,304)	(19,564,954)	(16,847,322)	(40,613,082)	(36,146,626)
Total	<u>\$ 23,987,882</u>	<u>\$ 21,862,547</u>	<u>\$ 33,873,682</u>	<u>\$ 35,973,597</u>	<u>\$ 57,861,564</u>	<u>\$ 57,836,144</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 \$22,065,000, 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 \$242,710,716. 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 5.5%.

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

	Business-Type Activities	
	2012	2011
General Obligation Bonds	\$ 22,065,000	\$ 22,629,000

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$403.45 as of June 30, 2012, while the County's gross debt per capita is \$813.20.

Additional information of the County's long-term debt can be found beginning on page 57 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 2012 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 22,716 and has an unemployment rate of 13.8% as of June 30, 2012. This compares unfavorably to the State's unemployment rate of 9.9% and the United States' rate of 8.4% for the same period. The labor force, per Employment Security Commission charts, showed a decrease, and unemployment rate has increased in comparison to the prior fiscal year.
- Inflationary trends in the region compare favorably to national indices.
- Population of 54,397 has decreased by less than 0.01% from 2011 to 2012

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2012-2013

Governmental Activities

The County's last property re-evaluation was effective January 1, 2007 with work beginning for the next scheduled re-evaluation to be effective in 2015. The County has held the property tax rate steady at \$.68 per \$100. Our current property valuation is \$3.5 billion dollars. The estimated collection rate for Fiscal Year 2013 is 96.21%.

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 2012 were carried forward into fiscal year 2013.

Economic Development will continue to be emphasized during the 2012-2013 fiscal year. Development continues in the Halifax Corporate Park with infrastructure construction of Empire Foods. 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 \$4,456,763, which is a 7.5% increase as compared to last year. Public Utilities - Water Division's budgeted expenditures are \$5,439,292 which is also an increase of 9.6% from the previous fiscal year.

Phase XI financing will be obtained in early 2013 while Phase XI-A will be completed in the Spring of 2013.

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.



This page left intentionally blank

BASIC FINANCIAL STATEMENTS



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
Assets:					
Cash and investments	\$ 27,941,006	\$ 8,636,884	\$ 36,577,890	\$ 217,179	\$ 659,964
Ad valorem taxes receivable, net	2,230,792	-	2,230,792	-	-
Accounts receivable, net	7,074,315	1,169,380	8,243,695	42,596	-
Due from other governments	455,610	38,862	494,472	-	-
Due from primary government	-	-	-	54,465	-
Inventories	33,510	33,299	66,809	-	415,069
Prepaid items	753,907	-	753,907	2,650	13,412
Restricted assets:					
Cash and investments	1,637,472	294,181	1,931,653	-	-
Long-term receivable	-	4,159,215	4,159,215	-	-
Capital assets:					
Non-depreciable assets	10,604,008	2,627,630	13,231,638	-	139,924
Other capital assets, net of depreciation	13,383,874	31,246,052	44,629,926	-	898,681
Total assets	<u>64,114,494</u>	<u>48,205,503</u>	<u>112,319,997</u>	<u>316,890</u>	<u>2,127,050</u>
Liabilities:					
Accounts payable and accrued liabilities	3,126,499	481,883	3,608,382	15,289	317,185
Customer deposits	-	209,040	209,040	-	-
Due to other governments	-	-	-	-	42,193
Unearned revenues	85,099	-	85,099	-	-
Non-current liabilities:					
Due within one year	2,472,585	1,001,347	3,473,932	4,554	-
Due in more than one year	23,552,057	28,463,404	52,015,461	21,315	15,453
Total liabilities	<u>29,236,240</u>	<u>30,155,674</u>	<u>59,391,914</u>	<u>41,158</u>	<u>374,831</u>
Net Assets:					
Invested in capital assets, net of related debt	18,477,076	11,893,823	30,370,899	-	1,038,605
Restricted for:					
Stabilization by State statute	11,590,300	-	11,590,300	97,061	-
Public safety	374,372	-	374,372	-	-
Economic development	31,993	-	31,993	-	-
Human services	3,835,769	-	3,835,769	-	-
Education	493,469	-	493,469	-	-
Tourism	-	-	-	178,671	-
Other	-	-	-	-	130,004
Unrestricted	<u>75,275</u>	<u>6,156,006</u>	<u>6,231,281</u>	<u>-</u>	<u>583,610</u>
Total net assets	<u>\$ 34,878,254</u>	<u>\$ 18,049,829</u>	<u>\$ 52,928,083</u>	<u>\$ 275,732</u>	<u>\$ 1,752,219</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, 2012**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 11,155,986	\$ 2,149,215	\$ 1,899,853	\$ -
Public safety	12,844,194	3,436,113	957,215	-
Economic and physical development	1,711,426	-	3,803,163	-
Human services	21,780,365	158,807	14,831,321	-
Cultural and recreation	683,275	19,223	130,724	-
Education	14,579,569	-	47,111	1,369,143
Interest and fees	938,783	-	-	-
Total governmental activities	<u>63,693,598</u>	<u>5,763,358</u>	<u>21,669,387</u>	<u>1,369,143</u>
Business-Type Activities:				
Water and sewer	6,961,383	4,616,130	-	2,511
Solid waste	8,871,212	8,356,624	-	-
Total business-type activities	<u>15,832,595</u>	<u>12,972,754</u>	<u>-</u>	<u>2,511</u>
Total primary government	<u>\$ 79,526,193</u>	<u>\$ 18,736,112</u>	<u>\$ 21,669,387</u>	<u>\$ 1,371,654</u>
Component Units:				
Tourism Development Authority	\$ 718,375	\$ 3,602	\$ 8,313	\$ -
ABC Board	4,298,740	4,387,630	-	-
Total component units	<u>\$ 5,017,115</u>	<u>\$ 4,391,232</u>	<u>\$ 8,313</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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
\$ (7,106,918)	\$ -	\$ (7,106,918)		
(8,450,866)	-	(8,450,866)		
2,091,737	-	2,091,737		
(6,790,237)	-	(6,790,237)		
(533,328)	-	(533,328)		
(13,163,315)	-	(13,163,315)		
(938,783)	-	(938,783)		
<u>(34,891,710)</u>	<u>-</u>	<u>(34,891,710)</u>		
-	(2,342,742)	(2,342,742)		
-	(514,588)	(514,588)		
<u>-</u>	<u>(2,857,330)</u>	<u>(2,857,330)</u>		
<u>(34,891,710)</u>	<u>(2,857,330)</u>	<u>(37,749,040)</u>		
			\$ (706,460)	\$ -
			<u>-</u>	<u>88,890</u>
			<u>(706,460)</u>	<u>88,890</u>
29,060,545	-	29,060,545	-	-
7,441,555	-	7,441,555	-	-
121,816	-	121,816	-	-
-	84,179	84,179	-	-
-	-	-	736,118	-
39,565	8,427	47,992	239	574
<u>432,380</u>	<u>-</u>	<u>432,380</u>	<u>-</u>	<u>-</u>
37,095,861	92,606	37,188,467	736,357	574
<u>24,359</u>	<u>(24,359)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>37,120,220</u>	<u>68,247</u>	<u>37,188,467</u>	<u>736,357</u>	<u>574</u>
2,228,510	(2,789,083)	(560,573)	29,897	89,464
<u>32,649,744</u>	<u>20,838,912</u>	<u>53,488,656</u>	<u>245,835</u>	<u>1,662,755</u>
<u>\$ 34,878,254</u>	<u>\$ 18,049,829</u>	<u>\$ 52,928,083</u>	<u>\$ 275,732</u>	<u>\$ 1,752,219</u>

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

HALIFAX COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>Major</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>Other Governmental Funds</u>	
Assets:				
Cash and investments	\$ 22,847,172	\$ 730,699	\$ 2,941,386	\$ 26,519,257
Taxes receivable, net	1,822,331	-	408,461	2,230,792
Accounts receivable, net	5,133,932	1,707,426	230,819	7,072,177
Due from other governments	280,127	112,822	62,661	455,610
Due from other funds	4,190,106	-	-	4,190,106
Inventories	33,510	-	-	33,510
Prepaid items	753,907	-	-	753,907
Restricted cash	1,637,472	-	-	1,637,472
Total assets	<u>\$ 36,698,557</u>	<u>\$ 2,550,947</u>	<u>\$ 3,643,327</u>	<u>\$ 42,892,831</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,371,751	\$ 101,737	\$ 970,200	\$ 2,443,688
Due to other funds	-	2,359,497	1,830,609	4,190,106
Deferred revenues	2,035,026	-	408,458	2,443,484
Total liabilities	<u>3,406,777</u>	<u>2,461,234</u>	<u>3,209,267</u>	<u>9,077,278</u>
Fund Balances:				
Non-spendable:				
Inventories	33,510	-	-	33,510
Prepaid items	753,907	-	-	753,907
Restricted:				
Stabilization by State statute	9,476,569	1,820,248	293,483	11,590,300
Public safety	-	-	374,372	374,372
Economic development	-	-	31,993	31,993
Human services	3,835,769	-	-	3,835,769
Education	424,279	-	69,190	493,469
Committed	1,010,972	-	1,182,015	2,192,987
Assigned	4,530,361	-	-	4,530,361
Unassigned	13,226,413	(1,730,535)	(1,516,993)	9,978,885
Total fund balances	<u>33,291,780</u>	<u>89,713</u>	<u>434,060</u>	<u>33,815,553</u>
Total liabilities and fund balances	<u>\$ 36,698,557</u>	<u>\$ 2,550,947</u>	<u>\$ 3,643,327</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.	23,987,882
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	(26,024,642)
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.	741,076
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.	2,358,385
Net assets of governmental activities	<u>\$ 34,878,254</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, 2012

	Major		Nonmajor	Total
	General Fund	Halifax County Sewer Upgrade Project	Other Governmental Funds	
Revenues:				
Ad valorem taxes	\$ 24,322,857	\$ -	\$ 4,738,123	\$ 29,060,980
Other taxes and licenses	6,712,220	-	851,151	7,563,371
Unrestricted intergovernmental revenues	408,382	-	109,321	517,703
Restricted intergovernmental revenues	18,649,613	3,647,100	465,486	22,762,199
Permits and fees	1,300,247	-	-	1,300,247
Sales and services	4,098,301	-	-	4,098,301
Interest earned on investments	29,070	-	9,283	38,353
Miscellaneous	412,940	-	19,440	432,380
Total revenues	<u>55,933,630</u>	<u>3,647,100</u>	<u>6,192,804</u>	<u>65,773,534</u>
Expenditures:				
Current:				
General government	7,262,849	-	-	7,262,849
Public safety	11,942,693	-	1,536,319	13,479,012
Economic and physical development	768,266	3,566,935	1,015,818	5,351,019
Human services	22,497,454	-	434,472	22,931,926
Cultural and recreation	735,805	-	-	735,805
Education	8,484,574	-	6,094,995	14,579,569
Debt service:				
Principal repayments	2,091,581	-	-	2,091,581
Interest	938,783	-	-	938,783
Total expenditures	<u>54,722,005</u>	<u>3,566,935</u>	<u>9,081,604</u>	<u>67,370,544</u>
Revenues over (under) expenditures	<u>1,211,625</u>	<u>80,165</u>	<u>(2,888,800)</u>	<u>(1,597,010)</u>
Other Financing Sources (Uses):				
Transfers in	275,615	-	800,708	1,076,323
Transfers out	(770,123)	(54,420)	(2,421)	(826,964)
Installment purchase obligations issued	-	-	2,552,967	2,552,967
Total other financing sources (uses)	<u>(494,508)</u>	<u>(54,420)</u>	<u>3,351,254</u>	<u>2,802,326</u>
Net change in fund balances	717,117	25,745	462,454	1,205,316
Fund Balances:				
Beginning of year - July 1	<u>32,574,663</u>	<u>63,968</u>	<u>(28,394)</u>	<u>32,610,237</u>
End of year - June 30	<u>\$ 33,291,780</u>	<u>\$ 89,713</u>	<u>\$ 434,060</u>	<u>\$ 33,815,553</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, 2012

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	\$ 1,205,316
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(116,241)
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.	4,449,348
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,752,197)
Capital assets disposed of during the year not recognized on the modified accrual basis	(571,816)
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.	(534,890)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue but an increase in liabilities.	(2,552,967)
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.	2,091,581
The net revenue of the internal service funds are reported with governmental activities.	<u>10,376</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 2,228,510</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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 23,785,150	\$ 23,785,159	\$ 24,322,857	\$ 537,698
Other taxes and licenses	5,868,450	6,020,534	6,712,220	691,686
Unrestricted intergovernmental revenues	354,000	354,000	408,382	54,382
Restricted intergovernmental revenues	17,916,207	27,240,055	18,649,613	(8,590,442)
Permits and fees	1,185,343	1,290,140	1,300,247	10,107
Sales and services	3,584,384	3,732,044	4,098,301	366,257
Investment earnings	42,680	42,775	28,161	(14,614)
Miscellaneous	33,925	294,345	412,940	118,595
Total revenues	<u>52,770,139</u>	<u>62,759,052</u>	<u>55,932,721</u>	<u>(6,826,331)</u>
Expenditures:				
Current:				
General government	6,976,630	8,041,917	7,262,849	779,068
Public safety	12,143,626	12,745,263	11,942,693	802,570
Economic and physical development	824,059	3,810,612	768,266	3,042,346
Human services	22,442,418	26,502,904	22,497,454	4,005,450
Cultural and recreational	576,444	926,868	735,805	191,063
Education	8,243,633	10,641,695	8,484,574	2,157,121
Debt service:				
Principal retirement	2,181,206	2,183,574	2,091,581	91,993
Interest and fees	<u>874,764</u>	<u>936,296</u>	<u>938,783</u>	<u>(2,487)</u>
Total expenditures	<u>54,262,780</u>	<u>65,789,129</u>	<u>54,722,005</u>	<u>11,067,124</u>
Revenues over (under) expenditures	<u>(1,492,641)</u>	<u>(3,030,077)</u>	<u>1,210,716</u>	<u>4,240,793</u>
Other Financing Sources (Uses):				
Intrafund transfers	(280,709)	(39,700)	(22,550)	17,150
Transfers in	208,159	225,000	275,615	50,615
Transfers out	-	(719,507)	(770,123)	(50,616)
Appropriated fund balance	<u>1,565,191</u>	<u>3,564,284</u>	<u>-</u>	<u>(3,564,284)</u>
Total other financing sources (uses)	<u>1,492,641</u>	<u>3,030,077</u>	<u>(517,058)</u>	<u>(3,547,135)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	693,658	<u>\$ 693,658</u>
Fund Balance:				
Beginning of year - July 1			<u>31,587,150</u>	
End of year - June 30			<u>\$ 32,280,808</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2012

	<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>
Assets:				
Current assets:				
Cash and investments	\$ 5,328,794	\$ 3,308,090	\$ 8,636,884	\$ 1,421,749
Accounts receivable, net	528,435	640,945	1,169,380	2,138
Due from other funds	110,000	1,685,253	1,795,253	-
Due from other governments	14,538	24,324	38,862	-
Long term receivables	4,159,215	-	4,159,215	-
Restricted cash	-	294,181	294,181	-
Inventories	-	33,299	33,299	-
Total current assets	<u>10,140,982</u>	<u>5,986,092</u>	<u>16,127,074</u>	<u>1,423,887</u>
Non-current assets:				
Non-depreciable assets	601,256	2,026,374	2,627,630	-
Other capital assets, net of depreciation	623,726	30,622,326	31,246,052	-
Total non-current assets	<u>1,224,982</u>	<u>32,648,700</u>	<u>33,873,682</u>	<u>-</u>
Total assets	<u>11,365,964</u>	<u>38,634,792</u>	<u>50,000,756</u>	<u>1,423,887</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	269,318	212,565	481,883	682,811
Customer deposits	-	209,040	209,040	-
Due to other funds	110,000	1,685,253	1,795,253	-
Compensated absences payable	9,278	19,048	28,326	-
Accrued landfill post-closure care costs	270,335	-	270,335	-
General obligation bonds payable	-	702,686	702,686	-
Total current liabilities	<u>658,931</u>	<u>2,828,592</u>	<u>3,487,523</u>	<u>682,811</u>
Non-current liabilities:				
Compensated absences payable	15,139	31,078	46,217	-
Accrued landfill post-closure care costs	7,012,531	-	7,012,531	-
Other post-employment benefits	17,970	24,372	42,342	-
General obligation bonds payable - non-current	-	21,362,314	21,362,314	-
Total non-current liabilities	<u>7,045,640</u>	<u>21,417,764</u>	<u>28,463,404</u>	<u>-</u>
Total liabilities	<u>7,704,571</u>	<u>24,246,356</u>	<u>31,950,927</u>	<u>682,811</u>
Net Assets:				
Invested in capital assets, net of related debt	1,224,983	10,583,700	11,808,683	-
Unrestricted	<u>2,436,410</u>	<u>3,804,736</u>	<u>6,241,146</u>	<u>741,076</u>
Total net assets	<u>\$ 3,661,393</u>	<u>\$ 14,388,436</u>	<u>\$ 18,049,829</u>	<u>\$ 741,076</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, 2012

	<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>
Operating Revenues:				
Water and sewer sales	\$ 8,356,624	\$ 4,572,830	\$ 12,929,454	\$ -
System tap and service fees	-	43,300	43,300	-
Other taxes and licenses	84,179	-	84,179	-
Charges for services	-	-	-	3,647,764
Total operating revenues	<u>8,440,803</u>	<u>4,616,130</u>	<u>13,056,933</u>	<u>3,647,764</u>
Operating Expenses:				
Administration	-	-	-	3,413,600
Water and sewer operations	-	3,436,484	3,436,484	-
Repairs and maintenance	-	121,651	121,651	-
Landfill operations	8,700,883	-	8,700,883	-
Landfill post-closure care costs	30,535	-	30,535	-
Depreciation	139,794	2,577,838	2,717,632	-
Total operating expenses	<u>8,871,212</u>	<u>6,135,973</u>	<u>15,007,185</u>	<u>3,413,600</u>
Operating income (loss)	<u>(430,409)</u>	<u>(1,519,843)</u>	<u>(1,950,252)</u>	<u>234,164</u>
Non-Operating Revenues (Expenses):				
Investment earnings	5,121	3,306	8,427	1,212
Interest and fees paid	-	(825,410)	(825,410)	-
Total non-operating revenues (expenses)	<u>5,121</u>	<u>(822,104)</u>	<u>(816,983)</u>	<u>1,212</u>
Income (loss) before transfers and capital contributions	<u>(425,288)</u>	<u>(2,341,947)</u>	<u>(2,767,235)</u>	<u>235,376</u>
Transfers from other funds	8,414	13,057	21,471	-
Transfers to other funds	-	(45,830)	(45,830)	(225,000)
Capital contributions	-	2,511	2,511	-
Total transfers and capital contributions	<u>8,414</u>	<u>(30,262)</u>	<u>(21,848)</u>	<u>(225,000)</u>
Change in net assets	(416,874)	(2,372,209)	(2,789,083)	10,376
Net Assets:				
Beginning of year - July 1	<u>4,078,267</u>	<u>16,760,645</u>	<u>20,838,912</u>	<u>730,700</u>
End of year - June 30	<u>\$ 3,661,393</u>	<u>\$ 14,388,436</u>	<u>\$ 18,049,829</u>	<u>\$ 741,076</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, 2012

	<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>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 4,283,318	\$ 4,651,498	\$ 8,934,816	\$ 3,647,190
Cash paid for goods and services	(3,511,967)	(2,983,968)	(6,495,935)	(3,336,844)
Cash paid to employees for services	(452,990)	(646,950)	(1,099,940)	-
Other operating revenues	-	(369)	(369)	-
Net cash provided (used) by operating activities	<u>318,361</u>	<u>1,020,211</u>	<u>1,338,572</u>	<u>310,346</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers in	8,414	13,057	21,471	-
Transfers out	-	(45,830)	(45,830)	(225,000)
Net cash provided (used) by non-capital financing activities	<u>8,414</u>	<u>(32,773)</u>	<u>(24,359)</u>	<u>(225,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Contributed capital received	-	2,511	2,511	-
Interest expense	-	(825,410)	(825,410)	-
Acquisition of capital assets	(308,952)	(308,765)	(617,717)	-
Long-term debt issued	-	9,048,000	9,048,000	-
Principal repayments on long-term debt	-	(9,612,000)	(9,612,000)	-
Net cash provided (used) by capital and related financing activities	<u>(308,952)</u>	<u>(1,695,664)</u>	<u>(2,004,616)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	5,121	3,306	8,427	1,212
Net cash provided (used) by investing activities	<u>5,121</u>	<u>3,306</u>	<u>8,427</u>	<u>1,212</u>
Net increase (decrease) in cash and cash equivalents	22,944	(704,920)	(681,976)	86,558
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>5,305,850</u>	<u>4,307,191</u>	<u>9,613,041</u>	<u>1,335,191</u>
End of year - June 30	<u>\$ 5,328,794</u>	<u>\$ 3,602,271</u>	<u>\$ 8,931,065</u>	<u>\$ 1,421,749</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, 2012

	Business-Type Activities			Governmental Activities
	Major			
	Solid Waste Fund	Water Fund	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (430,409)	\$ (1,519,843)	\$ (1,950,252)	\$ 234,164
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	139,794	2,577,838	2,717,632	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,245,796)	(1,513,978)	(5,759,774)	(574)
(Increase) decrease in inventories	-	877	877	-
Increase (decrease) in accounts payable and accrued liabilities	72,326	1,475,687	1,548,013	76,756
Increase (decrease) in customer deposits	-	(370)	(370)	-
Increase (decrease) in accrued landfill closure and post-closure costs	4,782,446	-	4,782,446	-
Net cash provided (used) by operating activities	\$ 318,361	\$ 1,020,211	\$ 1,338,572	\$ 310,346

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2012

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 99,917	\$ 245,942
Taxes receivable, net	-	918,282
Total assets	<u>\$ 99,917</u>	<u>\$ 1,164,224</u>
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 243,902
Intergovernmental payable	-	920,322
Total liabilities	<u>-</u>	<u>1,164,224</u>
Net Assets:		
Assets held in trust for pension benefits	<u>\$ 99,917</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, 2012

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 25,000
Investment income	<u>87</u>
Total additions	<u>25,087</u>
Deductions:	
Benefits	<u>13,203</u>
Change in net assets	11,884
Net Assets:	
Beginning of year - July 1	<u>88,033</u>
End of year - June 30	<u>\$ 99,917</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, 2012

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, 2012, 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, 2012, 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, 2012

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 Sewer Upgrade Project. These funds are used to prepare water lines and roads for access to an area for an economic development project.

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 eight special revenue funds: Emergency Telephone System Fund, Our Community Hospital Center Fund, Weldon School District Fund, Fire District Fund, Roanoke Rapids School Graded District Fund, CDBG Scattered Site Rehab 2008, CDBG Scattered Site Rehab 2012, and United Salvage 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, Littleton Building Project, Piezotronics Project, Alliance Drive Relocation Project, Community Corrections Project, Industrial Building, QCSB Roanoke Rapids, and Jail Construction.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

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 Trust Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; Tax Collection Agency Fund, which accounts for tax revenues of municipalities within the County collected by the County on their behalf; DMV Fines and

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Forfeitures, 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 \$6.20 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 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 CDBG Scattered Site Housing, 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.

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).

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

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, 2012 is restricted for the purpose of debt retirement. The unexpended proceeds of the County's financing for the Phase X Water Capital Project is restricted for the purpose in which it was borrowed. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the tax reassessment fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

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, 2011. 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.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates. Significant areas where estimates are made are: allowance for doubtful accounts and depreciation lives.

P. 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 a) externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or b) imposed by law through State statute.

Fund Balances

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in tact.

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

Prepaid Items – portion of fund balance not available to pay for any commitments because it represents prepaid expenses of the next year, which are not expendable, available resources.

Restricted Fund Balance

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

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

Restricted for Human Services – portion of fund balance available for appropriation but legally segregated for Health Department expenditures. It represents the balance of the total unexpended Health Department grants and related fees.

Restricted for Education – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for public safety activities such as fire protection, police, and E911 expenditures.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for economic development.

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Human services	\$ 3,835,769	\$ -	\$ 3,835,769
Economic development	-	31,993	31,993
Education	424,279	69,190	493,469
Public safety	-	374,372	374,372
Total	<u>\$ 4,260,048</u>	<u>\$ 475,555</u>	<u>\$ 4,735,603</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Committed Fund Balance

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing body is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Tax Revaluation – portion of fund balance that can only be used for tax revaluation.

Committed for Economic Development – portion of fund balance that can only be used for construction of building.

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Tax revaluation	\$ 1,010,972	\$ -	\$ 1,010,972
Economic development	-	1,182,015	1,182,015
Total	<u>\$ 1,010,972</u>	<u>\$ 1,182,015</u>	<u>\$ 2,192,987</u>

Assigned Fund Balance

This classification represents a portion of fund balance that the County intends to use for specific purposes.

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been budgeted by the Board for 2012-2013 expenditures.

Assigned for Public Safety – portion of fund balance that has been budgeted by the Board for public safety activities such as fire protection, police, and E911 expenditures.

<u>Purpose</u>	<u>General Fund</u>
Public safety	\$ 2,197,665
Subsequent year's expenditures	2,332,696
Total	<u>\$ 4,530,361</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Unassigned Fund Balance

This classification represents the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Halifax County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The County has not officially adopted a fund balance policy.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 33,291,780
Less:	
Inventories	33,510
Prepays	753,907
Stabilization by State statute	<u>9,476,569</u>
Total available fund balance	<u><u>\$ 23,027,794</u></u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance -Budget and Actual - General Fund to the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds

A legally budgeted Reassessment Fund is consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

Fund balance, ending - General Fund (Exhibit F)	<u>\$ 32,280,808</u>
Reassessment Fund:	
Revenues:	
Investment earnings	909
Transfers in	22,550
Fund Balance:	
Beginning of year - July 1	<u>987,513</u>
End of year, June 30	<u>1,010,972</u>
Total ending fund balance (Exhibit D)	<u><u>\$ 33,291,780</u></u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Net Assets of Individual Funds:

For the fiscal year ended June 30, 2012, individual funds had deficit fund balances as follows:

Piezotoronics Project	\$	1,373,036
Jail Construction		33,949

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 an additional six-year period. The Jail Construction project will reimburse the General Fund when grant is received.

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, 2012

At June 30, 2012, the County's deposits had a carrying amount of \$24,136,541 and a bank balance of \$26,283,393. Of the bank balance, \$750,000 was covered by federal depository insurance and \$25,533,393 was covered by collateral held under the Pooling Method.

At June 30, 2012 the County had \$3,145 cash on hand.

Investments

At June 30, 2012, the County had \$14,715,716 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 limit 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, 2012.

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.

Year Ended				
June 30	Tax	Interest	Total	
2009	\$ 1,069,600	\$ -	\$ 1,069,600	
2010	1,078,027	-	1,078,027	
2011	1,099,600	-	1,099,600	
Total	<u>\$ 3,247,227</u>	<u>\$ -</u>	<u>\$ 3,247,227</u>	

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Receivables

Receivables at Exhibit A at June 30, 2012 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 6,970,433	\$ 2,500,216	\$ 280,127	\$ 9,750,776
Other governmental	1,938,245	408,461	175,483	2,522,189
Allowance for doubtful accounts	(1,834,363)	(677,885)	-	(2,512,248)
Total governmental activities	<u>\$ 7,074,315</u>	<u>\$ 2,230,792</u>	<u>\$ 455,610</u>	<u>\$ 9,760,717</u>
Business-Type Activities:				
Solid Waste	\$ 697,037	\$ -	\$ 14,538	\$ 711,575
Water Fund	755,847	-	24,324	780,171
Allowance for doubtful accounts	(283,504)	-	-	(283,504)
Total business-type activities	<u>\$ 1,169,380</u>	<u>\$ -</u>	<u>\$ 38,862</u>	<u>\$ 1,208,242</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	<u>\$ 455,610</u>	<u>\$ 38,862</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Capital Assets

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land and improvements	\$ 3,500,690	\$ -	\$ -	\$ 3,500,690
Construction in progress	<u>4,634,202</u>	<u>4,025,448</u>	<u>(1,556,332)</u>	<u>7,103,318</u>
Total non-depreciable capital assets	<u>8,134,892</u>	<u>4,025,448</u>	<u>(1,556,332)</u>	<u>10,604,008</u>
Depreciable Assets:				
Buildings and improvements	24,635,736	1,562,927	-	26,198,663
Vehicles	3,223,089	385,893	(107,923)	3,501,059
Equipment	<u>5,168,134</u>	<u>31,412</u>	<u>(467,266)</u>	<u>4,732,280</u>
Total depreciable capital assets	<u>33,026,959</u>	<u>1,980,232</u>	<u>(575,189)</u>	<u>34,432,002</u>
 Total capital assets	 <u>41,161,851</u>	 <u>6,005,680</u>	 <u>(2,131,521)</u>	 <u>45,036,010</u>
Less Accumulated Depreciation:				
Buildings and improvements	(12,105,942)	(1,217,192)	-	(13,323,134)
Vehicles	(2,888,292)	(241,145)	2,240	(3,127,197)
Equipment	<u>(4,305,070)</u>	<u>(293,860)</u>	<u>1,133</u>	<u>(4,597,797)</u>
Total accumulated depreciation	<u>(19,299,304)</u>	<u>\$ (1,752,197)</u>	<u>\$ 3,373</u>	<u>(21,048,128)</u>
 Governmental activity capital assets, net	 <u>\$ 21,862,547</u>			 <u>\$ 23,987,882</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Governmental Activities:	
General government	\$ 366,876
Public safety	687,961
Economic and physical development	413,789
Human services	280,850
Cultural and recreational	<u>2,721</u>
Total	<u>\$ 1,752,197</u>

Capital assets for proprietary funds of the County at June 30, 2012 are as follows:

Business-Type Activities:	Balance			Balance
	July 1, 2011	Additions	Retirements	June 30, 2012
Solid Waste:				
Non-Depreciable Assets:				
Land	\$ 292,250	\$ 20,000	\$ -	\$ 312,250
Construction in progress	121,048	167,958	-	289,006
Total non-depreciable assets	<u>413,298</u>	<u>187,958</u>	<u>-</u>	<u>601,256</u>
Depreciable Assets:				
Other improvements	27,123	-	-	27,123
Buildings	43,971	-	-	43,971
Vehicles	463,179	90,364	-	553,543
Equipment	1,370,770	30,630	-	1,401,400
Total depreciable capital assets	<u>1,905,043</u>	<u>120,994</u>	<u>-</u>	<u>2,026,037</u>
Less Accumulated Depreciation:				
Other improvements	(14,886)	(1,614)	-	(16,500)
Buildings	(27,546)	(1,590)	-	(29,136)
Vehicles	(420,893)	(28,728)	-	(449,621)
Equipment	(799,192)	(107,862)	-	(907,054)
Total accumulated depreciation	<u>(1,262,517)</u>	<u>\$ (139,794)</u>	<u>\$ -</u>	<u>(1,402,311)</u>
Total solid waste capital assets, net	<u>1,055,824</u>			<u>1,224,982</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Water Fund:				
Non-Depreciable Assets:				
Land	\$ 124,477	\$ -	\$ -	\$ 124,477
Construction in progress	11,171,719	222,556	(9,492,378)	1,901,897
Total non-depreciable capital assets	11,296,196	222,556	(9,492,378)	2,026,374
Depreciable Assets:				
Plant and distribution centers	37,034,006	9,492,378	-	46,526,384
Vehicles	242,362	28,957	-	271,319
Equipment and furniture	1,930,014	57,252	-	1,987,266
Total depreciable capital assets	39,206,382	9,578,587	-	48,784,969
Less Accumulated Depreciation:				
Plant and distribution centers	(13,430,355)	(2,555,021)	-	(15,985,376)
Vehicles	(297,752)	(9,306)	-	(307,058)
Equipment and furniture	(1,856,698)	(13,511)	-	(1,870,209)
Total accumulated depreciation	(15,584,805)	\$ (2,577,838)	\$ -	(18,162,643)
 Total water capital assets, net	 34,917,773			 32,648,700
 Business-type activities capital assets, net	 \$ 35,973,597			 \$ 33,873,682

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Invested in Capital Assets, Net of Debt

The total invested in capital assets, net of related debt at June 30, 2012 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 23,987,882	\$ 33,873,682
Total debt, gross	22,680,658	22,065,000
Long-term debt for assets not owned by the County	17,169,852	-
Unexpended proceeds	-	85,141
Total capital debt	5,510,806	21,979,859
Invested in capital assets, net of related debt	\$ 18,477,076	\$ 11,893,823

B. Liabilities

Construction Commitments

The government has one active construction project as of June 30, 2012. The original contract was \$522,161. At year-end, the government's commitment for the Industrial Building was to Rightmyer Construction for \$223,194.

Payables

Payables at Exhibit A for June 30, 2012 were as follows:

	Vendors	Insurance Claims Incurred But Not Reported	Other	Total
Governmental Activities:				
General	\$ 1,309,846	\$ 682,811	\$ 61,905	\$ 2,054,562
Other governmental	1,071,937	-	-	1,071,937
Total governmental activities	\$ 2,381,783	\$ 682,811	\$ 61,905	\$ 3,126,499
Business-Type Activities:				
Solid waste	\$ 269,318	\$ -	\$ -	\$ 269,318
Water	208,685	-	3,880	212,565
Total business-type activities	\$ 478,003	\$ -	\$ 3,880	\$ 481,883

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 6.44% and 6.41%, 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.

The County's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were \$2,589,382, \$1,234,618, and \$1,874,335, 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2011, 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><u>60</u></u>

Summary of Significant Accounting Policies

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.

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 .53% 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.

The annual required contribution for the current year was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25 to 7.85% per year. Both (a) and (b) included an inflation component of 3%. 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, 2010 was 20 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 98,006
Interest on net pension obligation	23,665
Adjustment to annual required contribution	<u>(28,234)</u>
Annual pension cost	93,437
Contributions made	<u>(12,265)</u>
Increase (decrease) in net pension obligation	81,172
Net pension obligation:	
Beginning of year - July 1	<u>473,294</u>
End of year - June 30	<u><u>\$ 554,466</u></u>

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 71,627	17.12%	\$ 389,067
2011	96,492	12.41%	473,294
2012	93,437	13.13%	554,466

Funded Status and Funding Progress. As of December 31 2011, the most recent actuarial valuation date, the plan was 9.83% funded. The Actuarial Accrued Liability for benefits was \$895,226 and the Actuarial Value of Assets was \$88,033, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$807,193. The covered payroll (annual payroll of active employees covered by the plan) was \$2,331,134 and the ratio of the UAAL to the covered payroll was 34.63 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012 were \$337,675, which consisted of \$114,750 from the County, \$21,851 from the law enforcement officers, and \$201,074 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, 2012

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, 2012, the County's required and actual contributions were \$3,500.

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-nine 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, 2011, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	29	N/A
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	472	63
Total	<u>501</u>	<u>63</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 \$189,733, or .96% 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.

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 Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
Annual required contribution	\$ 353,129	\$ 14,714	\$ 367,843
Interest on net OPEB obligation	34,973	1,457	36,430
Adjustments to annual required contribution	<u>(30,361)</u>	<u>(1,070)</u>	<u>(31,431)</u>
Annual OPEB cost (expense)	357,741	15,101	372,842
Contributions made	<u>(182,144)</u>	<u>(7,589)</u>	<u>(189,733)</u>
Increase (decrease) in net OPEB obligation	175,597	7,512	183,109
Net OPEB obligation:			
Beginning of year - July 1	<u>875,932</u>	<u>34,830</u>	<u>910,762</u>
End of year - June 30	<u>\$ 1,051,529</u>	<u>\$ 42,342</u>	<u>\$ 1,093,871</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 356,820	30.1%	\$ 663,346
2011	356,206	30.5%	910,762
2012	372,842	50.9%	1,093,871

Fund Status and Funding Progress. As of December 31, 2011, 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 \$4,202,926. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,805,748, and the ratio of the UAAL to the covered payroll was 21.2 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, 2011, 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 9.50 to 5.00 percent annually. Both rates included a 3.00 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, 2011 was 30 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

As of June 30, 2012, 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.

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 \$7,282,866 reported as landfill post-closure care liability at June 30, 2012 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 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. As per NCGS 130A 295.2(h), the estimated closure expenses have been increased by the minimum \$3,000,000 for potential and corrective action. The County has entered into a contract with Westmoreland-Hadison Partners as of March 4, 1991 for the reimbursement of all actual and reasonable expenses related to the Ash Monofill. A receivable in the amount of \$4,159,215 has been recorded on the balance sheet for the monofill portion of the landfill post-closure care liability.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 \$77,716 (market value - \$77,716) 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.

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 Revenues</u>	<u>Unearned Revenues</u>
General Fund taxes receivable, net	\$ 1,822,331	\$ -
Special Revenue Fund taxes receivable, net	408,458	-
General Fund:		
Prepaid taxes not yet earned	85,099	85,099
USDA inventory	33,510	-
County school loan	94,086	-
Total	<u>\$ 2,443,484</u>	<u>\$ 85,099</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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The County obtained blanket property insurance coverage of \$48,496,616 with a limit of 100% of the applicable building or personal property limit in any one occurrence. Replacement cost, subject to limitations, applies to all types of covered property excluding buildings and business personal property which have actual cash values. 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.

Changes in the fund's claims liability amounts for fiscal year 2011-2012 were as follows:

<u>Year Ended June 30</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2010	\$ 619,336	\$ 3,616,914	\$ (3,544,412)	\$ 691,838
2011	691,838	3,568,948	(3,654,731)	606,055
2012	606,055	3,420,314	(3,343,558)	682,811

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Contingent Liabilities

At June 30, 2012, 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 required 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. The current accumulated depreciation is \$74,596 and book value is \$432,096.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending	Amount
June 30	
2013	\$ 55,334
2014	55,334
2015	22,199
2016	21,365
2017	21,365
2018-2022	106,861
2023-2027	73,464
Total minimum lease payments	355,922
Less: amount representing interest	(84,640)
Present value of minimum lease payments	<u>\$ 271,282</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Notes Payable:

Serviced by the General Fund:

4.27%, \$ \$17,000,000 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	\$ 11,900,000
\$1,642,400 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
4.26%, \$3,223,458 bank 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	805,865
4.21%, \$938,253 bank note, payable in annual installments of \$116,891, including interest beginning August 2003 through August 2013; secured by EMS building	219,805
4.45%, \$7,554,770 note, payable in annual installments ranging of \$713,926 to \$394,548, including interest beginning December 2006 through December 2025: secured by DSS building	5,288,339
\$2,552,967 Qualified School Construction Bond installments purchase contract payable in annual sinking fund payments of \$170,198. Scheduled payments to be made by the County assume project investment earnings at a fixed rate of 1.791%	<u>2,552,967</u>
Total notes payable	<u>\$ 22,409,376</u>

As of June 30, 2012, funds totaling \$626,500 have been deposited with NCCMT as part of the QZAB sinking fund requirement.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Year Ending	Principal	Interest	Total
<u>June 30</u>			
2013	\$ 1,774,195	\$ 914,020	\$ 2,688,215
2014	1,778,726	846,591	2,625,317
2015	1,666,558	779,617	2,446,175
2016	1,397,936	708,864	2,106,800
2017	1,397,936	658,515	2,056,451
2018-2022	8,632,081	2,522,033	11,154,114
2023-2027	5,761,944	1,125,103	6,887,047
Total	<u>\$ 22,409,376</u>	<u>\$ 7,554,743</u>	<u>\$ 29,964,119</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.

Bonds payable at June 30, 2012 are comprised of the following individual issues:

Serviced by Enterprise Fund - Water Fund:

\$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	\$ 4,380,000
\$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	6,721,000
\$1,916,000 Water Bonds due in annual installments through June 2050. Annual installments ranging from \$62,270 to \$89,495 including interest at 4.125% per annum	1,916,000
\$9,048,000 GO Refunding Bond Series 2012 due in semi-annual installments through September 2028. Semi-annual installments ranging from \$373,543 to 724,450, including interest at 3.79% per annum	<u>9,048,000</u>
Total bonds payable	<u>\$ 22,065,000</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Year Ending June 30	Principal	Interest	Total
2013	\$ 702,686	\$ 866,098	\$ 1,568,784
2014	746,130	833,364	1,579,494
2015	770,497	794,324	1,564,821
2016	801,199	766,329	1,567,528
2017	832,009	736,863	1,568,872
2018-2022	4,590,814	3,190,228	7,781,042
2023-2027	5,423,737	2,232,729	7,656,466
2028-2032	2,751,928	1,270,924	4,022,852
2033-2037	1,261,000	976,339	2,237,339
2038-2042	1,531,000	707,504	2,238,504
2043-2047	1,851,000	380,938	2,231,938
2048-2049	803,000	48,300	851,300
Total	<u>\$ 22,065,000</u>	<u>\$ 12,803,940</u>	<u>\$ 34,868,940</u>

At June 30, 2012, the County had a legal debt margin of \$242,710,716.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
Notes payable	\$ 21,905,714	\$ 2,552,967	\$ (2,049,305)	\$ 22,409,376	\$ 1,774,195
Capital leases	313,558	-	(42,276)	271,282	55,334
Compensated absences	1,459,868	747,805	(469,684)	1,737,989	643,056
Other post-employment benefits	875,932	387,687	(212,090)	1,051,529	-
Unfunded Special					
Separation Allowance	473,294	121,671	(40,499)	554,466	-
Total governmental activities	<u>\$ 25,028,366</u>	<u>\$ 3,810,130</u>	<u>\$ (2,813,854)</u>	<u>\$ 26,024,642</u>	<u>\$ 2,472,585</u>
Business-Type Activities:					
Solid Waste:					
Accrued landfill closure and post-closure care costs	\$ 2,500,420	\$ 4,782,446	\$ -	\$ 7,282,866	\$ 270,335
Other post-employment benefits	13,613	9,620	(5,263)	17,970	-
Compensated absences	23,495	9,316	(8,394)	24,417	9,278
Total solid waste activities	<u>2,537,528</u>	<u>4,801,382</u>	<u>(13,657)</u>	<u>7,325,253</u>	<u>279,613</u>
Water:					
General obligation debt	22,629,000	9,048,000	(9,612,000)	22,065,000	702,686
Other post-employment benefits	21,217	6,966	(3,811)	24,372	-
Compensated absences	44,049	13,362	(7,285)	50,126	19,048
Total water activities	<u>22,694,266</u>	<u>9,068,328</u>	<u>(9,623,096)</u>	<u>22,139,498</u>	<u>721,734</u>
Total business-type activities	<u>\$ 25,231,794</u>	<u>\$ 13,869,710</u>	<u>\$ (9,636,753)</u>	<u>\$ 29,464,751</u>	<u>\$ 1,001,347</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 an FIFO basis. The current portion of compensated absences at June 30, 2012 is \$671,382.

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, 2012

C. Interfund Balances and Activity

Transfers from/to other funds at June 30, 2012 consist of the following:

	Transfers		Purpose
	From	To	
General Fund	\$ 770,123	\$ -	
Capital Project Fund:			
Littleton Building Project	-	748,652	Project funding
Enterprise Fund			
Solid Waste	-	8,414	Reimbursement among funds
Water	-	13,057	Reimbursement among funds
Capital Project Fund			
Community Corrections Project	29	-	Close project
Halifax County Sewer Upgrade			
Project	49,500	-	Reimbursement among funds
Littleton Building Project	1,086	-	Close project
Internal Service Fund	225,000	-	Reimbursement among funds
General Fund	-	275,615	
Other Governmental Funds			
Alliance drive	-	52,056	
United Salvage	1,306	-	Close project
Halifax County Sewer Upgrade			
Project	4,920	-	Close project
Enterprise Fund			
Water Treatment Project	45,830	-	Project funding
Enterprise Fund - Water			
Phase X	197,925	-	
Water	-	197,925	Close project
Enterprise Fund - Solid Waste			
Solid Waste	90,230	-	Project funding
Enfiled Convenience Site	24,770	-	Project funding
C&D Landfill Project	-	115,000	
Total	\$ 1,410,719	\$ 1,410,719	

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Capital Project Funds	\$ 4,190,106

The interfund balances above from the General Fund to the capital projects are advances until project financing is received.

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 (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 (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 \$1,505,355 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2012. 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, 2012. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Highway 158, Weldon, North Carolina 27890.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The County, in conjunction with the Counties of Bertie, Hertford, and Northampton, participates in a joint venture to operate the Choanoke Public Transportation Authority (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 \$421,237 to the Transportation Authority during the fiscal year ended June 30, 2012. 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, 2012. 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.

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 \$22,126 to the Council during the fiscal year ended June 30, 2012.

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.

	Federal	State
Energy Assistance Payment	\$ 936,112	\$ -
AFDC Payments and Penalties	(1,887)	(517)
TANF Payments and Penalties	678,274	(197)
State Foster Home	-	30,476
IV-E Adopt Subsidy and Vendor	285,880	76,516
IV-E Foster Care	79,535	21,261
IV-E Foster Care in Excess	53,770	-
CWS Adopt Subsidy and Vendor	-	97,560
Title XIX - Medicaid	67,191,340	40,165,503
Food Stamp Program	27,744,388	-
Total	\$ 96,967,412	\$ 40,390,602

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

8. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted 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.

9. Subsequent Event

On August 10, 2012, the County financed \$1,700,000 for the construction of a Solid Waste Transfer Station to be located at the current County owned landfill. This enterprise project will enable the County to terminate a contract for these services which will result in a savings for Public Utilities.



This page left intentionally blank

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**



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets A	Actuarial Accrued Liability (AAL) - Projected Unit Credit B	Unfunded AAL (UAAL) B - A	Funded Ratio A / B	Covered Payroll C	UAAL as a Percentage Covered Payroll (B - A) / C
12/30/2011	\$ 88,033	\$ 895,226	\$ 807,193	9.83%	\$ 2,331,134	34.63%
12/31/2010	69,576	849,990	780,414	8.19%	2,342,396	33.32%
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%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2012	\$ 98,006	\$ 12,265	12.51%
2011	97,868	12,265	12.53%
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	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.25 - 7.85%
Cost of living adjustments	N/A

* Includes inflation at 3.00%

HALIFAX COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2012

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	22.10%	
12/31/2011	-	4,202,926	4,202,926	0.00%	19,805,748	21.20%	

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage of ARC Contributed
2009	\$ 520,212	20.40%
2010	354,547	30.32%
2011	354,547	30.68%
2012	367,843	51.58%

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, 2011
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 cost trend rate	9.5% - 5.00%
Year of Ultimate trend rate	2018

* Includes inflation of 3.00%

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.



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-ACTUAL-GENERAL FUND CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Reassessment Fund	Total Consolidated General Fund
Revenues:			
Ad valorem taxes	\$ 24,322,857	\$ -	\$ 24,322,857
Other taxes and licenses	6,712,220	-	6,712,220
Unrestricted intergovernmental revenues	408,382	-	408,382
Restricted intergovernmental revenues	18,649,613	-	18,649,613
Permits and fees	1,300,247	-	1,300,247
Sales and services	4,098,301	-	4,098,301
Investment earnings	28,161	909	29,070
Miscellaneous	412,940	-	412,940
Total revenues	<u>55,932,721</u>	<u>909</u>	<u>55,933,630</u>
Expenditures:			
General government	7,262,849	-	7,262,849
Public safety	11,942,693	-	11,942,693
Economic and physical development	768,266	-	768,266
Human services	22,497,454	-	22,497,454
Cultural and recreational	735,805	-	735,805
Education	8,484,574	-	8,484,574
Debt service:			
Principal	2,091,581	-	2,091,581
Interest	938,783	-	938,783
Total expenditures	<u>54,722,005</u>	<u>-</u>	<u>54,722,005</u>
Revenues over (under) expenditures	<u>1,210,716</u>	<u>909</u>	<u>1,211,625</u>
Other Financing Sources (Uses):			
Intrafund transfers	(22,550)	22,550	-
Transfers in:			
Internal Service Fund	225,000	-	225,000
Capital projects funds	50,615	-	50,615
Total other financing sources (uses)	<u>(517,058)</u>	<u>22,550</u>	<u>(494,508)</u>
Net change in fund balance	693,658	23,459	717,117
Fund Balance:			
Beginning of year - July 1	<u>31,587,150</u>	<u>987,513</u>	<u>32,574,663</u>
End of year - June 30	<u>\$ 32,280,808</u>	<u>\$ 1,010,972</u>	<u>\$ 33,291,780</u>

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - ALL DEPARTMENTS
 FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Public Health Fund	Social Services Fund	Emergency Management Services Fund	Total
Revenues:					
Ad valorem taxes	\$ 24,322,857	\$ -	\$ -	\$ -	\$ 24,322,857
Other taxes and licenses	6,711,444	-	-	776	6,712,220
Unrestricted intergovernmental revenues	408,382	-	-	-	408,382
Restricted intergovernmental revenues	3,606,227	5,097,539	9,714,143	231,704	18,649,613
Permits and fees	1,299,578	-	669	-	1,300,247
Sales and services	1,308,157	12,283	-	2,777,861	4,098,301
Investment earnings	27,816	345	-	-	28,161
Miscellaneous	362,777	14,765	25,426	9,972	412,940
Total revenues	<u>38,047,238</u>	<u>5,124,932</u>	<u>9,740,238</u>	<u>3,020,313</u>	<u>55,932,721</u>
Expenditures:					
General government	7,262,849	-	-	-	7,262,849
Public safety	7,685,017	-	-	4,257,676	11,942,693
Economic and physical development	768,266	-	-	-	768,266
Human services	1,650,227	6,401,144	14,446,083	-	22,497,454
Cultural and recreational	735,805	-	-	-	735,805
Education	8,484,574	-	-	-	8,484,574
Debt service:					
Principal	1,931,954	-	-	159,627	2,091,581
Interest	923,439	-	-	15,344	938,783
Total expenditures	<u>29,442,131</u>	<u>6,401,144</u>	<u>14,446,083</u>	<u>4,432,647</u>	<u>54,722,005</u>
Revenues over (under) expenditures	<u>8,605,107</u>	<u>(1,276,212)</u>	<u>(4,705,845)</u>	<u>(1,412,334)</u>	<u>1,210,716</u>
Other Financing Sources (Uses):					
Intrafund transfers in (out)	(9,204,977)	2,367,134	4,813,999	2,001,294	(22,550)
Transfers in:					
Internal Service Fund	225,000	-	-	-	225,000
Capital projects funds	50,615	-	-	-	50,615
Transfers out:					
Capital projects funds	(748,653)	-	-	-	(748,653)
Enterprise funds	(21,470)	-	-	-	(21,470)
Total other financing sources (uses)	<u>(9,699,485)</u>	<u>2,367,134</u>	<u>4,813,999</u>	<u>2,001,294</u>	<u>(517,058)</u>
Net change in fund balance	(1,094,378)	1,090,922	108,154	588,960	693,658
Fund Balance:					
Beginning of year - July 1	<u>27,341,752</u>	<u>2,071,220</u>	<u>565,473</u>	<u>1,608,705</u>	<u>31,587,150</u>
End of year - June 30	<u>\$ 26,247,374</u>	<u>\$ 3,162,142</u>	<u>\$ 673,627</u>	<u>\$ 2,197,665</u>	<u>\$ 32,280,808</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 23,610,159	\$ 24,138,076	\$ 527,917	\$ 23,856,221
Penalties and interest	175,000	184,781	9,781	177,944
Total	23,785,159	24,322,857	537,698	24,034,165
Other Taxes and Licenses:				
Local option sales taxes	5,730,000	6,589,628	859,628	6,008,928
Cable franchise tax	126,400	121,816	(4,584)	123,596
Total	5,856,400	6,711,444	855,044	6,132,524
Unrestricted Intergovernmental:				
Fines and forfeitures	354,000	272,313	(81,687)	309,785
Beer and wine	-	136,069	136,069	137,105
Total	354,000	408,382	54,382	446,890
Restricted Intergovernmental:				
Federal and State grants	8,940,895	1,792,817	(7,148,078)	1,863,760
Lottery proceeds	1,791,472	1,369,143	(422,329)	426,902
Halifax ABC revenue	174,993	183,401	8,408	127,287
USDA commodity food	260,866	260,866	-	406,171
Total	11,168,226	3,606,227	(7,561,999)	2,824,120
Permits and Fees:				
Facility fees	115,000	74,483	(40,517)	94,942
Building inspection fees	100,000	114,754	14,754	106,469
Register of Deeds' fees	287,588	258,860	(28,728)	264,406
Other fees and rents	787,372	851,481	64,109	682,153
Total	1,289,960	1,299,578	9,618	1,147,970
Sales and Services:				
Occupancy tax administration	636,770	644,961	8,191	612,986
Jail fees	80,000	18,464	(61,536)	49,220
Central communications	196,820	196,820	-	210,221
Other sales and services	340,593	447,912	107,319	361,118
Total	1,254,183	1,308,157	53,974	1,233,545
Investment Earnings	41,775	27,816	(13,959)	86,985
Miscellaneous	281,079	362,777	81,698	197,612
Total revenues	44,030,782	38,047,238	(5,983,544)	36,103,811
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	90,544	85,392		87,240
Operating expenditures	70,191	69,705		65,670
Total	160,735	155,097	5,638	152,910

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Administration:				
Salaries and employee benefits	492,163	480,344		463,417
Operating expenditures	33,689	30,968		30,376
Total	525,852	511,312	14,540	493,793
Human resources:				
Salaries and employee benefits	288,253	275,457		270,459
Operating expenditures	6,270	5,755		6,501
Total	294,523	281,212	13,311	276,960
Non-departmental expenditures:				
Operating expenditures	2,424,339	1,915,112		1,452,312
Total	2,424,339	1,915,112	509,227	1,452,312
Finance:				
Salaries and employee benefits	374,482	373,567		353,368
Operating expenditures	21,591	18,543		23,699
Total	396,073	392,110	3,963	377,067
Tax administration:				
Salaries and employee benefits	954,096	951,973		908,490
Operating expenditures	228,163	193,158		189,646
Capital outlay	6,221	5,426		8,119
Total	1,188,480	1,150,557	37,923	1,106,255
Revaluation:				
Salaries and employee benefits	18,050	275		-
Operating expenditures	5,400	3,054		-
Total	23,450	3,329	20,121	-
Legal:				
Salaries and employee benefits	176,950	176,021		137,132
Operating expenditures	38,344	33,251		53,136
Total	215,294	209,272	6,022	190,268
Elections:				
Salaries and employee benefits	124,813	123,948		112,328
Operating expenditures	71,136	39,686		53,142
Total	195,949	163,634	32,315	165,470
Register of Deeds:				
Salaries and employee benefits	305,844	304,918		299,630
Operating expenditures	63,157	56,846		51,474
Capital outlay	29,308	29,307		60,162
Total	398,309	391,071	7,238	411,266

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Information technology services:				
Salaries and employee benefits	192,868	192,223		188,648
Operating expenditures	145,659	134,067		169,452
Total	338,527	326,290	12,237	358,100
Maintenance and repairs - public buildings:				
Operating expenditures	480,155	405,508		336,024
Capital outlay	6,595	6,595		12,500
Total	486,750	412,103	74,647	348,524
Operations:				
Salaries and employee benefits	754,827	746,331		720,262
Operating expenditures	81,727	79,370		63,342
Capital outlay	16,813	16,813		-
Total	853,367	842,514	10,853	783,604
Other general government:				
Fuel center	1,593	1,370	223	1,255
Tornado Grant	-	-	-	7,445
Judicial services	17,230	15,109	2,121	12,872
Magistrates	18,740	18,740	-	18,740
Public buildings	11,541	9,090	2,451	33,655
Historic courthouse	138,708	122,404	16,304	114,729
Building C	1,660	725	935	-
Criminal justice building	9,779	8,762	1,017	9,443
Permits and inspections	8,542	7,583	959	-
Community Corrections Building	13,970	11,485	2,485	1,886
Court service	162,550	161,656	894	210,691
Rural Life Complex	17,400	15,392	2,008	18,959
Agriculture complex	33,774	33,153	621	36,273
Shell building	1,144	129	1,015	213
Hurricane Irene	44,442	44,442	-	-
ARRA Lighting project	38,046	38,046	-	-
CADA	21,150	21,150	-	21,150
Total	540,269	509,236	31,033	487,311
Total general government	8,041,917	7,262,849	779,068	6,603,840
Public Safety:				
Sheriff's department:				
Salaries and employee benefits	3,284,005	3,284,005		3,144,362
Operating expenditures	817,547	792,632		616,450
Capital outlay	309,573	309,573		111,830
Total	4,411,125	4,386,210	24,915	3,872,642
Jail:				
Salaries and employee benefits	1,042,122	1,042,122		1,041,093
Operating expenditures	609,657	609,021		666,692
Total	1,651,779	1,651,143	636	1,707,785

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Emergency management:				
Salaries and employee benefits	60,800	60,639		59,935
Operating expenditures	9,958	6,893		6,873
Total	70,758	67,532	3,226	66,808
Central communications:				
Salaries and employee benefits	879,361	879,361		909,225
Operating expenditures	37,537	37,537		7,736
Total	916,898	916,898	-	916,961
Donations:				
Fire departments and rescue squads	68,850	68,850		68,850
Total	68,850	68,850	-	68,850
Planning and inspections:				
Salaries and employee benefits	348,155	332,788		362,573
Operating expenditures	50,271	33,319		27,732
Capital outlay	-	-		31,213
Total	398,426	366,107	32,319	421,518
Other public safety:				
Coroner	42,500	42,500	-	35,800
Other donations	37,000	36,000	1,000	-
Controlled substance tax expenditures	168,200	2,694	165,506	2,211
Drug task force expenditures	16,020	-	16,020	-
DTF - federal asset forfeiture	75,150	23,481	51,669	23,417
Emergency Management supplement	44,071	13,972	30,099	11,156
Sheriff Bulletproof Vest Grant	6,000	1,500	4,500	-
Sheriff Bulletproof Vest Grant	231	136	95	4,430
Roanoke Rapids probation and parole	700	-	700	348
ARRA - School Resource Officer	72,876	55,528	17,348	129,427
JAG Grant	16,044	15,985	59	1,323
Sheriff Law Enforcement Block Grant	2,600	364	2,236	1,000
ARRA - JAG Grant	20,120	18,100	2,020	2,350
ARRA - Halifax County gang assessment	-	-	-	28,558
Edward Byrne Memorial JA Grant	18,164	18,017	147	-
Total	519,676	228,277	291,399	240,020
Total public safety	8,037,512	7,685,017	352,495	7,294,584
Economic and Physical Development:				
Halifax Developmental Commission:				
Salaries and employee benefits	161,771	160,060		158,993
Operating expenditures	76,875	62,880		64,071
Total	238,646	222,940	15,706	223,064
Tourism:				
Salaries and employee benefits	4,881	4,881		-
Total	4,881	4,881	-	-

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Cooperative extension office:				
Salaries and employee benefits	231,535	183,569		192,100
Operating expenditures	41,113	32,653		33,732
Total	272,648	216,222	56,426	225,832
Rural life education:				
Salaries and employee benefits	42,184	42,184		39,038
Operating expenditures	17,956	17,438		28,249
Total	60,140	59,622	518	67,287
Natural resource conservation:				
Salaries and employee benefits	136,032	120,244		133,194
Operating expenditures	13,105	9,647		8,427
Total	149,137	129,891	19,246	141,621
Other economic and physical development:				
4-H clubs	29,165	23,574	5,591	12,422
County Extension	22,637	9,739	12,898	2,619
Extension agent program	29,090	7,231	21,859	8,626
Boards and Commissions	2,398	2,370	28	2,136
Industrial Park Project	-	-	-	30,000
Forestry protection	90,760	87,032	3,728	90,478
Economic Development incentive	2,831,874	-	2,831,874	289,666
Farmers Market	8,017	4,764	3,253	3,927
Natural Resource Equipment Grant	59,219	-	59,219	-
Project management	12,000	-	12,000	-
Total	3,085,160	134,710	2,950,450	439,874
Total economic and physical development	3,810,612	768,266	3,042,346	1,097,678
Human Services:				
Elderly transportation:				
Operating expenses	161,749	160,781	968	189,497
EFAP Administration:				
Salaries and employee benefits	-	-		23,223
Operating expenditures	4,421	4,421		159,606
Total	4,421	4,421	-	182,829
Supplemental foods:				
Salaries and employee benefits	149,869	140,863		150,808
Operating expenditures	35,866	26,665		25,377
USDA commodity foods	278,165	278,165		266,764
Total	463,900	445,693	18,207	442,949

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Other human services:				
Family Caregiver Grant	1,000	-	1,000	-
Mental Health Admin	33,969	33,969	-	26,026
Operation Restart	167,503	167,502	1	140,849
JCPC Advisory Board	2,000	2,000	-	10,350
JCPC Grant	73,350	73,350	-	55,000
Pesticide recycling	6,709	-	6,709	-
Home and Community Block Grant	349,356	347,475	1,881	329,180
Council On Aging	18,365	18,365	-	20,430
Aging-SHIP Mini Grant	-	-	-	993
Aging Division Grant	221	221	-	2,001
Senior Health insurance program	-	-	-	3,129
CJPP/Day reporting	92,310	91,756	554	93,215
Duke Endowment Grant	1,282	-	1,282	-
Multi-Jurisdictional Hazardous Mitigation Plan	465	465	-	798
Family Caregiver Support Program	33,388	18,898	14,490	17,440
Operation Purple Camp	-	-	-	29,886
SHIP Grant FY12	1,369	1,369	-	-
ARRA - Methodist Home Children programs	-	-	-	42,073
ARRA - Methodist Home United Services Youth	40,001	40,001	-	33,755
ARRA - Methodist Home Jobs	68,992	50,905	18,087	50,585
ARRA - Methodist Home Relocation	81,070	78,024	3,046	91,630
ARRA - Methodist Home Transitional Re-entry	55,847	47,179	8,668	60,154
Halifax Helps Grant	1,347	22	1,325	1,376
Co-op student incentive	67,832	67,831	1	74,529
Total	1,096,376	1,039,332	57,044	1,083,399
Total human services	1,726,446	1,650,227	76,219	1,898,674
Cultural and Recreational:				
Library:				
Salaries and employee benefits	477,352	475,912		451,759
Operating expenditures	153,109	139,431		123,780
Total	630,461	615,343	15,118	575,539
Other cultural and recreational:				
Monsanto Co-op	2,250	-		250
LSTA NCLA	1,500	992		-
LSTA	9,550	9,529		19,082
Library Career Enrichment Grant	172,171	-		-
Gates Foundation Grant	10,936	9,941		480
Weed Control	100,000	100,000		-
NC Library Stars	-	-		924
Total	296,407	120,462	175,945	20,736
Total cultural and recreational	926,868	735,805	191,063	596,275

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Education:				
Public schools - current expenses	5,481,217	5,399,529		5,403,446
Public schools - capital outlay	1,937,884	742,864		988,742
Community colleges - current expenses	943,522	943,522		943,522
Community colleges - capital outlay	69,027	69,027		69,027
ADM - Public School Building Fund	2,210,045	1,329,632		413,166
Total education	10,641,695	8,484,574	2,157,121	7,817,903
Debt Service:				
Principal	2,023,946	1,931,954		2,302,386
Interest	920,950	923,439		950,260
Total debt service	2,944,896	2,855,393	89,503	3,252,646
Total expenditures	36,129,946	29,442,131	6,687,815	28,561,600
Revenues over (under) expenditures	7,900,836	8,605,107	704,271	7,542,211
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(9,204,977)	(9,204,977)	-	(4,941,510)
Transfers in:				
Internal Service Fund	225,000	225,000	-	225,000
Capital Project Fund	50,616	50,615	(1)	50,000
Special Revenue Fund	-	-	-	38,007
Transfers out:				
Capital Projects Fund	(748,653)	(748,653)	-	(1,663,265)
Enterprise Fund	(21,470)	(21,470)	-	-
Appropriated fund balance	1,798,648	-	(1,798,648)	-
Total other financing sources (uses)	(7,900,836)	(9,699,485)	(1,798,649)	(6,291,768)
Net change in fund balance	\$ -	(1,094,378)	\$ (1,094,378)	1,250,443
Fund Balance:				
Beginning of year - July 1		27,341,752		26,091,309
End of year - June 30		\$ 26,247,374		\$ 27,341,752

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 4,693,833	\$ 5,097,539	\$ 403,706	\$ 4,316,710
Sales and services	162,934	12,283	(150,651)	11,004
Miscellaneous revenue	5,010	14,765	9,755	5,487
Investment earnings	1,000	345	(655)	644
Total revenues	<u>4,862,777</u>	<u>5,124,932</u>	<u>262,155</u>	<u>4,333,845</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	332,889	279,818		255,417
Operating expenditures	192,712	86,185		78,374
Total	<u>525,601</u>	<u>366,003</u>	<u>159,598</u>	<u>333,791</u>
Animal control:				
Salaries and employee benefits	183,471	183,471		149,783
Operating expenditures	48,784	48,784		46,764
Capital outlay	2,340	227		-
Total	<u>234,595</u>	<u>232,482</u>	<u>2,113</u>	<u>196,547</u>
AIDS control:				
Salaries and employee benefits	273,230	244,596		239,637
Operating expenditures	863	497		981
Total	<u>274,093</u>	<u>245,093</u>	<u>29,000</u>	<u>240,618</u>
Tuberculosis control:				
Salaries and employee benefits	72,729	69,044		66,256
Operating expenditures	103,476	11,396		10,224
Total	<u>176,205</u>	<u>80,440</u>	<u>95,765</u>	<u>76,480</u>
CDC Tuberculosis:				
Salaries and employee benefits	32,202	32,202		35,992
Total	<u>32,202</u>	<u>32,202</u>	<u>-</u>	<u>35,992</u>
Communicable disease:				
Salaries and employee benefits	10,000	7,331		10,480
Operating expenditures	65,670	4,981		4,784
Total	<u>75,670</u>	<u>12,312</u>	<u>63,358</u>	<u>15,264</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, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012		Variance Over/(Under)	2011
	Budget	Actual		Actual
Council On Aging:				
Salaries and employee benefits	116,402	107,755		162,707
Operating expenditures	46,150	37,158		31,185
Total	162,552	144,913	17,639	193,892
Home health:				
Salaries and employee benefits	908,378	701,452		611,028
Operating expenditures	862,162	678,157		688,562
Capital outlay	3,650	-		-
Total	1,774,190	1,379,609	394,581	1,299,590
Hospice:				
Salaries and employee benefits	162,031	148,974		120,928
Operating expenditures	95,523	92,492		84,999
Total	257,554	241,466	16,088	205,927
Adult health/diabetes:				
Salaries and employee benefits	246,784	87,509		110,866
Operating expenditures	74,351	51,903		55,420
Total	321,135	139,412	181,723	166,286
Maternity:				
Salaries and employee benefits	366,994	317,669		334,184
Operating expenditures	310,874	44,705		45,434
Total	677,868	362,374	315,494	379,618
Family planning:				
Salaries and employee benefits	488,212	476,389		525,302
Operating expenditures	254,296	99,088		93,758
Total	742,508	575,477	167,031	619,060
Child services coordinator:				
Salaries and employee benefits	182,451	130,812		169,145
Operating expenditures	308,708	7,799		41,755
Total	491,159	138,611	352,548	210,900

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Budget	Actual	Variance Over/(Under)	Actual
Child health:				
Salaries and employee benefits	406,476	367,726		394,446
Operating expenditures	206,495	75,852		65,417
Total	612,971	443,578	169,393	459,863
Environmental health:				
Salaries and employee benefits	447,300	446,118		488,779
Operating expenditures	25,486	23,731		18,986
Total	472,786	469,849	2,937	507,765
Other human services:				
Bioterrorism	53,719	48,268	5,451	60,365
H1N1 Wave 1	-	-	-	16,909
H1N1 Wave 3	-	-	-	64,000
Carolina Behavioral	219,111	219,111	-	95,306
Health promotion expenditures	52,853	18,019	34,834	35,061
Primary care	-	-	-	1,003
Diabetes	21,950	13,171	8,779	23,338
BCCCP	54,068	34,323	19,745	19,695
CVD/Breast Cancer	12,369	12,369	-	12,669
Healthy Carolinian	-	-	-	20,000
Folic Acid Grant	201,994	201,907	87	144,534
Immunization Action Plan	92,680	87,556	5,124	68,945
Baby Love Plus	93,880	93,880	-	98,226
Health working and wellness	51,340	37,910	13,430	63,516
Jail Health	419,336	419,336	-	416,125
Dr. Wolfe Grant	5,120	5,120	-	-
Transformation Grant	16,000	1,906	14,094	-
Capital Outlay-Infection Control	2,200	2,200	-	-
Health-Mosquito Control	4,911	4,911	-	-
QI/QA Program	7,783	7,783	-	-
Weldon SNFI School Nurse	100,000	99,937	63	-
RR SNFI School Nurse	150,000	133,966	16,034	-
Motivational Interview Training	10,485	10,485	-	-
PREPARE grant	85,127	85,127	-	-
Closing the Gap Grant	420,764	38	420,726	492
Total	2,075,690	1,537,323	538,367	1,140,184
Total human services	8,906,779	6,401,144	2,505,635	6,081,777

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/(Under)	Actual
Revenues over (under) expenditures	<u>(4,044,002)</u>	<u>(1,276,212)</u>	<u>2,767,790</u>	<u>(1,747,932)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,358,228	2,367,134	8,906	2,300,826
Appropriated fund balance	<u>1,685,774</u>	<u>-</u>	<u>(1,685,774)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,044,002</u>	<u>2,367,134</u>	<u>(1,676,868)</u>	<u>2,300,826</u>
Net change in fund balance	<u>\$ -</u>	1,090,922	<u>\$ 1,090,922</u>	552,894
Fund Balance:				
Beginning of year - July 1		<u>2,071,220</u>		<u>1,518,326</u>
End of year - June 30		<u>\$ 3,162,142</u>		<u>\$ 2,071,220</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, 2012
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Revenues:				
Restricted intergovernmental	\$ 10,977,996	\$ 9,714,143	\$ (1,263,853)	\$ 10,103,816
Permits and fees	180	669	489	781
Miscellaneous revenue	4,885	25,426	20,541	1,093
Total revenues	<u>10,983,061</u>	<u>9,740,238</u>	<u>(1,242,823)</u>	<u>10,105,690</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	8,152,763	7,870,070		7,854,747
Operating expenditures	1,042,214	684,115		658,721
Capital outlay	25,885	20,492		36,435
Total	<u>9,220,862</u>	<u>8,574,677</u>	<u>646,185</u>	<u>8,549,903</u>
Other human services:				
Fees and refunds	48,419	11,204	37,215	10,333
TANF job boost	-	-	-	13,007
Family planning	10,000	4,487	5,513	6,121
Chore services	201,767	198,968	2,799	167,534
Daycare	2,477,711	2,305,710	172,001	2,669,774
Work First	349,485	270,344	79,141	255,636
Purchased services	59,500	42,409	17,091	43,510
4D-Purchase	1,000	873	127	-
Medicaid	949,630	797,695	151,935	855,292
Social Services to the Aged	877,888	852,004	25,884	894,579
CBA Foster Care	418,067	417,523	544	234,019
Adoptive assistance	100,076	99,175	901	109,997
LEIAP Program	218,276	218,200	76	-
Crisis intervention	873,801	623,369	250,432	600,906
CP&L energy	8,522	7,364	1,158	5,245
Special foster care	13,800	13,765	35	14,973
CPS Staff Grant	33,122	1,094	32,028	1,657
Aid to the Blind	7,753	7,222	531	6,554
Total	<u>6,648,817</u>	<u>5,871,406</u>	<u>777,411</u>	<u>5,889,137</u>
Total human services	<u>15,869,679</u>	<u>14,446,083</u>	<u>1,423,596</u>	<u>14,439,040</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, 2012
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012		Variance Over/Under	2011
	Budget	Actual		Actual
Revenues over (under) expenditures	(4,886,618)	(4,705,845)	180,773	(4,333,350)
Other Financing Sources (Uses):				
Intrafund transfers in (out)	4,805,756	4,813,999	8,243	4,500,883
Appropriated fund balance	80,862	-	(80,862)	-
Total other financing sources (uses)	4,886,618	4,813,999	(72,619)	4,500,883
Net change in fund balance	\$ -	108,154	\$ 108,154	167,533
Fund Balance:				
Beginning of year - July 1		565,473		397,940
End of year - June 30		\$ 673,627		\$ 565,473

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, 2012**

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 1,200	\$ 776	\$ (424)	\$ 686
Restricted intergovernmental revenues	400,000	231,704	(168,296)	223,879
Sales and services	2,477,861	2,777,861	300,000	3,083,579
Miscellaneous revenue	3,371	9,972	6,601	2,290
Total revenues	<u>2,882,432</u>	<u>3,020,313</u>	<u>137,881</u>	<u>3,310,434</u>
Expenditures:				
Public Safety:				
General:				
Salaries and employee benefits	3,391,950	3,361,389		2,741,350
Operating expenditures	1,120,801	896,287		765,388
Capital outlay	195,000	-		-
Total	<u>4,707,751</u>	<u>4,257,676</u>	<u>450,075</u>	<u>3,506,738</u>
Debt Service:				
Principal	159,628	159,627		158,226
Interest	15,346	15,344		21,202
Total debt service	<u>174,974</u>	<u>174,971</u>	<u>3</u>	<u>179,428</u>
Total expenditures	<u>4,882,725</u>	<u>4,432,647</u>	<u>450,078</u>	<u>3,686,166</u>
Revenues over (under) expenditures	<u>(2,000,293)</u>	<u>(1,412,334)</u>	<u>(587,959)</u>	<u>(375,732)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,001,293	2,001,294	1	(1,860,199)
Appropriated fund balance (contingency)	(1,000)	-	1,000	-
Total other financing sources (uses)	<u>2,000,293</u>	<u>2,001,294</u>	<u>1,001</u>	<u>(1,860,199)</u>
Net change in fund balance	<u>\$ -</u>	<u>588,960</u>	<u>\$ 588,960</u>	<u>(2,235,931)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,608,705</u>		<u>3,844,636</u>
End of year - June 30		<u>\$ 2,197,665</u>		<u>\$ 1,608,705</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, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 1,300	\$ 909	\$ (391)	\$ 1,582
Expenditures:				
Current:				
General government:				
Operating expenditures	1,009,850	-	1,009,850	-
Revenues over (under) expenditures	(1,008,550)	909	1,009,459	1,582
Other Financing Sources (Uses):				
Transfer in - General Fund	22,550	22,550	-	-
Appropriated fund balance	986,000	-	(986,000)	-
Total other financing sources (uses)	1,008,550	22,550	(986,000)	-
Net change in fund balance	\$ -	23,459	\$ 23,459	1,582
Fund Balance:				
Beginning of year - July 1		987,513		985,931
End of year - June 30		\$ 1,010,972		\$ 987,513



This page left intentionally blank

COMBINING STATEMENTS FOR NONMAJOR FUNDS



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2012

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 481,623	\$ 2,459,763	\$ 2,941,386
Accounts receivable	140,850	89,969	230,819
Due from other governments	12,409	50,252	62,661
Taxes receivable, net	408,461	-	408,461
	<u>408,461</u>	<u>-</u>	<u>408,461</u>
Total assets	<u>\$ 1,043,343</u>	<u>\$ 2,599,984</u>	<u>\$ 3,643,327</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 204,958	\$ 765,242	\$ 970,200
Due to other funds	-	1,830,609	1,830,609
Deferred revenues	408,458	-	408,458
Total liabilities	<u>613,416</u>	<u>2,595,851</u>	<u>3,209,267</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	153,262	140,221	293,483
Public safety	374,372	-	374,372
Economic development	12,177	19,816	31,993
Education	-	69,190	69,190
Committed		1,182,015	1,182,015
Unassigned	(109,884)	(1,407,109)	(1,516,993)
Total fund balances	<u>429,927</u>	<u>4,133</u>	<u>434,060</u>
Total liabilities and fund balances	<u>\$ 1,043,343</u>	<u>\$ 2,599,984</u>	<u>\$ 3,643,327</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,738,123	\$ -	\$ 4,738,123
Other taxes and licenses	851,151	-	851,151
Unrestricted intergovernmental	109,321	-	109,321
Restricted intergovernmental revenues	371,631	93,855	465,486
Miscellaneous	19,440	-	19,440
Investment earnings	7,568	1,715	9,283
Total revenues	<u>6,097,234</u>	<u>95,570</u>	<u>6,192,804</u>
Expenditures:			
Current:			
Public safety	1,502,370	33,949	1,536,319
Education	3,659,631	2,435,364	6,094,995
Economic and physical development	491,629	524,189	1,015,818
Human services	434,472	-	434,472
Total expenditures	<u>6,088,102</u>	<u>2,993,502</u>	<u>9,081,604</u>
Revenues over (under) expenditures	<u>9,132</u>	<u>(2,897,932)</u>	<u>(2,888,800)</u>
Other Financing Sources (Uses):			
Transfers in	-	800,708	800,708
Transfers out	(1,306)	(1,115)	(2,421)
Installment purchase obligations issued	-	2,552,967	2,552,967
Total other financing sources (uses)	<u>(1,306)</u>	<u>3,352,560</u>	<u>3,351,254</u>
Net change in fund balances	7,826	454,628	462,454
Fund Balances:			
Beginning of year - July 1	<u>422,101</u>	<u>(450,495)</u>	<u>(28,394)</u>
End of year - June 30	<u>\$ 429,927</u>	<u>\$ 4,133</u>	<u>\$ 434,060</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.

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 CDBG Scattered Site Rehab 2008 and 2012 – 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, 2012

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Assets:				
Cash and cash equivalents	\$ 395,493	\$ 5,907	\$ 28,039	\$ 18,590
Accounts receivable	30,969	7,850	30,266	30,613
Due from other governments	12,409	-	-	-
Taxes receivable, net	-	49,041	115,160	124,071
Total assets	<u>\$ 438,871</u>	<u>\$ 62,798</u>	<u>\$ 173,465</u>	<u>\$ 173,274</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 21,121	\$ 13,757	\$ 58,305	\$ 49,206
Deferred revenues	-	49,041	115,160	124,068
Total liabilities	<u>21,121</u>	<u>62,798</u>	<u>173,465</u>	<u>173,274</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	43,378	7,850	30,266	30,616
Public safety	374,372	-	-	-
Economic development	-	-	-	-
Unassigned	-	(7,850)	(30,266)	(30,616)
Total fund balances	<u>417,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 438,871</u>	<u>\$ 62,798</u>	<u>\$ 173,465</u>	<u>\$ 173,274</u>

Schedule D-1

Roanoke Rapids School Graded District Fund	<i>Project Budget</i>			Total
	CDBG Scattered Site Rehab 2008	CDBG Scattered Site Rehab 2012	United Salvage Fund	
\$ 21,417	\$ -	12,177	\$ -	\$ 481,623
41,152	-	-	-	140,850
-	-	-	-	12,409
120,189	-	-	-	408,461
<u>\$ 182,758</u>	<u>\$ -</u>	<u>\$ 12,177</u>	<u>\$ -</u>	<u>\$ 1,043,343</u>
\$ 62,569	\$ -	\$ -	\$ -	\$ 204,958
120,189	-	-	-	408,458
<u>182,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,416</u>
41,152	-	-	-	153,262
-	-	-	-	374,372
-	-	12,177	-	12,177
(41,152)	-	-	-	(109,884)
<u>-</u>	<u>-</u>	<u>12,177</u>	<u>-</u>	<u>429,927</u>
<u>\$ 182,758</u>	<u>\$ -</u>	<u>\$ 12,177</u>	<u>\$ -</u>	<u>\$ 1,043,343</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	<u>Emergency Telephone System Fund</u>	<u>Our Community Hospital Center Fund</u>	<u>Weldon School District Fund</u>	<u>Fire District Fund</u>
Revenues:				
Ad valorem taxes	\$ -	\$ 373,639	\$ 1,332,006	\$ 1,265,487
Other taxes and licenses	-	60,833	234,540	236,883
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	371,631	-	-	-
Miscellaneous	-	-	-	-
Investment earnings	369	-	-	-
Total revenues	<u>372,000</u>	<u>434,472</u>	<u>1,566,546</u>	<u>1,502,370</u>
Expenditures:				
Public safety	-	-	-	1,502,370
Economic and physical development	375,045	-	-	-
Human services	-	434,472	-	-
Education	-	-	1,566,546	-
Total expenditures	<u>375,045</u>	<u>434,472</u>	<u>1,566,546</u>	<u>1,502,370</u>
Revenues over (under) expenditures	<u>(3,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers to Capital Project Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,045)	-	-	-
Fund Balances:				
Beginning of year - July 1	<u>420,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 417,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule D-2

Roanoke Rapids School Graded District Fund	<i>Project Budget</i>			Total
	CDBG Scattered Site Rehab 2008	CDBG Scattered Site Rehab 2012	United Salvage Fund	
\$ 1,766,991	\$ -	\$ -	\$ -	\$ 4,738,123
318,895	-	-	-	851,151
-	109,321	-	-	109,321
-	-	-	-	371,631
-	-	19,440	-	19,440
7,199	-	-	-	7,568
<u>2,093,085</u>	<u>109,321</u>	<u>19,440</u>	<u>-</u>	<u>6,097,234</u>
-	-	-	-	1,502,370
-	109,321	7,263	-	491,629
-	-	-	-	434,472
<u>2,093,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,659,631</u>
<u>2,093,085</u>	<u>109,321</u>	<u>7,263</u>	<u>-</u>	<u>6,088,102</u>
-	-	12,177	-	9,132
-	-	-	(1,306)	(1,306)
-	-	-	(1,306)	(1,306)
-	-	12,177	(1,306)	7,826
-	-	-	1,306	422,101
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,177</u>	<u>\$ -</u>	<u>\$ 429,927</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, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Wireless funding	\$ 460,992	\$ 371,631	\$ (89,361)	\$ 460,993
Investment earnings	500	369	(131)	565
Total revenues	<u>461,492</u>	<u>372,000</u>	<u>(89,492)</u>	<u>461,558</u>
Expenditures:				
Public safety:				
Operating expenses	461,492	-	461,492	253,412
Telephone and furniture	-	168,732	(168,732)	13,024
Software maintenance	-	12,884	(12,884)	-
Hardware maintenance	-	147,388	(147,388)	-
Training	-	46,041	(46,041)	32,679
Capital outlay	-	-	-	36,891
Total expenditures	<u>461,492</u>	<u>375,045</u>	<u>86,447</u>	<u>336,006</u>
Revenues over (under) expenditures	-	(3,045)	(3,045)	125,552
Other Financing Sources (Uses):				
Transfer (to) from Special Revenue Fund	-	-	-	(38,007)
Net change in fund balance	<u>\$ -</u>	<u>(3,045)</u>	<u>\$ (3,045)</u>	87,545
Fund Balance:				
Beginning of year - July 1		<u>420,795</u>		<u>333,250</u>
End of year - June 30		<u>\$ 417,750</u>		<u>\$ 420,795</u>

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, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 378,000	\$ 373,639	\$ (4,361)	\$ 364,511
Local option sales tax	64,400	60,833	(3,567)	65,269
Total revenues	<u>442,400</u>	<u>434,472</u>	<u>(7,928)</u>	<u>429,780</u>
Expenditures:				
Human services:				
Our Community Hospital	<u>442,400</u>	<u>434,472</u>	<u>7,928</u>	<u>429,780</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
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, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,332,007	\$ 1,332,006	\$ (1)	\$ 1,318,659
Local option sales tax	248,330	234,540	(13,790)	233,131
Total revenues	<u>1,580,337</u>	<u>1,566,546</u>	<u>(13,791)</u>	<u>1,551,790</u>
Expenditures:				
Education:				
Payments to school district	<u>1,580,337</u>	<u>1,566,546</u>	<u>13,791</u>	<u>1,551,790</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
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, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,374,264	\$ 1,265,487	\$ (108,777)	\$ 1,325,394
Local option sales tax	248,955	236,883	(12,072)	237,155
Total revenues	<u>1,623,219</u>	<u>1,502,370</u>	<u>(120,849)</u>	<u>1,562,549</u>
Expenditures:				
Current:				
Public safety:				
Payments to fire districts	<u>1,623,219</u>	<u>1,502,370</u>	<u>120,849</u>	<u>1,562,549</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

ROANOKE RAPIDS SCHOOL GRADED DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,764,191	\$ 1,766,991	\$ 2,800	\$ 1,744,934
Other taxes and licenses	333,000	318,895	(14,105)	308,320
Interest	10,000	7,199	(2,801)	6,834
Total revenues	<u>2,107,191</u>	<u>2,093,085</u>	<u>(14,106)</u>	<u>2,060,088</u>
Expenditures:				
Education:				
Payments to school district	<u>2,107,191</u>	<u>2,093,085</u>	<u>14,106</u>	<u>2,060,088</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

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, 2012

	<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>	
Revenues:					
Restricted intergovernmental:					
CDBG	\$ 406,220	\$ 296,899	\$ 109,321	\$ 406,220	\$ -
Total revenues	<u>406,220</u>	<u>296,899</u>	<u>109,321</u>	<u>406,220</u>	<u>-</u>
Expenditures:					
Economic and physical development:					
Administration	47,000	41,181	5,819	47,000	-
Rehabilitation	68,900	42,799	26,101	68,900	-
Relocation	<u>290,320</u>	<u>212,919</u>	<u>77,401</u>	<u>290,320</u>	<u>-</u>
Total expenditures	<u>406,220</u>	<u>296,899</u>	<u>109,321</u>	<u>406,220</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2012

	<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>	
Revenues:					
Restricted intergovernmental:					
NC Industrial Development	\$ 91,000	\$ 64,869	\$ -	\$ 64,869	\$ (26,131)
Expenditures:					
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>63,563</u>	<u>-</u>	<u>63,563</u>	<u>27,437</u>
Revenues over (under) expenditures	-	1,306	-	1,306	1,306
Other Financing Sources (Uses):					
Transfer out	-	-	(1,306)	(1,306)	(1,306)
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$ (1,306)</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

CDBG SCATTERED SITE HOUSING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<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>		
Revenues:					
Restricted intergovernmental:					
Other program revenue	\$ 19,440	\$ -	\$ 19,440	\$ 19,440	\$ -
Expenditures:					
Economic and physical development:					
Administration	19,440	-	7,263	7,263	12,177
Total expenditures	19,440	-	7,263	7,263	12,177
Net change in fund balance	\$ -	\$ -	\$ 12,177	\$ 12,177	\$ 12,177



This page left intentionally blank

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.

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

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.

Major-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.

Industrial Building Project – This fund is used for the up-fitting of the shell building for project.

QCSB Roanoke Rapids – This fund is used for the qualified school construction bond for Roanoke Rapids Schools.

Jail Construction – This fund is used for the renovations to the Jail.

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2012

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Littleton Building Project</u>	<u>Piezotronics Project</u>	<u>Alliance Drive Relocation Project</u>
Assets:				
Cash and cash equivalents	\$ 73,106	\$ -	\$ -	\$ 4,920
Accounts receivable	42,858	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>\$ 115,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,920</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 53,290	\$ -	\$ -	\$ -
Due to other funds	-	-	1,373,036	4,920
Total liabilities	<u>53,290</u>	<u>-</u>	<u>1,373,036</u>	<u>4,920</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	42,858	-	-	-
Economic development	19,816	-	-	-
Education	-	-	-	-
Committed:				
Economic development	-	-	-	-
Unassigned	-	-	(1,373,036)	-
Total fund balances	<u>62,674</u>	<u>-</u>	<u>(1,373,036)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 115,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,920</u>

Schedule E-1

<u>Community Corrections Project</u>	<u>Industrial Building</u>	<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>	<u>Total</u>
\$ -	\$ 1,330,962	\$ 598,122	\$ 452,653	\$ 2,459,763
-	-	47,111	-	89,969
-	124	50,128	-	50,252
<u>\$ -</u>	<u>\$ 1,331,086</u>	<u>\$ 695,361</u>	<u>\$ 452,653</u>	<u>\$ 2,599,984</u>
\$ -	\$ 149,071	\$ 528,932	\$ 33,949	\$ 765,242
-	-	-	452,653	1,830,609
-	149,071	528,932	486,602	2,595,851
-	124	97,239	-	140,221
-	-	-	-	19,816
-	-	69,190	-	69,190
-	1,182,015	-	-	1,182,015
-	(124)	-	(33,949)	(1,407,109)
-	1,182,015	166,429	(33,949)	4,133
<u>\$ -</u>	<u>\$ 1,331,086</u>	<u>\$ 695,361</u>	<u>\$ 452,653</u>	<u>\$ 2,599,984</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Littleton Building Project</u>	<u>Piezotronics Project</u>	<u>Alliance Drive Relocation Project</u>
Revenues:				
Restricted intergovernmental	\$ 102,608	\$ -	\$ -	\$ (55,864)
Investment earnings	-	-	-	-
Total revenues	<u>102,608</u>	<u>-</u>	<u>-</u>	<u>(55,864)</u>
Expenditures:				
Public safety	-	-	-	-
Education	-	-	-	-
Economic and physical development	<u>99,625</u>	<u>72,229</u>	-	-
Total expenditures	<u>99,625</u>	<u>72,229</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,983</u>	<u>(72,229)</u>	<u>-</u>	<u>(55,864)</u>
Other Financing Sources (Uses):				
Transfers in:				
General Fund	-	748,652	-	52,056
Transfers out:				
General Fund	-	(1,086)	-	-
Installment purchase obligations issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>747,566</u>	<u>-</u>	<u>52,056</u>
Net change in fund balances	2,983	675,337	-	(3,808)
Fund Balances:				
Beginning of year - July 1	<u>59,691</u>	<u>(675,337)</u>	<u>(1,373,036)</u>	<u>3,808</u>
End of year - June 30	<u>\$ 62,674</u>	<u>\$ -</u>	<u>\$ (1,373,036)</u>	<u>\$ -</u>

Schedule E-2

<u>Community Corrections Project</u>	<u>Industrial Building</u>	<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>	<u>Total</u>
\$ -	\$ -	\$ 47,111	\$ -	\$ 93,855
-	-	1,715	-	1,715
<u>-</u>	<u>-</u>	<u>48,826</u>	<u>-</u>	<u>95,570</u>
-	-	-	33,949	33,949
-	-	2,435,364	-	2,435,364
<u>-</u>	<u>352,335</u>	<u>-</u>	<u>-</u>	<u>524,189</u>
<u>-</u>	<u>352,335</u>	<u>2,435,364</u>	<u>33,949</u>	<u>2,993,502</u>
<u>-</u>	<u>(352,335)</u>	<u>(2,386,538)</u>	<u>(33,949)</u>	<u>(2,897,932)</u>
-	-	-	-	800,708
(29)	-	-	-	(1,115)
<u>-</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>
<u>(29)</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>	<u>3,352,560</u>
(29)	(352,335)	166,429	(33,949)	454,628
<u>29</u>	<u>1,534,350</u>	<u>-</u>	<u>-</u>	<u>(450,495)</u>
<u>\$ -</u>	<u>\$ 1,182,015</u>	<u>\$ 166,429</u>	<u>\$ (33,949)</u>	<u>\$ 4,133</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 104,625	\$ 102,608	\$ (2,017)	\$ 100,307
Expenditures:				
Economic development	104,625	99,625	5,000	95,279
Net change in fund balance	\$ -	2,983	\$ 2,983	5,028
Fund Balance:				
Beginning of year - July 1		59,691		54,663
End of year - June 30		\$ 62,674		\$ 59,691

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, 2012

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,089,279	\$ 513,129	\$ -	\$ 513,129	\$ (576,150)
Miscellaneous revenue	6,425	56,425	-	56,425	50,000
Total revenues	<u>1,095,704</u>	<u>569,554</u>	<u>-</u>	<u>569,554</u>	<u>(526,150)</u>
Expenditures:					
Economic and physical development:					
Construction	<u>1,471,533</u>	<u>1,397,131</u>	<u>72,229</u>	<u>1,469,360</u>	<u>2,173</u>
Total expenditures	<u>1,471,533</u>	<u>1,397,131</u>	<u>72,229</u>	<u>1,469,360</u>	<u>2,173</u>
Other Financing Sources (Uses):					
Transfer from General Fund	900,893	152,240	748,652	900,892	(1)
Transfer to General Fund	-	-	(1,086)	(1,086)	(1,086)
Appropriated fund balance (contingency)	<u>(525,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,064</u>
Total other financing sources (uses)	<u>375,829</u>	<u>152,240</u>	<u>747,566</u>	<u>899,806</u>	<u>523,977</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (675,337)</u>	<u>\$ 675,337</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, 2012

	<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>		
Revenues:					
Restricted intergovernmental:					
Contributions	\$ 1,852,000	\$ 427,000	\$ -	\$ 427,000	\$ (1,425,000)
Miscellaneous	146,154	116,262	-	116,262	(29,892)
Total revenues	<u>1,998,154</u>	<u>543,262</u>	<u>-</u>	<u>543,262</u>	<u>(1,454,892)</u>
Expenditures:					
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>
Other Financing Sources (Uses):					
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, 2012

	<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>		
Revenues:					
Restricted intergovernmental	\$ 303,164	\$ 319,829	\$ (55,864)	\$ 263,965	\$ (39,199)
Expenditures:					
Economic and physical development:					
Engineering	-	9,598	-	9,598	(9,598)
Construction	386,924	393,328	-	393,328	(6,404)
Total expenditures	386,924	402,926	-	402,926	(16,002)
Other Financing Sources (Uses):					
Transfer from General Fund	83,760	86,905	52,056	138,961	55,201
Net change in fund balance	\$ -	\$ 3,808	\$ (3,808)	\$ -	\$ -

HALIFAX COUNTY, NORTH CAROLINA

**MAJOR HALIFAX COUNTY SEWER UPGRADE PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
<i>Phase I</i>					
Restricted intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
NC Department of Commerce	1,429,141	418,239	753,688	1,171,927	(257,214)
NC Rural Education	814,530	100,321	714,209	814,530	-
Total	2,293,671	568,560	1,467,897	2,036,457	(257,214)
<i>Phase II</i>					
NC Department of Commerce	779,203	-	779,203	779,203	-
NC Rural Education	1,000,000	-	1,000,000	1,000,000	-
Total	1,779,203	-	1,779,203	1,779,203	-
<i>Phase III</i>					
Golden Leaf	400,000	-	400,000	400,000	-
Total revenues	4,472,874	568,560	3,647,100	4,215,660	(257,214)
Expenditures:					
Economic and physical development:					
<i>Phase I</i>					
Professional	197,500	82,795	114,705	197,500	-
Engineering	55,000	100,001	(45,001)	55,000	-
Land	2,500	30,631	(28,631)	2,000	500
Construction	1,527,075	226,940	1,198,096	1,425,036	102,039
Administration	7,038	14,684	(7,646)	7,038	-
Total	1,789,113	455,051	1,231,523	1,686,574	102,539
<i>Phase II</i>					
Professional	100,300	-	100,300	100,300	-
Engineering	142,970	142,231	739	142,970	-
Construction	1,988,933	-	1,819,373	1,819,373	169,560
Administration	16,285	180	15,000	15,180	1,105
Contingency	78,642	-	-	-	78,642
Total	2,327,130	142,411	1,935,412	2,077,823	249,307
<i>Phase III</i>					
Construction	400,000	-	400,000	400,000	-
Total expenditures	4,516,243	597,462	3,566,935	4,164,397	351,846
Revenues over (under) expenditures	(43,369)	(28,902)	80,165	51,263	94,632
Other Financing Sources (Uses):					
Transfer to General Fund	(49,501)	-	(54,420)	(54,420)	(4,919)
Transfer from Water Fund	92,870	92,870	-	92,870	-
Total other financing sources (uses)	43,369	92,870	(54,420)	38,450	(4,919)
Net change in fund balance	\$ -	\$ 63,968	\$ 25,745	\$ 89,713	\$ 89,713

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, 2012

	<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>		
Expenditures:					
Public safety:					
Construction	\$ 87,000	\$ 86,971	\$ -	\$ 86,971	\$ 29
Total expenditures	<u>87,000</u>	<u>86,971</u>	<u>-</u>	<u>86,971</u>	<u>29</u>
Other Financing Sources (Uses):					
Transfer from General Fund	87,000	87,000	-	87,000	-
Transfer to General Fund	<u>-</u>	<u>-</u>	<u>(29)</u>	<u>(29)</u>	<u>(29)</u>
Total other financing sources (uses)	<u>87,000</u>	<u>87,000</u>	<u>(29)</u>	<u>86,971</u>	<u>(29)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ (29)</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

INDUSTRIAL BUILDING PROJECT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<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>	
Revenues:					
Restricted intergovernmental	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
Expenditures:					
Education:					
Administration	40,850	-	40,818	40,818	32
Professional services	90,000	55,000	13,200	68,200	21,800
Equipment	600,000	-	-	-	600,000
Construction	1,459,150	650	298,317	298,967	1,160,183
Total expenditures	2,190,000	55,650	352,335	407,985	1,782,015
Other Financing Sources (Uses):					
Transfers in	1,590,000	1,590,000	-	1,590,000	-
Net change in fund balance	\$ -	\$ 1,534,350	\$ (352,335)	\$ 1,182,015	\$ 1,182,015

HALIFAX COUNTY, NORTH CAROLINA

QCSB ROANOKE RAPIDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 161,223	\$ -	\$ 47,111	\$ 47,111	\$ (114,112)
Investment earnings	-	-	1,715	1,715	1,715
Total revenues	<u>161,223</u>	<u>-</u>	<u>48,826</u>	<u>48,826</u>	<u>(112,397)</u>
Expenditures:					
Education:					
Construction	2,399,186	-	2,228,651	2,228,651	170,535
Professional services	40,000	-	40,000	40,000	-
Administration	18,171	-	8,017	8,017	10,154
Engineering	196,617	-	158,696	158,696	37,921
Contingency	<u>60,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,216</u>
Total expenditures	<u>2,714,190</u>	<u>-</u>	<u>2,435,364</u>	<u>2,435,364</u>	<u>278,826</u>
Other Financing Sources (Uses):					
Long-term debt issued	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>	<u>2,552,967</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,429</u>	<u>\$ 166,429</u>	<u>\$ 166,429</u>

HALIFAX COUNTY, NORTH CAROLINA

JAIL CONSTRUCTION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>			<u>Variance</u> <u>Over/Under</u>
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 482,830	\$ -	\$ -	\$ -	\$ (482,830)
Expenditures:					
Education:					
Professional services	452,653	-	33,949	33,949	418,704
Construction	<u>30,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,177</u>
Total expenditures	<u>482,830</u>	<u>-</u>	<u>33,949</u>	<u>33,949</u>	<u>448,881</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,949)</u>	<u>\$ (33,949)</u>	<u>\$ (33,949)</u>

ENTERPRISE FUNDS

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.



This page left intentionally blank

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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Solid waste fees	\$ 4,429,469	\$ 8,335,298	\$ 3,905,829	\$ 3,351,057
Electronics management	37,669	21,326	(16,343)	21,648
Other taxes and licenses	69,000	84,179	15,179	81,674
Total operating revenues	<u>4,536,138</u>	<u>8,440,803</u>	<u>3,904,665</u>	<u>3,454,379</u>
Non-operating revenues:				
Interest earned on investments	<u>7,400</u>	<u>5,121</u>	<u>(2,279)</u>	<u>8,798</u>
Total revenues	<u>4,543,538</u>	<u>8,445,924</u>	<u>3,902,386</u>	<u>3,463,177</u>
Expenditures:				
Landfill operations:				
Salaries and benefits	384,325	386,088		364,062
Operating expenses	3,623,772	3,277,748		3,168,339
Repairs and maintenance	126,000	61,825		66,310
Capital outlay	<u>163,540</u>	<u>-</u>		<u>130,278</u>
Total landfill operations	<u>4,297,637</u>	<u>3,725,661</u>	<u>571,976</u>	<u>3,728,989</u>
Ash monofill cell:				
Salaries and benefits	86,937	72,182		44,138
Operating expenses	132,590	105,654		70,195
Repairs and maintenance	<u>5,000</u>	<u>-</u>		<u>-</u>
Total ash monofill cell	<u>224,527</u>	<u>177,836</u>	<u>46,691</u>	<u>114,333</u>
Landfill closure:				
Repairs and maintenance	25,000	-		-
Landfill closure expenditures	<u>169,600</u>	<u>30,535</u>		<u>45,360</u>
Total landfill closure	<u>194,600</u>	<u>30,535</u>	<u>164,065</u>	<u>45,360</u>
Electronics management:				
Operating expenses	16,240	14,940		-
Capital outlay	<u>45,407</u>	<u>140,994</u>		<u>-</u>
Total electronics management	<u>61,647</u>	<u>155,934</u>	<u>(94,287)</u>	<u>-</u>
Total expenditures	<u>4,778,411</u>	<u>4,089,966</u>	<u>688,445</u>	<u>3,888,682</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(234,873)	4,355,958	4,590,831	(425,505)
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(90,230)	(90,230)	-	-
General Fund - transfer in	5,103	8,414	3,311	-
Water Fund - transfer out	-	-	-	(192,754)
Appropriated retained earnings	320,000	-	(320,000)	-
Total other financing sources (uses)	234,873	(81,816)	(316,689)	(192,754)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 4,274,142	\$ 4,274,142	\$ (618,259)
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 4,274,142		\$ (618,259)
Depreciation		(139,794)		(142,186)
Capital outlay		140,994		130,278
Intrafund transfer from capital project		(24,770)		-
Intrafund transfer to capital project		115,000		-
Change in post-closure liability estimate		(4,782,446)		(5,940)
Change in net assets		\$ (416,874)		\$ (636,107)

HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011**

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,247,006	\$ 4,139,274	\$ (107,732)	\$ 4,206,006
Sewer sales	176,085	195,567	19,482	189,139
Tap fees	65,550	43,300	(22,250)	54,200
Penalties and other charges	245,803	202,989	(42,814)	213,535
Miscellaneous	-	35,000	35,000	1,787
Total operating revenues	<u>4,734,444</u>	<u>4,616,130</u>	<u>(118,314)</u>	<u>4,664,667</u>
Non-operating revenues:				
Interest earned on investments	<u>10,000</u>	<u>3,289</u>	<u>(6,711)</u>	<u>6,523</u>
Total non-operating revenues	<u>10,000</u>	<u>3,289</u>	<u>(6,711)</u>	<u>6,523</u>
Total revenues	<u>4,744,444</u>	<u>4,619,419</u>	<u>(125,025)</u>	<u>4,671,190</u>
Expenditures:				
Water Department:				
Salaries and employee benefits	669,935	656,182		616,970
Water purchases	1,774,499	1,774,499		1,595,547
Repairs and maintenance	156,665	121,651		122,699
Other operating expenditures	1,380,817	995,601		864,200
Capital outlay	<u>86,214</u>	<u>86,208</u>		<u>71,030</u>
Total water operations	<u>4,068,130</u>	<u>3,634,141</u>	<u>433,989</u>	<u>3,270,446</u>
Debt service:				
Debt service principal	289,000	289,000		348,500
Debt service interest and fees	<u>825,410</u>	<u>825,410</u>		<u>901,624</u>
Total debt service	<u>1,114,410</u>	<u>1,114,410</u>	<u>-</u>	<u>1,250,124</u>
Total expenditures	<u>5,182,540</u>	<u>4,748,551</u>	<u>433,989</u>	<u>4,520,570</u>
Revenues over (under) expenditures	<u>(438,096)</u>	<u>(129,132)</u>	<u>308,964</u>	<u>150,620</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, 2012
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
General Fund - transfer in	13,056	13,057	1	-
Special Revenue Fund - transfer in	-	-	-	4,077
Capital Project Fund - transfer out	-	-	-	(92,870)
Intrafund transfers	197,925	197,925	-	(109,304)
Solid Waste Fund - transfer in	-	-	-	192,754
General obligation bond issued	9,048,000	9,048,000	-	-
Payment to escrow agent, debt refunding payment	(9,323,000)	(9,323,000)	-	-
Appropriated retained earnings	502,115	-	(502,115)	-
Total other financing sources (uses)	<u>438,096</u>	<u>(64,018)</u>	<u>(502,114)</u>	<u>(5,343)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (193,150)</u>	<u>\$ (193,150)</u>	<u>\$ 145,277</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (193,150)		\$ 145,277
Debt principal		289,000		348,500
Capital outlay		86,208		71,030
General obligation note retired		9,323,000		-
General obligation bond issued		(9,048,000)		-
Interfund transfer out		(45,830)		-
Intrafund transfer		(197,925)		109,304
Interest income from water capital projects		17		952
Project expense not capitalized		(10,202)		(62)
Capital contributions from water capital projects		2,511		224,763
Depreciation		<u>(2,577,838)</u>		<u>(970,253)</u>
Change in net assets		<u>\$ (2,372,209)</u>		<u>\$ (70,489)</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, 2012

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental	\$ 900,000	\$ 896,101	\$ -	\$ 896,101
N.C. Rural Economic Development	600,000	580,737	-	580,737
Contributions	<u>47,500</u>	<u>47,500</u>	-	<u>47,500</u>
Total revenues	<u>1,547,500</u>	<u>1,524,338</u>	-	<u>1,524,338</u>
Expenditures:				
Economic and physical development:				
Administration and professional	44,154	41,550	-	41,550
Planning	5,000	5,000	-	5,000
Construction	<u>1,531,697</u>	<u>1,465,308</u>	-	<u>1,465,308</u>
Total expenditures	<u>1,580,851</u>	<u>1,511,858</u>	-	<u>1,511,858</u>
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	33,351	33,350	-	33,350
Transfer to Capital Project Fund	-	-	(45,830)	(45,830)
Total other financing sources (uses)	<u>33,351</u>	<u>33,350</u>	<u>(45,830)</u>	<u>(12,480)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 45,830</u>	<u>\$ (45,830)</u>	<u>\$ -</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, 2012

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental	\$ 310,761	\$ 310,761	\$ -	\$ 310,761
NC Rural Economic Development	483,064	456,148	-	456,148
Interest earned	2,595	175,178	-	175,178
Total revenues	<u>796,420</u>	<u>942,087</u>	<u>-</u>	<u>942,087</u>
Expenditures:				
Economic and physical development:				
Administration and professional	416,339	398,460	-	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>5,172,711</u>	<u>-</u>	<u>5,172,711</u>
Economic and physical development: Phase IX - A				
Administration and professional	425,783	416,710	-	416,710
Land and right-of-way	20,000	20,000	-	20,000
Construction	2,336,375	2,271,101	-	2,271,101
Contingency	9,560	-	-	-
Debt service:				
Debt service interest	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>2,891,718</u>	<u>2,807,811</u>	<u>-</u>	<u>2,807,811</u>
Other Financing Sources (Uses):				
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>\$ (100,360)</u>	<u>\$ -</u>	<u>\$ (100,360)</u>

HALIFAX COUNTY, NORTH CAROLINA

PHASE X WATER CAPITAL PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ -	\$ 952	\$ 17	\$ 969
Miscellaneous	-	-	2,511	2,511
Total revenues	-	952	2,528	3,480
Expenditures:				
Economic and physical development:				
Construction	1,562,208	1,413,789	105,000	1,518,789
Professional services	35,000	4,981	7,362	12,343
Engineering	309,683	248,284	32,317	280,601
Administration	17,560	4,258	1,600	5,858
Contingency	15,853	-	-	-
Total	1,940,304	1,671,312	146,279	1,817,591
Debt service:				
Debt service interest	85,000	8,027	5,241	13,268
Total expenditures	2,025,304	1,679,339	151,520	1,830,859
Other Financing Sources (Uses):				
Intrafund transfer in	109,304	109,304	-	109,304
Intrafund transfer out	-	-	(197,925)	(197,925)
Long-term debt issued	1,916,000	1,916,000	-	1,916,000
Total other financing sources (uses)	2,025,304	2,025,304	(197,925)	1,827,379
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 346,917	\$ (346,917)	\$ -

HALIFAX COUNTY, NORTH CAROLINA

MEADOWS WASTE WATER SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Restricted intergovernmental	\$ 61,425	\$ 21,425	\$ -	\$ 21,425
Expenditures:				
Economic and physical development:				
Environmental assessment	19,500	-	-	-
Administration	2,925	62	-	62
Engineering	<u>39,000</u>	<u>-</u>	<u>10,202</u>	<u>10,202</u>
Total expenditures	<u>61,425</u>	<u>62</u>	<u>10,202</u>	<u>10,264</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 21,363	\$ (10,202)	\$ 11,161

HALIFAX COUNTY, NORTH CAROLINA

PHASE XI SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Restricted intergovernmental	\$ 1,585,228	\$ -	\$ -	\$ -
Expenditures:				
Economic and physical development:				
Administration	181,700	-	5,978	5,978
Professional services	128,261	-	65,059	65,059
Land	10,000	-	-	-
Contingency	106,887	-	-	-
Construction	1,158,380	-	-	-
Engineering	-	-	10,202	10,202
Total expenditures	<u>1,585,228</u>	<u>-</u>	<u>81,239</u>	<u>81,239</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,239)</u>	<u>\$ (81,239)</u>

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, 2012

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures:				
Economic and physical development:				
Administration	\$ 331	\$ 185	\$ -	\$ 185
Land	34,391	22,000	-	22,000
Construction	201,128	82,852	110,541	193,393
Engineering	19,538	16,011	491	16,502
Contingency	1,462	-	-	-
Total expenditures	<u>256,850</u>	<u>121,048</u>	<u>111,032</u>	<u>232,080</u>
Other Financing Sources (Uses):				
Intrafund transfer in - Solid Waste Disposal	232,080	256,850	-	256,850
Intrafund transfer out - Solid Waste Disposal	<u>24,770</u>	<u>-</u>	<u>(24,770)</u>	<u>(24,770)</u>
Total other financing sources (uses)	<u>256,850</u>	<u>256,850</u>	<u>(24,770)</u>	<u>232,080</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 135,802</u>	<u>\$ (135,802)</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

TRANSFER STATION PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Expenditures:				
Engineering	\$ 110,000	\$ -	\$ 55,188	\$ 55,188
Other Financing Sources (Uses):				
Proceeds from long-term debt	110,000	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (55,188)	\$ (55,188)

HALIFAX COUNTY, NORTH CAROLINA

C&D LANDFILL PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures:				
Economic and physical development:				
Engineering	\$ 115,000	\$ -	\$ 1,738	\$ 1,738
Other Financing Sources (Uses):				
Intrafund transfer - Solid Waste Disposal	115,000	-	115,000	115,000
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,262</u>	<u>\$ 113,262</u>

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.



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2012

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,079,176	\$ 342,573	\$ 1,421,749
Accounts receivable, net	2,138	-	2,138
Total assets	<u>1,081,314</u>	<u>342,573</u>	<u>1,423,887</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	<u>682,811</u>	-	<u>682,811</u>
Net Assets:			
Unrestricted	<u>\$ 398,503</u>	<u>\$ 342,573</u>	<u>\$ 741,076</u>

HALIFAX COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND

CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Operating Revenues:				
Charges for services	\$ 3,375,397	\$ 272,367	\$ 3,647,764	\$ 3,575,507
Operating Expenses:				
Unemployment claims	-	70,042	70,042	40,318
Health insurance premiums and administration	3,343,558	-	3,343,558	3,654,731
Total operating expenses	3,343,558	70,042	3,413,600	3,695,049
Operating income (loss)	31,839	202,325	234,164	(119,542)
Non-Operating Revenues:				
Investment earnings	890	322	1,212	2,762
Income (loss) before operating transfers	32,729	202,647	235,376	(116,780)
Transfer in (out) - General Fund	-	(225,000)	(225,000)	(225,000)
Net income (loss)	32,729	(22,353)	10,376	(341,780)
Net Assets:				
Beginning of year - July 1	365,774	364,926	730,700	1,072,480
End of year - June 30	\$ 398,503	\$ 342,573	\$ 741,076	\$ 730,700

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2011

	2012			2011
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,374,823	\$ 272,367	\$ 3,647,190	\$ 3,575,178
Cash paid for goods and services	(3,266,802)	(70,042)	(3,336,844)	(3,801,803)
Net cash provided (used) by operating activities	<u>108,021</u>	<u>202,325</u>	<u>310,346</u>	<u>(226,625)</u>
Cash Flows from Non-Capital Financing Activities:				
Transfer out - General Fund	-	(225,000)	(225,000)	(225,000)
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>890</u>	<u>322</u>	<u>1,212</u>	<u>2,762</u>
Net increase (decrease) in cash, cash equivalents, and investments	108,911	(22,353)	86,558	(448,863)
Cash, Cash Equivalents, and Investments:				
Beginning of year - July 1	<u>970,265</u>	<u>364,926</u>	<u>1,335,191</u>	<u>1,784,054</u>
End of year - June 30	<u>\$ 1,079,176</u>	<u>\$ 342,573</u>	<u>\$ 1,421,749</u>	<u>\$ 1,335,191</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 31,839	\$ 202,325	\$ 234,164	\$ (119,542)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(574)	-	(574)	(329)
Increase (decrease) in accounts payable	<u>76,756</u>	<u>-</u>	<u>76,756</u>	<u>(106,754)</u>
Net cash provided (used) by operating activities	<u>\$ 108,021</u>	<u>\$ 202,325</u>	<u>\$ 310,346</u>	<u>\$ (226,625)</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, 2012

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 3,498,500	\$ 3,375,397	\$ (123,103)
Operating Expenses:			
Health insurance premiums and administration	3,500,000	3,343,558	156,442
Operating income (loss)	(1,500)	31,839	33,339
Non-Operating Revenues:			
Investment earnings	1,500	890	(610)
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 32,729</u>	<u>\$ 32,729</u>

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, 2012

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 610,000	\$ 272,367	\$ (337,633)
Operating Expenses:			
Unemployment claims	385,800	70,042	315,758
Operating income (loss)	224,200	202,325	(21,875)
Non-Operating Revenues:			
Investment earnings	800	322	(478)
Income (loss) before operating transfers	225,000	202,647	(22,353)
Transfer (in) out - General Fund	(225,000)	(225,000)	-
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (22,353)</u>	<u>\$ (22,353)</u>



This page left intentionally blank

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.



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 42,129	\$ 61,830	\$ 42,129	\$ 61,830
Liabilities:				
Miscellaneous liabilities	\$ 42,129	\$ 61,830	\$ 42,129	\$ 61,830
Tax Collection Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 133,534	\$ 11,314,721	\$ 11,266,182	\$ 182,072
Taxes receivable, net	827,994	11,673,825	11,583,538	918,282
Total assets	<u>\$ 961,528</u>	<u>\$ 22,988,546</u>	<u>\$ 22,849,720</u>	<u>\$ 1,100,354</u>
Liabilities:				
Miscellaneous liabilities	\$ 133,534	\$ 11,091,193	\$ 11,042,654	\$ 182,072
Intergovernmental payable	827,994	11,785,358	11,695,071	918,282
Total liabilities	<u>\$ 961,528</u>	<u>\$ 22,876,551</u>	<u>\$ 22,737,725</u>	<u>\$ 1,100,354</u>
DMV Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 31,617	\$ 31,617	\$ -
Total assets	<u>\$ -</u>	<u>\$ 31,617</u>	<u>\$ 31,617</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ -	\$ 31,617	\$ 31,617	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 31,617</u>	<u>\$ 31,617</u>	<u>\$ -</u>
ROD Trust Fund Fee:				
Assets:				
Cash and cash equivalents	\$ 445	\$ 20,041	\$ 18,446	\$ 2,040
Total assets	<u>\$ 445</u>	<u>\$ 20,041</u>	<u>\$ 18,446</u>	<u>\$ 2,040</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ 445	\$ 20,041	\$ 18,446	\$ 2,040
Total liabilities	<u>\$ 445</u>	<u>\$ 20,041</u>	<u>\$ 18,446</u>	<u>\$ 2,040</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 176,108	\$ 11,428,209	\$ 11,358,374	\$ 245,942
Taxes receivable, net	827,994	11,673,825	11,583,538	918,282
Total assets	<u>\$ 1,004,102</u>	<u>\$ 23,102,034</u>	<u>\$ 22,941,912</u>	<u>\$ 1,164,224</u>
Liabilities and Fund Balance:				
Liabilities:				
Miscellaneous liabilities	\$ 175,663	\$ 11,153,023	\$ 11,084,783	\$ 243,902
Intergovernmental payable	828,439	11,837,016	11,745,134	920,322
Total liabilities	<u>\$ 1,004,102</u>	<u>\$ 22,990,039</u>	<u>\$ 22,829,917</u>	<u>\$ 1,164,224</u>



This page left intentionally blank

OTHER SCHEDULES

This section contains additional information on property taxes

- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2012

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2011</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2012</u>
2011-2012	\$ -	\$ 24,459,052	\$ 23,736,795	\$ 722,257
2009-2010	773,162	-	408,874	364,288
2008-2009	405,355	-	109,419	295,936
2007-2008	191,985	-	38,036	153,949
2006-2007	166,647	-	23,412	143,235
2005-2006	164,615	-	13,293	151,322
2004-2005	151,400	-	8,231	143,169
2003-2004	133,898	-	7,780	126,118
2002-2003	142,552	-	6,949	135,603
2001-2002	126,969	-	5,295	121,674
2000-2001	103,410	-	103,410	-
Total	<u>\$ 2,359,993</u>	<u>\$ 24,459,052</u>	<u>\$ 24,461,494</u>	<u>2,357,551</u>
Motor vehicle taxes receivable for 2012				142,665
Less: allowance for uncollectible ad valorem taxes receivable				<u>(677,885)</u>
Ad valorem taxes receivable, net				<u>\$ 1,822,331</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 24,322,857
Reconciling items:				
Gross receipts tax				(20,607)
Penalties collected on ad valorem taxes - Agency Fund				(184,781)
Amounts written off for tax years per Statute of Limitations				103,410
Abatements and releases				66,820
Refunds				(120,936)
Writeoffs/discounts				220,771
Tax bill adjustments				78,395
Miscellaneous adjustments				<u>(4,435)</u>
Total collections and credits				<u>\$ 24,461,494</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2012

	<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>
Original Levy:					
Property taxed at current year's rate	\$ 3,278,075,588	\$ 0.68	\$ 22,290,914	\$ 22,290,914	\$ -
Motor vehicles taxed at current year's rate	315,634,379	0.68	2,146,314	-	2,146,314
Penalties	-		25,260	25,260	-
Total original levy	<u>3,593,709,967</u>		<u>24,462,488</u>	<u>22,316,174</u>	<u>2,146,314</u>
Discoveries	<u>9,225,882</u>	0.68	<u>62,736</u>	<u>62,736</u>	<u>-</u>
Abatements	<u>(9,731,159)</u>	0.68	<u>(66,172)</u>	<u>(17,699)</u>	<u>(48,473)</u>
Total property valuation	<u>\$ 3,593,204,690</u>				
Net Levy			24,459,052	22,361,211	2,097,841
Uncollected taxes at June 30, 2012			<u>722,257</u>	<u>507,801</u>	<u>214,456</u>
Current Year's Taxes Collected			<u>\$ 23,736,795</u>	<u>\$ 21,853,410</u>	<u>\$ 1,883,385</u>
Current Levy Collection Percentage			<u>97.05%</u>	<u>97.73%</u>	<u>89.78%</u>

HALIFAX COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2012****Secondary Market Disclosure:****Assessed Valuation:**

Assessment ratio		100.08%
Real property	\$	2,679,669,691
Personal property		741,199,448
Public service companies		<u>172,366,132</u>
Total assessed valuation	\$	<u><u>3,593,235,271</u></u>
Tax rate per \$100		0.68
Levy (included discoveries, releases and abatements)	\$	<u><u>24,434,000</u></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	\$	3,141,462
Fire protection districts		1,273,462
Community hospital		<u>377,002</u>
Total	\$	<u><u>4,791,926</u></u>



This page left intentionally blank

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>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	134
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	142
Debt Capacity 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.	146
Demographic and Economic Information 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.	149
Operating Information 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.	151

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 18,477,076	\$ 15,509,024	\$ 15,987,959	\$ 16,324,481
Restricted	16,423,142	11,130,798	58,992	58,192
Unrestricted	<u>(21,964)</u>	<u>6,009,922</u>	<u>14,562,807</u>	<u>10,725,835</u>
Total governmental activities net assets	<u>\$ 34,878,254</u>	<u>\$ 32,649,744</u>	<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 11,893,823	\$ 13,581,258	\$ 13,947,296	\$ 12,725,129
Restricted	-	-	-	-
Unrestricted	<u>6,156,006</u>	<u>7,257,654</u>	<u>7,598,212</u>	<u>8,209,572</u>
Total business-type activities net assets	<u>\$ 18,049,829</u>	<u>\$ 20,838,912</u>	<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>
Primary government				
Invested in capital assets, net of related debt	\$ 30,370,899	\$ 29,090,282	\$ 29,935,255	\$ 29,049,610
Restricted	16,423,142	11,130,798	58,992	58,192
Unrestricted	<u>6,134,042</u>	<u>13,267,576</u>	<u>22,161,019</u>	<u>18,935,407</u>
Total primary government net assets	<u>\$ 52,928,083</u>	<u>\$ 53,488,656</u>	<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>

Fiscal Year

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 15,903,882	\$ 16,542,906	\$ 12,700,784	\$ 12,337,967	\$ 11,821,605	\$ 11,047,317
89,618	89,618	57,658	1,195,232	69,412	62,160
11,984,749	12,708,171	24,037,834	17,409,976	18,630,429	11,766,246
<u>\$ 27,978,249</u>	<u>\$ 29,340,695</u>	<u>\$ 36,796,276</u>	<u>\$ 30,943,175</u>	<u>\$ 30,521,446</u>	<u>\$ 22,875,723</u>
\$ 13,264,059	\$ 14,421,955	\$ 14,537,104	\$ 14,805,053	\$ 15,256,490	\$ 14,514,682
-	-	-	-	-	-
7,633,787	5,758,236	3,648,978	2,516,250	3,103,225	3,104,712
<u>\$ 20,897,846</u>	<u>\$ 20,180,191</u>	<u>\$ 18,186,082</u>	<u>\$ 17,321,303</u>	<u>\$ 18,359,715</u>	<u>\$ 17,619,394</u>
\$ 29,167,941	\$ 30,964,861	\$ 27,237,888	\$ 27,143,020	\$ 27,078,095	\$ 25,561,999
89,618	89,618	57,658	1,195,232	69,412	62,160
19,618,536	18,466,407	27,686,812	19,926,226	21,733,654	14,870,958
<u>\$ 48,876,095</u>	<u>\$ 49,520,886</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 Ten Fiscal Years
(accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses				
Governmental activities:				
General government	\$ 11,155,986	\$ 10,435,130	\$ 9,781,235	\$ 11,094,199
Public safety	12,844,194	12,274,234	11,872,036	12,291,389
Economic & physical development	1,711,426	1,757,528	1,648,548	1,156,054
Human Services	21,780,366	22,082,009	21,431,637	25,268,365
Cultural & Recreational	683,275	539,435	528,298	578,152
Education	14,579,569	11,696,274	11,920,920	12,159,112
Interest & Fees	938,783	396,649	460,169	532,773
Total governmental activities expenses	<u>\$ 63,693,599</u>	<u>\$ 59,181,259</u>	<u>\$ 57,642,843</u>	<u>\$ 63,080,044</u>
Business-type activities:				
Water & Sewer	\$ 6,961,383	\$ 5,071,355	\$ 5,064,811	\$ 5,787,146
Landfill/Solid Waste	8,871,212	3,906,530	3,465,856	3,210,966
Total business-type activities	<u>\$ 15,832,595</u>	<u>\$ 8,977,885</u>	<u>\$ 8,530,667</u>	<u>\$ 8,998,112</u>
Total primary governmental expenses	<u>\$ 79,526,194</u>	<u>\$ 68,159,144</u>	<u>\$ 66,173,510</u>	<u>\$ 72,078,156</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,149,215	\$ 2,787,711	\$ 2,695,952	\$ 2,301,996
Public Safety	3,436,113	3,584,112	2,413,056	3,152,842
Economic and physical development	-	-	-	-
Human Services	158,807	143,102	40,693	19,664
Cultural and recreation	19,223	26,895	5,992	4,514
Operating grants and contributions	21,669,387	17,744,622	18,458,663	19,390,471
Capital grants and contributions	1,369,143	1,018,199	1,371,293	640,654
Total governmental activities program revenues	<u>\$ 28,801,888</u>	<u>\$ 25,304,641</u>	<u>\$ 24,985,649</u>	<u>\$ 25,510,141</u>
Business-type activities:				
Charges of services:				
Water and sewer	\$ 4,616,130	\$ 4,664,667	\$ 4,825,979	\$ 5,389,856
Solid waste	8,356,624	3,372,705	3,194,215	3,129,176
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,511	224,763	1,021,862	252,287
Total business-type activities program revenues	<u>12,975,265</u>	<u>\$ 8,262,135</u>	<u>\$ 9,042,056</u>	<u>\$ 8,771,319</u>
Total primary governmental program revenues	<u>\$ 41,777,153</u>	<u>\$ 33,566,776</u>	<u>\$ 34,027,705</u>	<u>\$ 34,281,460</u>
Net (Expense)/Revenue				
Governmental activities	\$ (34,891,710)	\$ (33,876,618)	\$ (32,657,194)	\$ (37,569,903)
Business-type activities	<u>(2,857,330)</u>	<u>(715,750)</u>	<u>511,389</u>	<u>(226,793)</u>
Total primary government net expense	<u>\$ (37,749,040)</u>	<u>\$ (34,592,368)</u>	<u>\$ (32,145,805)</u>	<u>\$ (37,796,696)</u>

Fiscal Year					
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 8,844,192	\$ 9,365,516	\$ 10,211,044	\$ 7,698,532	\$ 7,116,623	\$ 8,500,178
12,153,355	9,859,448	10,052,711	8,890,593	8,403,482	8,748,991
780,355	1,671,471	1,147,987	453,428	1,184,197	1,550,913
25,764,084	26,121,156	25,931,106	31,319,162	33,319,002	32,018,419
554,833	442,423	401,453	466,682	462,043	497,013
16,571,006	23,973,376	14,876,729	10,210,577	9,627,621	30,559,332
579,473	637,840	338,167	371,056	437,614	499,731
<u>\$ 65,247,298</u>	<u>\$ 72,071,230</u>	<u>\$ 62,959,197</u>	<u>\$ 59,410,030</u>	<u>\$ 60,550,582</u>	<u>\$ 82,374,577</u>
\$ 6,486,493	\$ 4,990,957	\$ 5,322,080	\$ 6,428,356	\$ 4,982,173	\$ 4,270,730
2,445,520	2,248,862	1,940,213	2,248,419	2,158,409	2,654,305
<u>\$ 8,932,013</u>	<u>\$ 7,239,819</u>	<u>7,262,293</u>	<u>8,676,775</u>	<u>7,140,582</u>	<u>6,925,035</u>
<u>\$ 74,179,311</u>	<u>\$ 79,311,049</u>	<u>\$ 70,221,490</u>	<u>\$ 68,086,805</u>	<u>\$ 67,691,164</u>	<u>\$ 89,299,612</u>
\$ 2,412,155	\$ 2,991,008	\$ 1,549,543	\$ 964,228	\$ 919,984	\$ 1,674,934
2,407,032	2,480,344	2,429,014	2,044,812	1,723,913	1,715,687
7,144	14,992	463,496	128,997	396,142	99,088
116,303	20,841	6,129	355,558	3,048,181	1,411,696
-	-	36,043	37,480	36,703	8,615
18,592,406	18,407,546	16,108,612	21,147,425	26,011,802	25,386,448
930,192	-	1,388,553	250,321	2,178,862	22,119,207
<u>\$ 24,465,232</u>	<u>\$ 23,914,731</u>	<u>\$ 21,981,390</u>	<u>\$ 24,928,821</u>	<u>\$ 34,315,587</u>	<u>\$ 52,415,675</u>
\$ 5,868,898	\$ 5,230,740	\$ 4,944,059	\$ 4,937,390	\$ 4,406,902	\$ 4,180,452
3,059,677	2,865,798	2,686,642	2,459,691	2,903,549	3,169,971
-	18,502	18,502	18,502	521,662	332,987
358,948	545,569	231,401	171,509	171,211	1,076,079
<u>\$ 9,287,523</u>	<u>\$ 8,660,609</u>	<u>\$ 7,880,604</u>	<u>\$ 7,587,092</u>	<u>\$ 8,003,324</u>	<u>\$ 8,759,489</u>
<u>\$ 33,752,755</u>	<u>\$ 32,575,340</u>	<u>\$ 29,861,994</u>	<u>\$ 32,515,913</u>	<u>\$ 42,318,911</u>	<u>\$ 61,175,164</u>
\$(40,782,066)	\$(48,156,499)	\$(40,977,807)	\$(34,481,209)	\$(26,234,995)	\$(29,958,902)
355,510	1,420,790	618,311	(1,089,683)	862,742	1,834,454
<u>\$(40,426,556)</u>	<u>\$(46,735,709)</u>	<u>\$(40,359,496)</u>	<u>\$(35,570,892)</u>	<u>\$(25,372,253)</u>	<u>\$(28,124,448)</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Ad valorem taxes	\$ 29,060,545	\$ 28,853,192	\$ 29,073,973	\$ 27,031,921
Local option sales tax	7,441,555	6,544,483	6,765,382	9,017,316
Other taxes	121,816	124,282	131,484	138,512
Interest earned on investments	39,565	99,372	109,491	436,090
Miscellaneous	432,380	206,482	72,410	107,007
Transfers	24,359	88,793	5,704	(30,684)
Total governmental activities	<u>\$ 37,120,220</u>	<u>\$ 35,916,604</u>	<u>\$ 36,158,444</u>	<u>\$ 36,700,162</u>
Business-type activities:				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Privilege Tax	84,179	81,674	78,893	76,003
Interest	8,427	16,273	26,229	156,961
Miscellaneous	-	-	-	-
Transfers	(24,359)	(88,793)	(5,704)	30,684
Total business-type activities	<u>\$ 68,247</u>	<u>\$ 9,154</u>	<u>\$ 99,418</u>	<u>\$ 263,648</u>
Total primary government	<u>\$ 37,188,467</u>	<u>\$ 35,925,758</u>	<u>\$ 36,257,862</u>	<u>\$ 36,963,810</u>
Change in Net Assets				
Governmental activities	\$ 2,228,510	\$ 2,039,986	\$ 3,501,250	\$ (869,741)
Business-type activities	<u>(2,789,083)</u>	<u>(706,596)</u>	<u>610,807</u>	<u>36,855</u>
Total primary government	<u>\$ (560,573)</u>	<u>\$ 1,333,390</u>	<u>\$ 4,112,057</u>	<u>\$ (832,886)</u>

Fiscal Year					
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 26,283,349	\$ 26,892,818	\$ 33,794,125	\$ 24,190,324	\$ 24,978,410	\$ 24,245,261
11,147,940	11,224,258	10,358,468	9,779,111	-	7,386,075
489,499	162,525	168,945	148,923	8,245,592	698,397
1,350,134	2,424,199	1,619,907	515,500	195,877	215,279
-	-	773,508	91,582	279,117	350,425
148,698	(2,882)	115,955	177,498	181,722	606,300
<u>\$ 39,419,620</u>	<u>\$ 40,700,918</u>	<u>\$ 46,830,908</u>	<u>\$ 34,902,938</u>	<u>\$ 33,880,718</u>	<u>\$ 33,501,737</u>
\$ 83,899	\$ 84,494	\$ 80,029	\$ 77,403	\$ -	\$ 75,854
-	-	-	-	-	-
426,944	485,943	282,394	151,366	59,301	-
-	-	-	-	-	86,686
(148,698)	2,882	(115,955)	(177,498)	(181,722)	(606,300)
<u>\$ 362,145</u>	<u>\$ 573,319</u>	<u>\$ 246,468</u>	<u>\$ 51,271</u>	<u>\$ (122,421)</u>	<u>\$ (443,760)</u>
<u>\$ 39,781,765</u>	<u>\$ 41,274,237</u>	<u>\$ 47,077,376</u>	<u>\$ 34,954,209</u>	<u>\$ 33,758,297</u>	<u>\$ 33,057,977</u>
\$ (1,362,446)	\$ (7,455,581)	\$ 5,853,101	\$ 421,729	\$ 7,645,723	\$ 3,542,835
717,655	1,994,109	864,779	(1,038,412)	740,321	1,390,694
<u>\$ (644,791)</u>	<u>\$ (5,461,472)</u>	<u>\$ 6,717,880</u>	<u>\$ (616,683)</u>	<u>\$ 8,386,044</u>	<u>\$ 4,933,529</u>

Schedule 3
 Halifax County, North Carolina
 Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	N/A	N/A	\$ 7,830,230	\$ 7,092,581	\$ 6,680,731	\$ 6,724,983	\$ 5,974,150	\$ 6,243,358	\$ 5,132,647	\$ 4,707,492
Unreserved	N/A	N/A	24,021,981	22,939,596	24,385,840	25,854,498	26,288,682	17,161,395	17,054,721	11,903,256
Nonspendable	787,417	118,618	-	-	-	-	-	-	-	-
Restricted	13,736,617	9,937,529	-	-	-	-	-	-	-	-
Committed	1,010,972	987,513	-	-	-	-	-	-	-	-
Assigned	4,530,361	3,941,401	-	-	-	-	-	-	-	-
Unassigned	13,226,413	17,589,602	-	-	-	-	-	-	-	-
Total General Fund	\$33,291,780	\$32,574,663	\$31,852,211	\$30,032,177	\$31,066,571	\$32,579,481	\$32,262,832	\$23,404,753	\$22,187,368	\$16,610,748
All other governmental funds										
Reserved	N/A	N/A	\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178	\$ 141,383	\$ 1,237,302	\$ 105,133	\$ 191,849
Unreserved, reported in:										
Undesignated	N/A	N/A	-	-	-	-	-	-	-	1,049,043
Special revenue funds	N/A	N/A	1,281,807	1,136,906	1,102,165	1,253,991	889,988	747,510	604,959	-
Capital projects funds	N/A	N/A	(2,081,881)	(2,514,505)	(1,731,444)	281,507	17,303,300	(2,046,725)	(367,556)	-
Permanent funds	N/A	N/A	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	2,686,525	1,193,269	-	-	-	-	-	-	-	-
Committed	1,182,015	-	-	-	-	-	-	-	-	-
Assigned	-	1,534,350	-	-	-	-	-	-	-	-
Unassigned	(3,344,767)	(2,692,045)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$523,773.00	\$ 35,574	\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676	\$ 18,334,671	\$ (61,913)	\$ 342,536	\$ 1,240,892

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Ad valorem taxes	\$ 24,322,857	\$ 28,787,663	\$ 29,025,295	\$ 26,929,709	\$ 26,645,328	\$ 26,716,334	\$ 36,241,776	\$ 24,620,028	\$ 24,712,501	\$ 23,128,184
Other taxes and licenses	6,712,220	6,668,765	6,896,866	9,155,828	11,637,439	11,386,783	10,527,413	9,928,034	9,025,985	8,085,268
Unrestricted intergovernmental revenues	408,382	727,980	483,341	567,941	561,175	630,484	601,198	599,277	736,658	598,729
Restricted intergovernmental revenues	18,649,613	18,977,893	19,473,535	18,847,756	19,029,117	18,336,126	17,118,271	20,933,170	27,418,069	48,613,883
Permits and fees	1,300,247	1,148,751	1,239,839	1,089,818	1,132,806	1,416,031	1,135,397	978,380	928,470	904,132
Sales and services	4,098,301	4,328,128	3,063,410	3,968,594	3,043,037	3,060,770	2,653,994	2,088,402	2,212,529	1,886,638
Investment earnings	29,070	96,610	104,371	407,156	1,284,516	2,339,579	1,539,551	473,766	180,274	196,359
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	412,940	206,482	799,583	742,245	649,621	457,060	1,152,402	280,069	279,118	141,712
Total revenues	\$ 55,933,630	\$ 60,942,272	\$ 61,086,240	\$ 61,709,047	\$ 63,983,039	\$ 64,343,167	\$ 70,970,002	\$ 59,901,126	\$ 65,493,604	\$ 83,554,905
Expenditures										
General government	\$ 7,262,849	\$ 6,603,840	\$ 6,400,525	\$ 7,749,605	\$ 6,571,663	\$ 6,619,523	\$ 10,390,233	\$ 5,563,541	\$ 4,806,691	\$ 4,250,654
Public safety	13,479,012	12,713,337	12,175,394	13,164,754	12,574,099	10,710,355	10,749,615	9,503,518	9,179,172	8,462,156
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	5,351,019	2,455,450	1,711,764	1,435,942	853,024	4,636,172	2,445,266	2,700,184	1,228,992	1,541,645
Human services	22,931,926	22,849,271	23,011,327	25,982,318	27,133,595	31,258,022	28,144,753	31,390,826	34,381,379	32,945,803
Cultural and recreational	735,805	596,275	584,198	612,437	595,436	543,258	492,024	537,581	591,072	475,916
Public Health	-	-	-	-	-	-	-	-	-	-
Education	14,579,569	11,696,274	11,920,920	11,744,244	16,571,006	23,973,376	14,876,729	10,210,577	9,627,621	30,559,332
Capital outlay	-	-	-	-	1,822,427	-	-	-	-	459,511
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	2,094,073	2,460,612	2,669,450	2,624,133	2,689,537	2,522,662	1,413,080	1,309,238	1,232,459	1,117,624
Interest	936,291	396,649	460,168	532,773	579,473	637,841	338,167	370,845	437,614	499,731
Total expenditures	\$ 67,370,544	\$ 59,771,708	\$ 58,933,746	\$ 63,846,206	\$ 69,390,280	\$ 80,901,209	\$ 68,849,867	\$ 61,586,310	\$ 61,485,000	\$ 80,312,372
Excess of revenues over (under) expenditures	\$ (11,436,914)	\$ 1,170,564	\$ 2,152,494	\$ (2,137,159)	\$ (5,407,241)	\$ (16,558,042)	\$ 2,120,135	\$ (1,685,184)	\$ 4,008,604	\$ 3,242,533
Other financing sources (uses)										
Intrafund transfers in (out)										
Transfers in-	\$ 1,076,323	\$ 2,069,142	\$ 660,665	\$ 887,783	\$ 1,016,154	\$ 1,029,132	\$ 986,216	\$ 1,324,865	\$ 1,049,883	\$ 1,619,874
Transfers out-	(826,964)	(1,755,349)	(429,961)	(693,467)	(642,456)	(807,014)	(645,261)	(1,047,367)	(768,161)	(913,574)
Sale of capital assets	2,552,967	-	-	-	-	-	-	-	20,310	-
Installment purchase obligations issued	-	-	-	-	950,796	506,692	24,793,574	2,220,622	466,362	-
Advance refunding payment	-	-	-	-	-	-	-	-	(98,734)	-
Operating transfers (to) from component unit	-	-	-	-	-	-	-	-	-	-
Origination fees	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	-
Proceeds of Capital Lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 2,802,326	\$ 313,793	\$ 230,704	\$ 194,316	\$ 1,324,494	\$ 728,810	\$ 25,134,529	\$ 2,498,120	\$ 669,660	\$ 706,300
Net change in fund balances	\$ (8,634,588)	\$ 1,484,357	\$ 2,383,198	\$ (1,942,843)	\$ (4,082,747)	\$ (15,829,232)	\$ 27,254,664	\$ 812,936	\$ 4,678,264.00	\$ 3,948,833
Debt services as a percentage of noncapital expenditures	4.50%	4.78%	5.31%	4.91%	4.71%	3.91%	2.54%	2.73%	2.72%	2.03%

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			
2012	\$ 2,679,669,691	\$ 172,366,132	\$ 741,199,448	\$3,593,235,271	\$ 0.6800	
2011	2,659,342,572	166,430,768	729,288,429	3,555,061,769	1	
2010	2,599,443,151	142,435,241	819,002,637	3,560,881,029	1	
2009	2,603,714,835	157,174,358	755,127,735	3,516,016,928	1	
2008	2,565,732,240	152,640,937	797,774,936	3,516,148,113	1	
2007	1,881,563,995	127,542,574	812,461,530	2,821,568,099	1	
2006	1,855,471,722	113,599,077	765,434,571	2,734,505,370	1	
2005	1,813,198,512	107,412,690	777,559,326	2,698,170,528	1	
2004	1,784,560,532	111,270,000	740,146,000	2,635,976,532	1	
2003	1,767,573,095	117,756,245	760,589,347	2,645,918,687	1	

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
County Direct Rates										
Halifax	0.6800	0.6800	0.6800	\$0.6800	\$0.6800	\$0.8650	\$0.8650	\$0.8650	\$0.8650	\$0.8650
City Rates										
Roanoke Rapids	0.6240	0.6240	0.6240	0.6240	0.5790	0.5790	0.4990	0.4990	0.4990	0.5090
Enfield	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7000	0.7000	0.7000	0.6500
Halifax	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Scotland Neck	0.6800	0.6400	0.6400	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Hobgood	0.5700	0.5700	0.5700	0.5700	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Littleton	0.6500	0.6500	0.6500	0.6100	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
Weidon	0.6600	0.6600	0.6800	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
School District										
Weidon	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	0.2100	0.2100	-	-	-	-	-	-
Fire Districts										
Rheasville	0.0700	0.0700	0.0700	0.0700	0.0563	0.0700	0.0700	0.0600	0.0600	0.0600
Davie	0.0900	0.0900	0.0900	0.0900	0.0720	0.0700	0.0700	0.0700	0.0700	0.0700
Darlington	0.0900	0.0900	0.0900	0.0900	0.0672	0.0700	0.0700	0.0700	0.0700	0.0700
Thelma	-	-	-	-	-	0.0700	0.0700	0.0700	0.0700	0.0700
Littleton	0.0460	0.0460	0.0460	0.0460	0.3300	0.0600	0.0600	0.0600	0.0600	0.0600
Brinkleyville	-	-	-	-	-	-	-	-	-	0.0700
Arcola	0.0700	0.0700	0.0700	0.0700	0.5520	0.0700	0.0700	0.0700	0.0700	0.0700
Enfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600
Halifax	0.0726	0.0726	0.0726	0.0726	0.0626	0.0600	0.0600	0.0600	0.0600	0.0600
Hobgood	0.0719	0.0719	0.0719	0.0719	0.0719	0.0700	0.0700	0.0700	0.0700	0.0700
Scotland Neck	0.0700	0.0700	0.0649	0.0649	0.0649	0.0600	0.0600	0.0600	0.0600	0.0500
Weidon	0.0845	0.0845	0.0845	0.0845	0.0845	0.0900	0.0900	0.0900	0.0900	0.0900
Tillery	0.0500	0.0500	0.0500	0.0500	0.0488	0.0500	0.0500	0.0500	0.0500	0.0500
Hospital District										
Our Community Hospital	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Emergency Medical Services District										
Halifax Emergency Medical Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kapstone Kraft Paper Corp	130,295,290	1	27.33%	162,533,248	1	34.75%
Westmoreland LG&E Partners	108,458,502	2	22.75%	111,418,262	2	23.82%
Dominion-Virginia Power	97,126,923	3	20.37%	61,829,352	3	13.22%
Reser's Fine Food, Inc.	32,409,825	4	6.80%	55,174,202	4	11.80%
CSX Transportatoin Inc.	24,941,859	5	5.23%	17,365,039	5	3.71%
Carolina Telephone & Telegraph	19,178,873	6	4.02%	16,918,648	6	3.62%
Halifax EMC	18,813,099	7	3.95%	16,326,808	7	3.49%
Kennametal Inc.	17,216,606	8	3.61%	13,853,150	8	2.96%
Safelite Glass Corp	14,840,235	9	3.11%	12,311,990	9	2.63%
Rae-Me North Carolina LLC	13,462,313	10	2.82%	0	10	0.00%
Totals	<u>\$ 476,743,525</u>		<u>100.00%</u>	<u>\$ 467,730,699</u>		<u>100.00%</u>

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 for the Fiscal Year		Adjustments	Total		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	(Original Levy)	(Original Levy)		Adjusted Levy	Adjusted Levy	Amount	Percentage of Original Levy	Amount	Percentage of Adjusted Levy	Amount	Percentage of Adjusted Levy
2012	\$ 24,462,488	\$ 24,459,052	\$ (3,436)	\$ 24,459,052	\$ 23,736,795	97.05%	\$ 722,257	100.01%	\$ 24,461,494	100.01%	
2011	24,229,651	24,198,486	(31,165)	24,198,486	23,425,324	96.80%	773,162	99.85%	24,162,912	99.85%	
2010	24,477,419	24,181,539	(295,880)	24,181,539	23,263,860	95.04%	917,679	99.84%	24,143,660	99.84%	
2009	24,149,388	24,044,865	(104,523)	24,044,865	23,218,278	96.14%	826,587	99.62%	23,952,570	99.62%	
2008	23,375,303	23,937,973	562,670	23,937,973	23,209,724	99.29%	728,249	100.00%	23,936,900	100.00%	
2007	23,941,561	24,406,564	465,003	24,406,564	23,650,788	98.79%	755,776	100.27%	24,472,018	100.27%	
2006	23,956,573	24,169,188	212,615	24,169,188	23,429,508	97.80%	739,680	123.40%	29,825,467	123.40%	
2005	23,498,215	23,339,175	(159,040)	23,339,175	21,943,282	93.38%	1,395,893	97.23%	22,693,471	97.23%	
2004	23,774,111	22,828,217	(945,894)	22,828,217	21,940,001	92.29%	888,216	99.88%	22,801,262	99.88%	
2003	24,381,740	25,245,768	864,028	25,245,768	20,176,923	82.75%	920,512	83.52%	21,085,163	83.52%	

Schedule 9
Halifax County, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Total	Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal						
2012	\$ 22,065,000	\$ (22,065,000)	\$ -		2.4%	0.61%	\$ 403.45	
2011	22,629,000	(22,629,000)	-		2.3%	0.64%	416.85	
2010	21,061,500	(21,061,500)	-		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	

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

Schedule 10
Halifax County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ 22,065,000	100%	\$ -
Underlying:			
Enfield	2,182,000	100	-
Halifax	-	100	-
Littleton	272,500	100	-
Roanoke Rapids	-	100	-
Scotland Neck	347,000	100	-
Weldon	-	100	-
Total	\$ 24,866,500		\$ -

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Name of Government. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Schedule 11
 Halifax County, North Carolina
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

	Fiscal Year									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assessed Value of Property	3,593,235	3,555,062	3,560,881	3,516,016	3,516,148	2,821,568	2,794,125	2,698,170	2,635,976	3,216,021
Debt limit, 8% of Assessed Value (Statutory Limitation)	\$ 287,459	\$ 284,405	\$ 284,870	\$ 281,281	\$ 281,292	\$ 225,725	\$ 223,530	\$ 215,854	\$ 210,878	\$ 257,282
Amount of Debt Applicable to Limit	<u>287,459</u>	<u>284,405</u>	<u>284,870</u>	<u>281,281</u>	<u>281,292</u>	<u>225,725</u>	<u>223,530</u>	<u>215,854</u>	<u>210,878</u>	<u>257,282</u>
General Obligation Bonds	22,065	22,629	21,062	14,595	14,918	15,230	15,532	15,824	15,975	8,818
Less: Resources Restricted to Paying Principal	-	(22,629)	(21,062)	(14,595)	(14,918)	(15,230)	(15,532)	(15,824)	(15,975)	(8,818)
Installment purchase contracts**	22,683	21,906	24,324	26,943	29,683	31,558	34,244	11,034	9,464	10,309
Total net debt applicable to limit	<u>44,748</u>	<u>21,906</u>	<u>24,324</u>	<u>26,943</u>	<u>29,683</u>	<u>31,558</u>	<u>34,244</u>	<u>11,034</u>	<u>9,464</u>	<u>10,309</u>
Legal debt margin	<u>\$ 242,711</u>	<u>\$ 262,499</u>	<u>\$ 260,546</u>	<u>\$ 254,338</u>	<u>\$ 251,609</u>	<u>\$ 194,167</u>	<u>\$ 189,286</u>	<u>\$ 204,820</u>	<u>\$ 201,414</u>	<u>\$ 246,973</u>
Total net debt applicable to the limit as a percentage of debt limit	7.89%	7.70%	8.54%	9.58%	10.55%	13.98%	15.32%	5.11%	4.49%	4.01%

**Installment Debt includes COPS, QZAB and
 Installment Purchases

Note: Under state finance law, the Name of Government's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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
2012	54,691	941,943	17,223	7,742	13.2%
2011	54,286	970,959	17,886	8,455	13.7%
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%

Note: Population, median age, and educational level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

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

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Halifax Regional Medical Center	987	1	16.90%	880	2	15.08%
Halifax County Schools	700	2	11.98%	900	1	15.42%
County of Halifax	535	3	9.16%	776	3	13.30%
KapStone	485	4	8.30%	554	4	9.49%
Roanoke Rapids City Schools	389	5	6.66%	453	5	7.76%
Walmart	300	6	5.14%	198	9	3.39%
Safelite (Belron USA)	291	8	4.98%	300	6	5.14%
AAA Carolinas	298	7	5.10%	120	16	2.06%
Halifax Community College	250	9	4.28%	160	12	2.74%
New Dixie Oil	244	11	4.18%	150	14	2.57%
Reser's Fine Foods	261	10	4.47%	110	18	1.89%
Weldon City Schools	199	12	3.41%	200	8	3.43%
Patch Rubber	175	13	3.00%	185	10	3.17%
Halifax Linen Service	145	15	2.48%	120	17	2.06%
Kennametal	130	18	2.23%	150	15	2.57%
Coastal Lumber Company	0	19	0.00%	172	11	2.95%
City of Roanoke Rapids	134	17	2.29%	157	13	2.69%
PCB Piezotronics	174	14	2.98%	0	19	0.00%
Flambeau Airmold	144	16	2.47%	250	7	4.28%
			0.00%			
Total	<u>5,841</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 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Justice and law enforcement	91	91	88	88	73	75	74	72	72	65
Health and human services	263	263	263	283	288	300	287	300	324	388
Environment, parks, and education	7	5	6	12	3	5	5	4	4	4
Public works	17	20	20	24	24	26	24	24	24	22
General government	168	152	162	163	168	174	167	150	183	170
Total	546	531	539	570	556	580	557	550	607	649

Source: County Budget Office.

Schedule 15
Halifax County, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Sheriff										
Volume of calls	37,442	38,489	28,006	38,257	38,620	35,010	32,749	35,028	31,026	25,873
Incident reports filed	2,431	2,706	2,069	3,188	2,835	2,229	2,630	2,750	N/A	N/A
EMS										
Volume of calls	12,859	12,553	12,339	12,076	11,290	11,041	10,262	10,086	9,866	9,598
Response time (in minutes)	8.75	2.1	8	8.43	8.63	8.31	8.40	8.39	8.60	8.00
Transports	9,154	9,100	9,030	8,917	8,422	8,006	10,224	9,428	9,298	8,961
Water										
New connections	75	111	85	191	233	168	171	158	195	284
Water mains breaks	14	2	21	10	9	10	N/A	N/A	N/A	N/A
Average daily consumption (thousands of gallons)	2,610,060	2,136,173	2,565,640	1,938,500	2,034,000	2,223,725	2,500,000	N/A	N/A	N/A

Sources: Various government departments.

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

N/A-NOT AVAILABLE

Schedule 16
Halifax County, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
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'S	20	20	20	19	19	19	19	19	19	19
Water										
Water mains (miles)	568.29	565.60	540.50	520.50	506.54	449.84	443.84	N/A	N/A	N/A
Fire hydrants	1,622	1,615	1,550	1,502	1,452	1,338	1,332	N/A	N/A	N/A
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	2,825,000	2,825,000	N/A	N/A	N/A
Sewer										
Sanitary sewers (miles)	11.5	10	10	10	10	10	10	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



This page left intentionally blank

HALIFAX COUNTY NORTH CAROLINA



COMPLIANCE LETTERS

**For the Fiscal Year Ended
June 30, 2012**

HALIFAX COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	1-2
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	3-5
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	6-8
Schedule of Findings, Responses, and Questioned Costs	9-11
Summary Schedule of Prior Year's Audit Findings	12
Schedule of Expenditures of Federal and State Awards	13-20

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

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

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

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, 2012, not presented here, which collectively comprise Halifax County's basic financial statements, and have issued our report thereon dated October 29, 2012. 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 the Halifax County ABC Board and the Halifax County Tourism Development Authority 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

Management of Halifax County is responsible for establishing and maintaining effective 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 an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings, Responses, and Questioned Costs as item 2012-01.

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings, Responses and Questioned Costs. We did not audit Halifax County's response and accordingly, we express no opinion on it.

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 29, 2012

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

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

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

Independent Auditor's Report

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, 2012. Halifax County's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. 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, 2012.

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, 2012, which collectively comprise Halifax County's basic financial statements and have issued our report thereon dated October 29, 2012 which contained an unqualified opinion on those financial statements. 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, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Expenditures of Federal and State Awards 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 29, 2012

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

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

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

Independent Auditor's Report

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, 2012. Halifax County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, and Questioned Costs. 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, 2012.

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 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, 2012, which collectively comprise Halifax County's basic financial statements and have issued our report thereon dated October 29, 2012 which contained an unqualified opinion on those financial statements. 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, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Expenditures of Federal and State Awards 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 29, 2012

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

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	Yes

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>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
Childcare Development Fund Cluster	93.575, 93.596, 93.713
Adoption Assistance - Title IV-E	93.659

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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

Dollar threshold used to distinguish between
Type A and Type B Programs \$2,334,732

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
Foster Care and Adoption Cluster
Subsidized Childcare Cluster
Maternal and Child Health
SC/SA Domiciliary Care
Halifax County Corporate Park I and II
Halifax County Corporate Park I and II-Rural Center

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

Section II - Financial Statements Findings

Finding 2012-01 Deficit Fund Equity

Criteria: North Carolina General Statutes preclude units from having funds that operate in a deficit.

Condition: There were violations of the General Statutes regarding deficit fund equity in building projects.

Effect: The County was in violation of North Carolina General Statutes.

Cause: The County adopted a balance budget; however, two projects are currently at a deficit balance until grants from job creation, building rent, and grants will make up the deficit.

Recommendation: The County should transfer funds to these projects and record a long term receivable.

Contact Person: Linda E. Taylor, Assistant County Manager of Financial Services and Assistant Budget Officer

Views of Responsible Officials and Planned Corrective Actions: The County will re-evaluate the current recording of the projects in question. The General Fund loaned funds to the respective economic development projects anticipating reimbursement from grant funding. The appropriate action will be taken during fiscal year 2013 to address any deficit revenues. These are grants authorized from State funding-sources, building rent and job creation which have not been received to-date.

Section III - Federal Award Findings and Questioned Costs

None

Section IV - State Award Findings and Questioned Costs

None

HALIFAX COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Financial Statements Finding

2011-01 repeated in 2012 as 2012-01

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
FEDERAL ASSISTANCE			
<i>Cash Programs</i>			
<u>U. S. Dept. of Health and Human Services</u>			
Passed through the NC Department of Health and Human Services:			
Division of Social Services:			
Administration:			
Low-Income Home Energy Assistance Block Grant			
Administration	93.568	\$ 94,009	\$ -
Home Energy Assistance	93.568	218,025	-
Crisis Intervention Program	93.568	623,392	-
Child Welfare Services - State Grant			
Permanency Planning - Special	93.645	13,961	1,455
Division of Aging and Adult Services			
SSBG-Adult Day Care	93.667	32,519	-
SSBG-Adult Day Care over 60	93.667	274	27,573
CPS TANF to SSBG	93.667	203,804	-
In-Home Services	93.667	9,321	-
In-Home Services over 60	93.667	3,094	-
Social Services Block Grant	93.667	459,262	45,578
IV-D Administration			
Links	93.563	855,054	-
Indep. Living Transitional	93.674	10,153	2,538
Indep. Living Transitional	93.674	5,326	-
Temporary Assistance for Needy Families Cluster			
TANF Domestic Violence	93.558	6,302	-
Work First Administration	93.558	66,565	-
Work First Service	93.558	407,063	-
TANF Payments & Penalties	93.558	677,479	(191)
Total TANF Cluster		1,157,409	(191)
Job Boost	93.563	3,532	-

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
Family Preservation	93.556	2,415	-
DCD Smart Start	N/A	-	29,976
Energy Assist Private Grants	N/A	-	7,358
IV-D Offset Fees - Esc	93.563	277	-
IV-D Offset Fees - Federal	93.563	3,874	-
AFDC Incent/Prog Integrity	N/A	-	196
TANF Incent/Prog Integrity	N/A	-	1,760
Direct Benefit Payments:			
Energy Assistance Payment	93.568	(60)	-
AFDC Payments & Penalties	93.560	(1,673)	(459)
AFDC Unemployed Parents Asst	93.560	(231)	(63)
TANF Up	93.558	272	-
SC/SA Domiciliary Care Payment	N/A	-	853,152
SFHF Maximization	N/A	-	34,773
State Foster Home	N/A	-	30,452
Administration for Child and Families			
Child Welfare Services			
Foster Care and Adoption Cluster:			
Adoption/Foster Care	93.658	398,456	-
IV-E CPS	93.658	356,391	39,928
IV-E Adopt Subsidy & Vendor-Direct Benefit payments	93.659	285,711	76,484
IV-E Foster Care in Excess-Direct Benefit payments	93.658	53,727	14,453
IV-E Admin County Paid to CCI	93.658	19,557	9,779
IV-E Family Foster Max	93.658	2,403	-
IV-E Foster Care	93.658	79,472	21,244
IV-E Foster Care/Off Trn	93.658	206,775	-
CWS Adopt Subsidy & Vendor-Direct Benefit payments	N/A	-	146,642
Total Foster Care and Adoption Cluster		<u>1,402,492</u>	<u>308,530</u>
NC Health Choice	93.767	57,160	2,232
Social Services Block Grant	93.667	-	500
Temporary Assistance for Needy Families	93.558	12,684	-
Affordable Care Act (ACA) Personal Responsibility Education	93.092	85,000	-

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
Division of Child Development:			
Child Care Development Fund Cluster			
Division of Social Services:			
Child Care Development Fund - Administration	93.596	84,141	-
Division of Child Development:			
Child Care Development Fund - Discretionary	93.575	572,857	-
Child Care Development Fund - Mandatory	93.596	177,805	-
Child Care Development Fund - Match	93.596	<u>515,834</u>	<u>241,906</u>
Total Child Care Development Fund Cluster		1,350,637	241,906
Temporary Assistance for Needy Families	93.558	236,248	-
ARRA - Emergency Contingency Fund for Temporary			
Assistance for Needy Families State Programs	93.714	50,095	-
Foster Care Title IV-E	93.658	8,052	-
Smart Start		-	9,788
State Appropriations		-	24,753
TANF-MOE		<u>-</u>	<u>164,230</u>
Total Subsidized Child Care Cluster		<u>1,645,032</u>	<u>440,677</u>
Total Division of Social Services		<u>6,896,377</u>	<u>1,786,037</u>
Centers for Medicare and Medicaid Services			
Division of Medical Assistance:			
Administration:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	66,043,982	39,945,085
Division of Social Services:			
Adt Cr Hm Cs Mgt/Spec	93.778	31,678	12,751
Medical Assistance Expansion	93.778	27,643	27,643
Medical Assist Admin	93.778	930,050	-
Medical Transp Admin	93.778	<u>11,051</u>	<u>-</u>
Total Division of Medical Assistance Cluster		<u>67,044,404</u>	<u>39,985,479</u>

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
Division of Public Health:			
Public Health Emergency Preparedness	93.069	43,009	-
Tuberculosis Control	93.116	32,202	-
Family Planning Services	93.217	75,643	-
Immunization Program	93.268	26,918	-
Centers for Disease Control & Prevention			
Investigations and Technical Assistance	93.283	14,238	-
ARRA - Preventing Healthcare - Associated Infections	93.717	2,220	-
Medical Assistance Program	93.778	96,967	37,411
Comprehensive Breast and Cervical Cancer	93.919	16,009	16,575
Healthy Start Communities	93.926	87,362	-
Maternal and Child Health	93.994	168,373	360,197
Total Division of Public Health		<u>562,941</u>	<u>414,183</u>
Administration on Aging:			
Division of Public Aging and Adult Services:			
Upper Coastal Plain Council of Government			
Access Services - Title III-B	93.044	48,524	2,854
In Home III-B	93.044	121,969	7,175
Congregate Nutrition, Title III-C1	93.045	55,797	3,282
Home Delivered Meals, Title III-C2	93.045	44,837	2,637
In-Home SSBG	93.667	38,319	1,095
Family Caregiver, Title III-E	93.052	17,873	1,192
Total Upper Coastal Plain Council of Government		<u>327,319</u>	<u>18,235</u>
Total U.S. Dept. of Health and Human Services		<u>74,831,041</u>	<u>42,203,934</u>
<u>U. S. Department of Agriculture</u>			
Passed through NC Department of Health and Human Services			
Division of Public Health			
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	<u>1,640,950</u>	<u>-</u>
Supplemental Nutrition Assistance Program Cluster:			
Supplemental Nutrition Assistance Program-Administration	10.561	652,154	-
Supplemental Nutrition Assistance Program-Fraud Administra	10.561	14,049	-
Total Supplemental Nutrition Assistance Program Cluster		<u>666,203</u>	<u>-</u>

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
Passed through Upper Coastal Plain Council of Govt. USDA Supplement	10.570	18,365	-
Passed through NC Department of Agriculture Commodity Supplemental Food Program	10.565	260,620	-
Total Emergency Food Assistance Cluster		260,620	-
Total U.S. Dept. of Agriculture		2,586,138	-
<u>U.S. National Foundation on the Arts and the Humanities</u>			
Passed through NC Department of Cultural Resources: LSTA Planning Grant	45.310	8,607	-
Total U.S. National Foundation on the Arts		8,607	-
<u>U. S. Dept. of Housing and Urban Development</u>			
Passed through NC Department of Commerce Division of Economic and Community Development 2010 CDBG Scattered Site Rehab Project	14.228	109,321	-
Total CDBG - State-Administered CDBG Cluster		109,321	-
Total U.S. Dept. of Housing and Urban Development		109,321	-
<u>U.S. Department of Justice</u>			
Passed through the NC Department of Crime Control and Public Safety			
Juvenile Justice and Delinquency Prevention	16.540	239,352	-
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	31,327	-
Bulletproof Vest Program	16.607	500	-
ARRA - Edward Byrne Memorial JAG	16.804	18,100	-
Total U.S. Department of Justice		289,279	-
TOTAL FEDERAL AWARDS		77,824,386	42,203,934

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
STATE AWARDS			
<u>North Carolina Department of Health and Human Services</u>			
Division of Aging:			
Passed through Upper Coastal Plain Council of Governments			
Access Services		-	40,814
Home-Delivered Meals		-	223,022
In-Home Services		-	31,992
Caregiver Match		-	10,622
Total Upper Coastal Plain Council of Governments		-	306,450
Division of Public Health:			
Food and Lodging Fees		-	7,202
Environmental Health		-	4,000
Lead Prevention Aid to County Funds		-	3,624
Mosquito-Public Health Pesticide		-	4,911
General Aid to Counties		-	141,135
Public Health Nursing		-	220
General Communicable Disease Control		-	2,293
Risk Reduction / Health Promotion		-	7,865
Interpreter Grant II		-	20,900
Maternal Health (HMHC)		-	62,848
WHSF		-	11,954
Tuberculosis		-	66,352
TB Medical Services		-	2,518
General Aid-to-County		-	6,297
Total Division of Public Health		-	342,119
Total NC Dept of Health and Human Services		-	648,569
<u>North Carolina Department of Transportation</u>			
Rural General Public Transportation		-	65,657
Elderly and Handicapped Transportation		-	71,346
Work First Transportation		-	23,777
Peanut Belt Rural Transportation Planning Organization		-	81,683
Total NC Department of Transportation		-	242,463

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
<u>North Carolina Department of Correction</u>			
Criminal Justice		-	160,046
Total NC Department of Correction		-	160,046
<u>North Carolina Department of Crime Control & Public Safety</u>			
Emergency Management - Performance Grant		-	6,000
Emergency Management - Supplement Award		-	26,759
Total NC Dept of Crime Control & Public Safety		-	32,759
<u>North Carolina Department of Commerce</u>			
Halifax County Corporate Park, Grant U-395 (Phase I)		-	1,171,927
Halifax County Corporate Park, Grant U-395 (Phase II)		-	779,203
Passed through The Rural Center			
Halifax Co Corporate Park - Phase I		-	814,530
Halifax Co Corporate Park - Phase II		-	1,000,000
Total NC Dept of Commerce		-	3,765,660
<u>North Carolina Department of Cultural Resources</u>			
State Aid to Libraries		-	101,332
Total NC Dept of Cultural Resources		-	101,332
<u>North Carolina Department of Environment and Natural Resources</u>			
Division of Natural Resources:			
Economic & Physical Development State Grant		-	3,600
State Cost Share		-	13,280
Division of Waste Management:			
Scrap Tires Grant		-	20,793
Division of Water Resources:			
LGWCC-Aquatic Weed Control Grant		-	100,000
Total NCDENR		-	137,673

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2012**

<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>
<u>North Carolina Department of Insurance</u>			
Division of Senior Health Insurance and Information Program:			
SHIIP Grant		-	4,045
Total NC Insurance		-	4,045
<u>North Carolina Department of Administration</u>			
Department of Veteran's Affairs		-	1,452
Total NC Dept of Admin		-	1,452
<u>North Carolina Department of Public Instruction</u>			
Public School Building Capital Fund - Lottery Funds		-	1,369,143
Total NC Public Instruction		-	1,369,143
Total State Awards		-	6,463,142
Total Federal and State Awards		\$ 77,824,386	\$ 48,667,076

Notes to the Schedule of Expenditures of Federal and State 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