

**HALIFAX COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

HALIFAX COUNTY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2013**

HALIFAX COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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, 2013

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 Auditor's Report	1-3
	Management's Discussion and Analysis	4-14
	Basic Financial Statements - Overview:	
	Government-Wide Financial Statements:	
	A Statement of Net Position	15
	B Statement of Activities	16-17
	Fund Financial Statements:	
	C Balance Sheet - Governmental Funds	18
	D Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
	E Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	20
	F General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	21
	G Statement of Net Position - Proprietary Funds	22
	H Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements (continued):	
I	Statement of Cash Flows - Proprietary Funds	24-25
J	Statement of Fiduciary Net Position - Fiduciary Funds	26
K	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
	Notes to the Basic Financial Statements	28-66
	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	69-70
B-2	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Departments	71
B-3	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Department	72-78
B-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Health Department	79-82
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Social Services Department	83-84
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Management Services Department	85

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Supplementary Information (continued):	
	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 Graded District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	96
D-8	CDBG Scattered Site Housing - 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, 2013

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Capital Project Funds:	
E-1	Combining Balance Sheet - Nonmajor Capital Projects Funds	98-99
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds	100-101
E-3	RPO Peanut Belt - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102
E-4	Piezotronics Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	103
E-5	Alliance Drive Relocation Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	104
E-6	Major Halifax County Sewer Upgrade Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	105
E-7	Industrial Building Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	106
E-8	QCSB Roanoke Rapids - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	107
E-9	Jail Construction Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
E-10	German Wood Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	109

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Enterprise Funds:	
F-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	110-111
F-2	Water Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	112-113
F-3	Meadows Waste Water - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	114
F-4	Phase XI and X1-A- Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	115
F-5	Transfer Station Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	116
F-6	C&D Landfill Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	117
	Internal Service Funds:	
G-1	Combining Statement of Net Position	118
G-2	Combining Statement of Revenues, Expenses, and Changes in Net Position	119
G-3	Combining Statement of Cash Flows	120
G-4	Health Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	121
G-5	Unemployment Insurance Fund - Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP)	122

HALIFAX COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Agency Funds:	
H-1	Combining Schedule of Changes in Assets and Liabilities	123
	Additional Financial Data:	
I-1	Schedule of Ad Valorem Taxes Receivable	124
I-2	Analysis of Current Tax Levy	125
I-3	Analysis of Current Tax Levy - Secondary Market Disclosure	126
	Statistical Section:	
1	Net Position By Component	127-128
2	Change in Net Position	129-132
3	Fund Balances - Government Funds	133
4	Changes in Fund Balances - Governmental Funds	134
5	Assessed Value and Actual Value of Taxable Property	135
6	Direct and Overlapping Property Tax Rates	136
7	Principal Property Taxpayers	137
8	Property Tax Levies and Collections	138
9	Ratio of General Bonded Debt Outstanding	139
10	Direct and Overlapping Governmental Activities Debt	140
11	Legal Debt Margin Information	141
12	Demographic and Economic Statistics	142
13	Principal Employers	143
14	Full-Time Equivalent County Government Employees by Function	144
15	Operating Indicators by Function	145
16	Capital Assets Statistics by Function	146

INTRODUCTORY SECTION



This page left intentionally blank



October 30, 2013

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, 2013. 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 unmodified 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 most recent census reports Halifax County’s population at 54,006. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,692.

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

Halifax County’s location along Interstate 95, diverse destination attractions, and solid foundation of shopping, restaurants and hotel choices continue to attract tourists and a steady increase in overall tourism spending for the past few years. Halifax County’s local economy continues to show positive signs of improvement. Visitor spending for June 2013 is up 8% over last year. For 2012, tourism spending increased by 8.8%, representing nearly \$80 million in tourism-related revenues generated in Halifax County.

Retail sales for 2012 increased 10.3% over the previous year, exceeding \$416 million. Halifax County's unemployment is following state and national trends of slow employment growth, but at 12.9%, unemployment is down from 2009 to 2011 recessionary levels. Another indicator of economic improvement is new construction. The value of construction permits in 2012 were up 25.2% over 2011, increasing from \$12.1 million \$15.2 million.

Equally important to Halifax County's future is the County's 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, Airboss Rubber Compounding and Halifax Linen Service are planning expansions that will add additional jobs and investment. The County's largest employer, Halifax Regional Medical Center, located in Roanoke Rapids, 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 is helping to stimulate new investment and job creation to support Halifax County's economic growth. Reser's Fine Foods has completed Phase I of the company's East Coast expansion project at the Halifax Industrial Center, adding a new division, Don Pancho Authentic Mexican Foods. This project is a major component of the investment commitment by Reser's of \$62 million and 500 new jobs over a five-year period.

Recent Initiatives

Klausner Lumber, an Austrian softwood lumber manufacturer, has selected Halifax County for a state-of-the-art lumber processing facility to be constructed on US Highway 301 near Enfield. This will be the company's first US manufacturing facility, creating 350 new jobs and a capital investment of \$110 million. Recognized as being among the most productive worldwide, Klausner's Enfield mill will produce high-quality lumber and structural timber for domestic and world markets.

In March, Virginia-based Meherrin River Forest Products purchased the former Coastal Lumber facility near Weldon for hardwood lumber production. This acquisition allows the company to meet growing customer demand for both its domestic and export hardwood products. The company has created 26 new jobs to date, with an ultimate goal of 40 jobs at this facility.

GEENEX, LLC, a Charlotte-based solar power developer, announced plans for several solar projects that will bring jobs and educational opportunities to North Carolina. The company plans to develop over \$200 million in solar projects in North Carolina over the next few years, the first systems of which will total 20 MW at the former Halifax County Airport site. Geenex will dedicate 20 acres of this site to solar education and research with the construction of a "Solar Center of Excellence."

The Halifax-Northampton Regional Airport continues its long-term development with the installation of new navigational aids. This modern general aviation facility has shown steady growth in its use and ability to become self-sustaining. The airport is busy year round and in addition to general aviation activities, is the site of local and state training activities, group tours, and an annual fly-in.

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. Phase XI-A was completed in the Spring of 2013 and the estimated completion date for Phase XI is Spring of 2014. 90% percent of Halifax County's Rural Residents are receiving pure, safe drinking water.

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 was April 2013. The county saved over \$100,000 a year by building and operating the Transfer Station, which includes Recycling pickup to the rural County households.

The County provided the three public school systems with \$5,524,941 in current expense and \$3,204,813 in capital outlay funds. Halifax Community College received \$963,522 in operating funds and \$308,696 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

Development of the 700-acre Halifax Corporate Park on NC Highway 561 adjacent to the Halifax-Northampton Regional Airport was completed in the fall of 2012, with the construction of a \$6.1 million "mega" sewer line and industrial access road. In April, the Halifax Corporate Park was recertified by the state Department of Commerce as a "North Carolina Certified Industrial Park." This designation provides added marketing appeal for new and expanding business and industry projects looking for a shovel-ready location. Halifax County has begun planning construction of a 35,000 square foot industrial building at the Halifax Corporate Park that will be leased to Empire Foods with a current schedule for completion in 2015.

Preliminary design and feasibility for extension of the CSX rail line into the Halifax Corporate Park and development of a rail transloading facility was completed this year. This additional transportation option will add even greater logistical appeal for the Halifax Corporate Park, not just for businesses locating in the Park, but for industry throughout Halifax County that need access to raw materials and supplies via rail. Additionally, Roanoke Electric is constructing a new electric substation at the Park, which will substantially increase electrical capacity to meet the short and long-term needs of the Park, as well as enhanced reliability for future customers.

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, Halifax, Hobgood, Littleton, Enfield, and Scotland Neck to improve their downtown business districts are paying

dividends. In Roanoke Rapids, a North Carolina Main Street Community, 54% of new building permits issued last year were for businesses in the Roanoke Avenue Business District. The Town of Weldon had 14 new businesses open in its downtown during this same period. Downtown revitalization efforts are also ongoing in the Towns of Enfield, Halifax, and Scotland Neck. A new \$3.5 million Honda & Nissan showroom and service facility is now completed on Premier Boulevard adjacent to Belk. The Royal Palace Theater, under the ownership of HSV Entertainment, is flourishing with Internet Sweepstakes games and music and comedy performances. Dunham Sports announced a new 56,000 square foot sporting goods facility, which is scheduled to open in August. Dunham Sports will serve as the anchor for the Premier Station Shopping Center.

Finally, Standard & Poor's affirmed Halifax County's A+ bond rating, citing a stable residential tax base along with strong wealth per capita, a very strong financial position, and low overall debt.

The Board of Commissioners has adopted a School Improvement Plan which 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 made their final loan payment for Belmont Elementary in October 2012.

The Board of Commissioners has elected to fund FY 2014 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, 2013, 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 Unity of the Carolinas. One county owned centrally located landfill and Transfer Station. Seven manned convenience sites 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 County 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

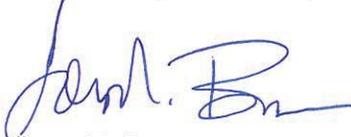
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirteenth consecutive year 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,



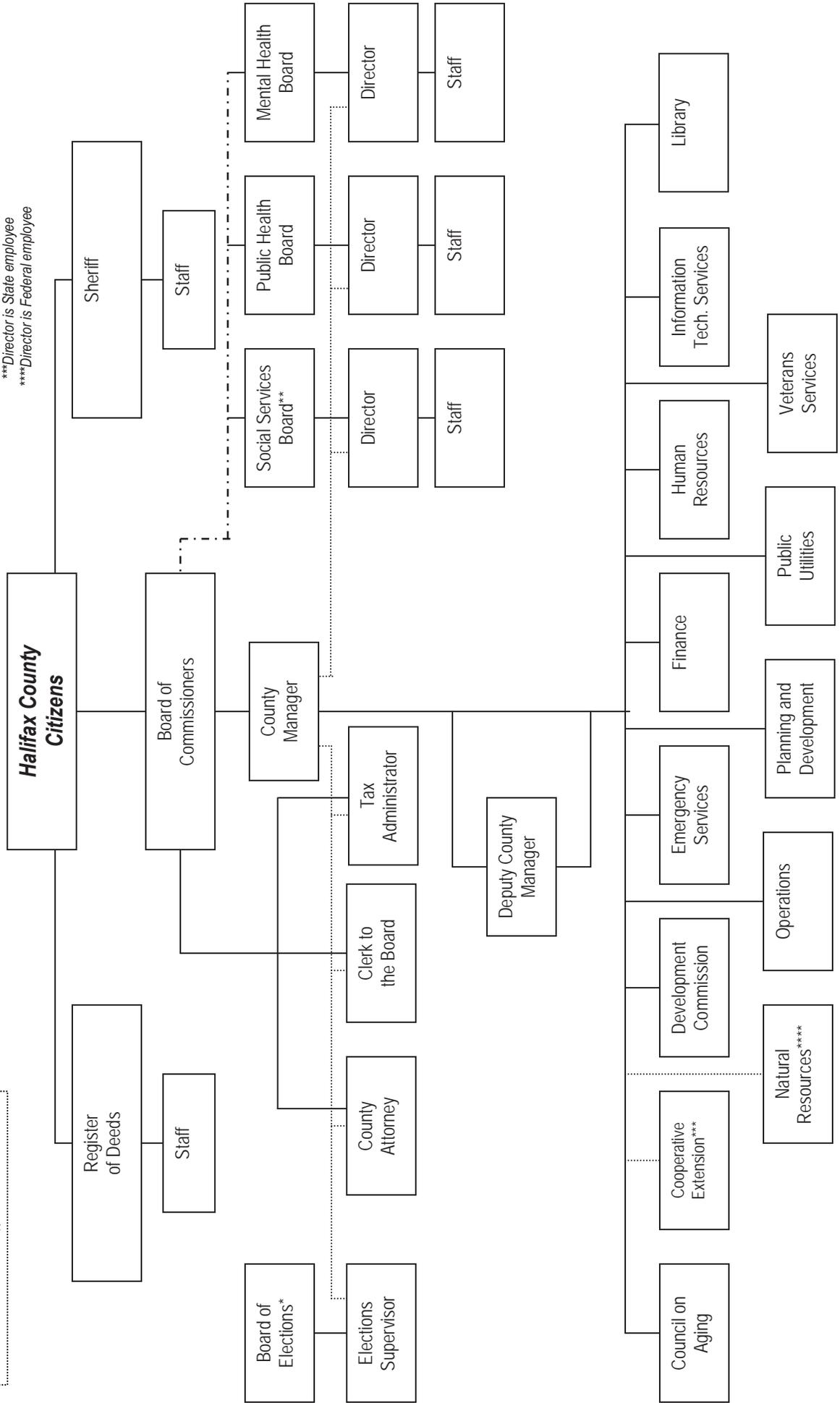
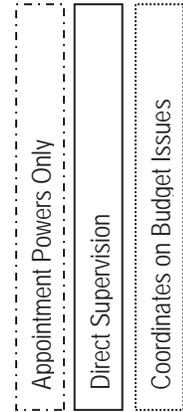
Tony N. Brown
County Manager



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





Government Finance Officers Association

**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, 2012

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2013

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
Terrell R. Davis, Interim Director of Health Services
Norma Merriman, Director of Social Services
Virginia N. Orvedahl, Director of Library



This page left intentionally blank

FINANCIAL SECTION



This page left intentionally blank

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

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Halifax County
Halifax, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Halifax County ABC Board and the Halifax Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of June 30, 2013, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Halifax County, North Carolina's, basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and other information, such as the introductory section and statistical section, 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, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013 on our consideration of Halifax County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Halifax County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
October 30, 2013



This page left intentionally blank

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"), financial activities for the fiscal year ended June 30, 2013. 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 and deferred inflows of resources at the close of the fiscal year by \$52,116,441. The County's net position of governmental activities exhibited a decrease of \$962,056 with the business-type activities showing an increase in the amount of \$150,414 resulting in the government's total net position decreasing by \$811,642. This business increase can be attributed to a reduction in Landfill Closure expenses. The governmental activities decrease can be attributed to expenditures of land and site preparation costs related to Economic Development.

As of the close of the current fiscal year, Halifax County's governmental funds reported combined ending fund balances of \$31,100,624 after a net decrease of \$2,714,929. Approximately 52.2% of this total amount or \$16,222,515 is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$10,528,955 or 18.32% 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, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 29 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 68 and 69 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 Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current assets	\$ 34,983,544	\$ 38,489,140	\$ 11,221,461	\$ 9,878,425	\$ 46,205,005	\$ 48,367,565
Restricted assets	1,690,300	1,637,472	6,070,088	4,453,396	7,760,388	6,090,868
Capital assets	<u>23,878,726</u>	<u>23,987,882</u>	<u>35,168,217</u>	<u>33,873,682</u>	<u>59,046,943</u>	<u>57,861,564</u>
Total assets	<u>60,552,570</u>	<u>64,114,494</u>	<u>52,459,766</u>	<u>48,205,503</u>	<u>113,012,336</u>	<u>112,319,997</u>
Liabilities:						
Current liabilities	4,579,107	3,055,213	5,462,121	690,923	10,041,228	3,746,136
Non-current liabilities	<u>21,899,284</u>	<u>26,024,642</u>	<u>28,797,402</u>	<u>29,464,751</u>	<u>50,696,686</u>	<u>55,489,393</u>
Total liabilities	<u>26,478,391</u>	<u>29,079,855</u>	<u>34,259,523</u>	<u>30,155,674</u>	<u>60,737,914</u>	<u>59,235,529</u>
Deferred inflows of resources:						
Prepaid taxes	<u>157,981</u>	<u>156,385</u>	<u>-</u>	<u>-</u>	<u>157,981</u>	<u>156,385</u>
Net Position:						
Net investment in capital						
assets	18,632,877	18,477,076	11,368,747	11,893,823	30,001,624	30,370,899
Restricted	16,312,505	16,423,142	-	-	16,312,505	16,423,142
Unrestricted	<u>(1,029,184)</u>	<u>(21,964)</u>	<u>6,831,496</u>	<u>6,156,006</u>	<u>5,802,312</u>	<u>6,134,042</u>
Total net position	<u>\$ 33,916,198</u>	<u>\$ 34,878,254</u>	<u>\$ 18,200,243</u>	<u>\$ 18,049,829</u>	<u>\$ 52,116,441</u>	<u>\$ 52,928,083</u>

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$52,116,441 at fiscal year-end. Net position increased in the current fiscal year due to using stringent reviews of expenditures and an aggressive pursuit of tax revenues. \$30,001,624 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 position represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, 11.44% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 37.54% in unrestricted net position 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 position for the government as a whole, as well as its separate governmental and business-type activities.

Halifax County's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,407,526	\$ 5,763,358	\$ 8,709,098	\$12,972,754	\$14,116,624	\$18,736,112
Operating grants and contributions	17,435,430	21,669,387	-	2,511	17,435,430	21,671,898
Capital grants and contributions	1,257,897	1,369,143	766,515	-	2,024,412	1,369,143
General revenue:						
Property taxes	29,176,862	29,060,545	-	-	29,176,862	29,060,545
Local option sales tax	7,462,883	7,441,555	-	-	7,462,883	7,441,555
Other taxes	144,424	121,816	83,280	84,179	227,704	205,995
Interest	39,775	39,565	7,036	-	46,811	39,565
Miscellaneous	312,523	432,380	-	8,427	312,523	440,807
Total revenues	61,237,320	65,897,749	9,565,929	13,067,871	70,803,249	78,965,620
Expenses:						
General government	11,421,727	11,155,986	-	-	11,421,727	11,155,986
Public safety	14,124,871	12,844,194	-	-	14,124,871	12,844,194
Economic and physical development	1,418,100	1,711,426	-	-	1,418,100	1,711,426
Human services	20,918,807	21,780,365	-	-	20,918,807	21,780,365
Cultural and Recreational	617,701	683,275	-	-	617,701	683,275
Education	12,758,774	14,579,569	-	-	12,758,774	14,579,569
Interest and fees	921,100	938,783	-	-	921,100	938,783
Water and sewer	-	-	5,730,039	6,961,383	5,730,039	6,961,383
Landfill/solid waste	-	-	3,703,772	8,871,212	3,703,772	8,871,212
Total expenses	62,181,080	63,693,598	9,433,811	15,832,595	71,614,891	79,526,193
Revenues over (under) expenses	(943,760)	2,204,151	132,118	(2,764,724)	(811,642)	(560,573)
Transfers	(18,296)	24,359	18,296	(24,359)	-	-
Change in net position	(962,056)	2,228,510	150,414	(2,789,083)	(811,642)	(560,573)
Net Position:						
Beginning of year - July 1	34,878,254	32,649,744	18,049,829	20,838,912	52,928,083	53,488,656
End of year - June 30	\$ 33,916,198	\$34,878,254	\$18,200,243	\$18,049,829	\$52,116,441	\$52,928,083

Governmental Activities

Of total net position, governmental activities accounted for \$33,916,198 with operating grants and contributions funding, \$18,693,327 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2013, interest revenues continued to decline with interest rates around .012 to .25%. Alternative methods were researched and we found that using the Interest Earnings Credit as an off-set of bank charges/administrative fees was a better savings tool. The County remained fairly constant with fees from construction, which had taken a downturn in the previous fiscal years. In hopes of boosting the County's economy and decrease unemployment, the Commissioners have been aggressive in pursuing businesses through economic development incentives of site preparation and other infrastructure needs which have temporarily caused a decrease in the overall governmental position.

Business-Type Activities

Business-type activities increased the County's net position by \$150,414. Solid Waste revenues generated by charges for services in the business-type activities decreased in 2013 as a result of good weather and no hurricane or tornado debris to process as in 2012. Solid Waste expenses decreased proportionally as well. Capital Projects were completed with up-front expenditures being reimbursed to the Water and Sewer fund in the amount of \$766,515.

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 \$20,487,067, while total fund balance reached \$29,748,050. The County currently has an available fund balance of 35.9% of General Fund expenditures, while total fund balance represents 51.8% of that same amount.

At June 30, 2013, the governmental funds of Halifax County reported a combined fund balance of \$31,100,624, an 8 percent decrease over last year. This can be primarily attributed to expenditures of land and site preparation costs related to Economic Development.

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, 2013, the net change in fund balances per

the governmental funds totaled a decrease of \$2,714,929, while the governmental activities column of the government-wide financial statements indicated a decrease of \$962,056 change in net position. 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 \$16,154,523 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 \$432,712 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital project funds reported expenditures of \$982,217 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 position of solid waste at year-end totaled \$3,785,750 and the Water Fund totaled \$14,414,493 for a cumulative total of \$18,220,243. 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, 2013, total net position amounted to \$952,724, which is an increase of \$211,648 from the previous fiscal year.

General Fund Budgetary Highlights

During the year, the County revised the budget on several occasions. Generally, the budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available, 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants, and 3) increases in appropriations, which become necessary to maintain services. The majority of amendments, which increased revenues are attributable to restricted intergovernmental revenues and annual grants, which are not included until final authorizations are signed. A comparison of actual results versus the final budget reveals a net change decrease in the General Fund's fund balance by \$3,543,730.

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, 2013 amounts to \$59,046,943 (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 approximately 2%.

Halifax County's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and improvements	\$ 3,500,690	\$ 3,500,690	\$ 463,850	\$ 463,850	\$ 3,964,540	\$ 3,964,540
Buildings	26,205,632	26,198,663	48,633,294	46,570,355	74,838,926	72,769,018
Equipment	4,908,655	4,732,280	3,636,269	3,388,666	8,544,924	8,120,946
Vehicles	3,647,281	3,501,059	992,329	824,862	4,639,610	4,325,921
Construction in progress	7,642,404	7,103,318	2,416,222	2,190,902	10,058,626	9,294,220
Subtotal	45,904,662	45,036,010	56,141,964	53,438,635	102,046,626	98,474,645
Less: Accumulated depreciation	(22,025,936)	(21,048,128)	(20,973,747)	(19,564,953)	(42,999,683)	(40,613,081)
Total	\$ 23,878,726	\$ 23,987,882	\$ 35,168,217	\$ 33,873,682	\$ 59,046,943	\$ 57,861,564

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 Position 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 42 for further details regarding capital assets.

Long-Term Debt

A significant component of the County's debt is the self-supporting general obligation bonds, at \$21,362,314, 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 \$241,903,250. 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 4.8%.

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

	<u>Business-Type Activities</u>	
	<u>2013</u>	<u>2012</u>
General Obligation Bonds	<u>\$ 21,362,314</u>	<u>\$ 22,065,000</u>

The County has a rating of A+ by Standard & Poor’s (S&P). The County’s general obligation debt per capita is \$395.55 as of June 30, 2013, while the County’s gross debt per capita is \$814.04.

Additional information of the County’s long-term debt can be found beginning on page 58 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 2013 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 22,369 and has an unemployment rate of 13.4% as of June 30, 2013. This compares unfavorably to the State’s unemployment rate of 8.8% and the United States’ rate of 7.6% 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 54,006 has decreased by less than 0.01% from 2012 to 2013.

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2013-2014

Governmental Activities

The County's last property re-evaluation was effective January 1, 2007. The new Revaluation is in process and will 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 96.89%.

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Expenditure modifications implemented in prior fiscal years were carried forward into fiscal year 2014.

Economic Development will continue to be emphasized during the 2013-2014 fiscal year. Development continues in the Halifax Corporate Park with infrastructure construction for Klausner Lumber and 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 \$4,263,412, which is a 4.3% decrease as compared to last year. The decrease is anticipated due to the construction of the Transfer Station. Public Utilities - Water Division's budgeted expenditures are \$5,503,789, which is an increase of 1.2% from the previous fiscal year.

Phase XI water extension lines are planned to be completed in July 2014. Fiscal year 2014 will be the first operating year for the newly constructed Transfer Station in the Solid Waste division of the Enterprise Fund.

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 POSITION JUNE 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
Assets:					
Cash and investments	\$ 26,172,162	\$ 9,421,205	\$ 35,593,367	\$ 254,158	\$ 734,459
Ad valorem taxes receivable, net	2,166,308	-	2,166,308	-	-
Accounts receivable, net	6,350,429	1,656,811	8,007,240	32,261	-
Due from other governments	226,653	67,203	293,856	-	-
Due from primary government	-	-	-	61,756	-
Inventories	33,242	76,242	109,484	-	473,173
Prepaid items	34,750	-	34,750	2,650	14,212
Restricted assets:					
Cash and investments	1,690,300	2,217,702	3,908,002	-	-
Long-term receivable	-	3,852,386	3,852,386	-	-
Capital assets:					
Non-depreciable assets	11,143,094	2,852,949	13,996,043	-	141,924
Other capital assets, net of depreciation	12,735,632	32,315,268	45,050,900	-	859,805
Total assets	<u>60,552,570</u>	<u>52,459,766</u>	<u>113,012,336</u>	<u>350,825</u>	<u>2,223,573</u>
Liabilities:					
Accounts payable and accrued liabilities	2,168,611	1,326,735	3,495,346	11,682	330,251
Liabilities payable from restricted assets	-	225,255	225,255	-	-
Due to other governments	-	-	-	-	24,210
Due within one year	2,410,496	3,910,131	6,320,627	7,079	-
Non-current liabilities:					
Due in more than one year	21,899,284	28,797,402	50,696,686	23,370	31,635
Total liabilities	<u>26,478,391</u>	<u>34,259,523</u>	<u>60,737,914</u>	<u>42,131</u>	<u>386,096</u>
Deferred Inflows of Resources:					
Prepaid taxes	157,981	-	157,981	-	-
Net Position:					
Net investment in capital assets	18,632,877	11,368,747	30,001,624	-	1,001,729
Restricted for:					
Stabilization by State statute	10,444,762	-	10,444,762	94,017	-
Public safety	357,993	-	357,993	-	-
Economic development	43,072	-	43,072	-	-
Human services	4,972,815	-	4,972,815	-	-
Education	493,863	-	493,863	-	-
Tourism	-	-	-	214,677	-
Other	-	-	-	-	132,459
Unrestricted	<u>(1,029,184)</u>	<u>6,831,496</u>	<u>5,802,312</u>	<u>-</u>	<u>703,289</u>
Total net position	<u>\$ 33,916,198</u>	<u>\$ 18,200,243</u>	<u>\$ 52,116,441</u>	<u>\$ 308,694</u>	<u>\$ 1,837,477</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, 2013**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 11,421,727	\$ 2,754,422	\$ 2,220,805	\$ -
Public safety	14,124,871	2,528,535	785,473	-
Economic and physical development	1,418,100	-	112,093	-
Human services	20,918,807	102,747	14,122,426	-
Cultural and recreation	617,701	21,822	98,312	-
Education	12,758,774	-	96,321	1,257,897
Interest and fees	921,100	-	-	-
Total governmental activities	<u>62,181,080</u>	<u>5,407,526</u>	<u>17,435,430</u>	<u>1,257,897</u>
Business-Type Activities:				
Water and sewer	5,730,039	4,980,159	-	766,515
Solid waste	3,703,772	3,728,939	-	-
Total business-type activities	<u>9,433,811</u>	<u>8,709,098</u>	<u>-</u>	<u>766,515</u>
Total primary government	<u>\$ 71,614,891</u>	<u>\$ 14,116,624</u>	<u>\$ 17,435,430</u>	<u>\$ 2,024,412</u>
Component Units:				
Tourism Development Authority	\$ 771,843	\$ 5,275	\$ -	\$ -
ABC Board	4,386,665	4,471,257	-	-
Total component units	<u>\$ 5,158,508</u>	<u>\$ 4,476,532</u>	<u>\$ -</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 excluding transfers

Transfers

Total general revenues and transfers

Change in Net Position

Net Position:

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 Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
\$ (6,446,500)	\$ -	\$ (6,446,500)		
(10,810,863)	-	(10,810,863)		
(1,306,007)	-	(1,306,007)		
(6,693,634)	-	(6,693,634)		
(497,567)	-	(497,567)		
(11,404,556)	-	(11,404,556)		
(921,100)	-	(921,100)		
<u>(38,080,227)</u>	<u>-</u>	<u>(38,080,227)</u>		
-	16,635	16,635		
-	25,167	25,167		
<u>-</u>	<u>41,802</u>	<u>41,802</u>		
<u>(38,080,227)</u>	<u>41,802</u>	<u>(38,038,425)</u>		
			\$ (766,568)	\$ -
			<u>-</u>	<u>84,592</u>
			<u>(766,568)</u>	<u>84,592</u>
29,176,862	-	29,176,862	-	-
7,462,883	-	7,462,883	-	-
144,424	-	144,424	-	-
-	83,280	83,280	-	-
-	-	-	799,423	-
39,775	7,036	46,811	107	668
<u>312,523</u>	<u>-</u>	<u>312,523</u>	<u>-</u>	<u>-</u>
37,136,467	90,316	37,226,783	799,530	668
<u>(18,296)</u>	<u>18,296</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>37,118,171</u>	<u>108,612</u>	<u>37,226,783</u>	<u>799,530</u>	<u>668</u>
(962,056)	150,414	(811,642)	32,962	85,260
<u>34,878,254</u>	<u>18,049,829</u>	<u>52,928,083</u>	<u>275,732</u>	<u>1,752,217</u>
<u>\$ 33,916,198</u>	<u>\$ 18,200,243</u>	<u>\$ 52,116,441</u>	<u>\$ 308,694</u>	<u>\$ 1,837,477</u>

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Assets:			
Cash and investments	\$ 20,163,510	\$ 4,423,755	\$ 24,587,265
Taxes receivable, net	1,769,187	397,121	2,166,308
Accounts receivable, net	5,129,589	1,220,753	6,350,342
Due from other governments	195,635	31,018	226,653
Due from other funds	3,995,363	-	3,995,363
Inventories	33,242	-	33,242
Prepaid items	34,750	-	34,750
Restricted cash	1,690,300	-	1,690,300
Total position	<u>\$ 33,011,576</u>	<u>\$ 6,072,647</u>	<u>\$ 39,084,223</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,208,762	\$ 327,589	\$ 1,536,351
Due to other funds	-	<u>3,995,363</u>	<u>3,995,363</u>
Total liabilities	<u>1,208,762</u>	<u>4,322,952</u>	<u>5,531,714</u>
Deferred Inflows of Resources:			
Prepaid taxes	157,981	-	157,981
Other receivables	127,596	-	127,596
Taxes receivable	<u>1,769,187</u>	<u>397,121</u>	<u>2,166,308</u>
Total deferred inflows of resources	<u>2,054,764</u>	<u>397,121</u>	<u>2,451,885</u>
Fund Balances:			
Non-spendable:			
Inventory	33,242	-	33,242
Prepaid items	34,750	-	34,750
Restricted:			
Stabilization by State statute	9,192,991	1,251,771	10,444,762
Public safety	-	357,993	357,993
Economic development	-	43,072	43,072
Human services	4,972,815	-	4,972,815
Education	424,279	69,584	493,863
Committed	1,063,800	2,255,244	3,319,044
Assigned	3,497,218	-	3,497,218
Unassigned	<u>10,528,955</u>	<u>(2,625,090)</u>	<u>7,903,865</u>
Total fund balances	<u>29,748,050</u>	<u>1,352,574</u>	<u>31,100,624</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,011,576</u>	<u>\$ 6,072,647</u>	
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			23,878,726
Long-term liabilities, contingencies, other post-employment benefits, and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.			(24,309,780)
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 Position.			952,724
Deferred inflows of resources 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 position in the Statement of Net Position.			<u>2,293,904</u>
Net position of governmental activities			<u>\$ 33,916,198</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, 2013

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Revenues:			
Ad valorem taxes	\$ 24,508,463	\$ 4,732,880	\$ 29,241,343
Other taxes and licenses	7,095,607	511,700	7,607,307
Unrestricted intergovernmental revenues	390,315	-	390,315
Restricted intergovernmental revenues	17,545,805	815,027	18,360,832
Permits and fees	1,346,291	-	1,346,291
Sales and services	3,879,891	-	3,879,891
Interest earned on investments	21,802	16,847	38,649
Miscellaneous	312,426	97	312,523
Total revenues	<u>55,100,600</u>	<u>6,076,551</u>	<u>61,177,151</u>
Expenditures:			
Current:			
General government	8,787,443	-	8,787,443
Public safety	12,983,238	2,217,345	15,200,583
Economic and physical development	1,097,442	474,016	1,571,458
Human services	21,914,289	442,542	22,356,831
Cultural and recreation	680,198	-	680,198
Education	9,272,733	3,486,041	12,758,774
Debt service:			
Principal repayments	1,822,397	-	1,822,397
Interest	921,100	-	921,100
Total expenditures	<u>57,478,840</u>	<u>6,619,944</u>	<u>64,098,784</u>
Revenues over (under) expenditures	<u>(2,378,240)</u>	<u>(543,393)</u>	<u>(2,921,633)</u>
Other Financing Sources (Uses):			
Transfers in	296,406	1,443,600	1,740,006
Transfers out	(1,461,896)	(71,406)	(1,533,302)
Total other financing sources (uses)	<u>(1,165,490)</u>	<u>1,372,194</u>	<u>206,704</u>
Net change in fund balances	(3,543,730)	828,801	(2,714,929)
Fund Balances:			
Beginning of year - July 1	<u>33,291,780</u>	<u>523,773</u>	<u>33,815,553</u>
End of year - June 30	<u>\$ 29,748,050</u>	<u>\$ 1,352,574</u>	<u>\$ 31,100,624</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, 2013**

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

Net change in fund balances - total governmental funds per Exhibit D	\$ (2,714,929)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(64,481)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,356,260
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,445,413)
Capital assets disposed of during the year not recognized on the modified accrual basis.	(20,003)
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.	(107,535)
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.	1,822,397
The net revenue of the internal service funds are reported with governmental activities.	<u>211,648</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (962,056)</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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Over/Under
Revenues:				
Ad valorem taxes	\$ 23,990,150	\$ 23,990,150	\$ 24,508,463	\$ 518,313
Other taxes and licenses	7,323,048	7,607,149	7,095,607	(511,542)
Unrestricted intergovernmental revenues	300,000	300,000	390,315	90,315
Restricted intergovernmental revenues	17,730,075	25,800,227	17,545,805	(8,254,422)
Permits and fees	1,235,145	1,266,332	1,346,291	79,959
Sales and services	3,405,238	3,714,108	3,879,891	165,783
Investment earnings	15,500	15,500	21,022	5,522
Miscellaneous	210,808	347,887	312,426	(35,461)
Total revenues	<u>54,209,964</u>	<u>63,041,353</u>	<u>55,099,820</u>	<u>(7,941,533)</u>
Expenditures:				
Current:				
General government	7,565,182	9,853,884	8,787,443	1,066,441
Public safety	12,568,285	13,459,920	12,983,238	476,682
Economic and physical development	848,199	3,049,570	1,097,442	1,952,128
Human services	23,327,124	25,646,543	21,914,289	3,732,254
Cultural and recreational	652,899	940,314	680,198	260,116
Education	8,028,646	10,752,060	9,272,733	1,479,327
Debt service:				
Principal retirement	1,903,430	1,911,898	1,822,397	89,501
Interest and fees	929,569	921,101	921,100	1
Total expenditures	<u>55,823,334</u>	<u>66,535,290</u>	<u>57,478,840</u>	<u>9,056,450</u>
Revenues over (under) expenditures	<u>(1,613,370)</u>	<u>(3,493,937)</u>	<u>(2,379,020)</u>	<u>1,114,917</u>
Other Financing Sources (Uses):				
Intrafund transfers	(367,048)	(67,073)	(52,048)	15,025
Transfers in	225,000	296,406	296,406	-
Transfers out	-	(1,446,871)	(1,461,896)	(15,025)
Appropriated fund balance	<u>1,755,418</u>	<u>4,711,475</u>	<u>-</u>	<u>(4,711,475)</u>
Total other financing sources (uses)	<u>1,613,370</u>	<u>3,493,937</u>	<u>(1,217,538)</u>	<u>(4,711,475)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,596,558)</u>	<u>\$ (3,596,558)</u>
Fund Balance:				
Beginning of year - July 1			<u>32,280,808</u>	
End of year - June 30			<u>\$ 28,684,250</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2013

	<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	\$ 5,622,018	\$ 3,799,187	\$ 9,421,205	\$ 1,584,897
Accounts receivable, net	603,321	1,053,490	1,656,811	87
Due from other governments	25,659	41,544	67,203	-
Long term receivables	3,852,386	-	3,852,386	-
Restricted cash	464,418	1,753,284	2,217,702	-
Inventories	-	76,242	76,242	-
Total current assets	<u>10,567,802</u>	<u>6,723,747</u>	<u>17,291,549</u>	<u>1,584,984</u>
Non-current assets:				
Non-depreciable assets	1,569,501	1,283,448	2,852,949	-
Other capital assets, net of depreciation	1,130,921	31,184,347	32,315,268	-
Total non-current assets	<u>2,700,422</u>	<u>32,467,795</u>	<u>35,168,217</u>	<u>-</u>
Total assets	<u>13,268,224</u>	<u>39,191,542</u>	<u>52,459,766</u>	<u>1,584,984</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	899,627	427,108	1,326,735	632,260
Compensated absences payable	9,717	17,740	27,457	-
Accrued landfill post-closure care costs	224,095	-	224,095	-
Liabilities payable from restricted assets:				
Customer deposits	-	225,255	225,255	-
Notes payable	184,861	-	184,861	-
General obligation bonds payable	-	786,718	786,718	-
Bond anticipation notes payable	-	2,687,000	2,687,000	-
Total current liabilities	<u>1,318,300</u>	<u>4,143,821</u>	<u>5,462,121</u>	<u>632,260</u>
Non-current liabilities:				
Compensated absences payable	15,853	28,944	44,797	-
Accrued landfill post-closure care costs	6,566,648	-	6,566,648	-
Other post-employment benefits	23,931	28,688	52,619	-
Notes payable - non-current portion	1,557,742	-	1,557,742	-
General obligation bonds payable - non-current	-	20,575,596	20,575,596	-
Total non-current liabilities	<u>8,164,174</u>	<u>20,633,228</u>	<u>28,797,402</u>	<u>-</u>
Total liabilities	<u>9,482,474</u>	<u>24,777,049</u>	<u>34,259,523</u>	<u>632,260</u>
Net Position:				
Net invested in capital assets	1,422,237	9,946,510	11,368,747	-
Unrestricted	2,363,513	4,467,983	6,831,496	952,724
Total net position	<u>\$ 3,785,750</u>	<u>\$ 14,414,493</u>	<u>\$ 18,200,243</u>	<u>\$ 952,724</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 POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	<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	\$ 3,728,939	\$ 4,932,109	\$ 8,661,048	\$ -
System tap and service fees	-	48,050	48,050	-
Other taxes and licenses	83,280	-	83,280	-
Charges for services	-	-	-	3,783,957
Total operating revenues	<u>3,812,219</u>	<u>4,980,159</u>	<u>8,792,378</u>	<u>3,783,957</u>
Operating Expenses:				
Administration	-	-	-	3,348,435
Water and sewer operations	-	3,437,655	3,437,655	-
Repairs and maintenance	-	127,468	127,468	-
Landfill operations	3,485,742	-	3,485,742	-
Landfill post-closure care costs	20,356	-	20,356	-
Depreciation	179,399	1,298,818	1,478,217	-
Total operating expenses	<u>3,685,497</u>	<u>4,863,941</u>	<u>8,549,438</u>	<u>3,348,435</u>
Operating income (loss)	<u>126,722</u>	<u>116,218</u>	<u>242,940</u>	<u>435,522</u>
Non-Operating Revenues (Expenses):				
Investment earnings	5,680	1,356	7,036	1,126
Interest and fees paid	(18,275)	(866,098)	(884,373)	-
Total non-operating revenues (expenses)	<u>(12,595)</u>	<u>(864,742)</u>	<u>(877,337)</u>	<u>1,126</u>
Income (loss) before transfers and capital contributions	<u>114,127</u>	<u>(748,524)</u>	<u>(634,397)</u>	<u>436,648</u>
Transfers from other funds	10,230	8,066	18,296	-
Transfers to other funds	-	-	-	(225,000)
Capital contributions	-	766,515	766,515	-
Total transfers and capital contributions	<u>10,230</u>	<u>774,581</u>	<u>784,811</u>	<u>(225,000)</u>
Change in net position	124,357	26,057	150,414	211,648
Net Position:				
Beginning of year - July 1	<u>3,661,393</u>	<u>14,388,436</u>	<u>18,049,829</u>	<u>741,076</u>
End of year - June 30	<u>\$ 3,785,750</u>	<u>\$ 14,414,493</u>	<u>\$ 18,200,243</u>	<u>\$ 952,724</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, 2013

	Business-Type Activities			Governmental
	Major			Activities
	Solid Waste Fund	Water Fund	Total	Internal Service Fund
Cash Flows From Operating Activities:				
Cash received from customers	\$ 4,033,041	\$ 4,567,615	\$ 8,600,656	\$ 3,786,008
Cash paid for goods and services	(2,862,646)	(2,777,197)	(5,639,843)	(3,398,986)
Cash paid to employees for services	(498,153)	(632,672)	(1,130,825)	-
Other operating revenues	-	16,215	16,215	-
Net cash provided (used) by operating activities	672,242	1,173,961	1,846,203	387,022
Cash Flows From Non-Capital Financing Activities:				
Transfers in	10,230	8,066	18,296	-
Transfers out	-	-	-	(225,000)
Net cash provided (used) by non-capital financing activities	10,230	8,066	18,296	(225,000)
Cash Flows From Capital And Related Financing Activities:				
Contributed capital received	-	766,515	766,515	-
Interest expense	(18,275)	(866,098)	(884,373)	-
Acquisition of capital assets	(1,654,838)	(1,117,914)	(2,772,752)	-
Long-term debt issued	1,850,284	2,687,000	4,537,284	-
Principal repayments on long-term debt	(107,681)	(702,686)	(810,367)	-
Net cash provided (used) by capital and related financing activities	69,490	766,817	836,307	-
Cash Flows From Investing Activities:				
Interest on investments	5,680	1,356	7,036	1,126
Net cash provided (used) by investing activities	5,680	1,356	7,036	1,126
Net increase (decrease) in cash and cash equivalents	757,642	1,950,200	2,707,842	163,148
Cash and Cash Equivalents:				
Beginning of year - July 1	5,328,794	3,602,271	8,931,065	1,421,749
End of year - June 30	\$ 6,086,436	\$ 5,552,471	\$ 11,638,907	\$ 1,584,897

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, 2013

	Business-Type Activities			Governmental
	Major			Activities
	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)	\$ 126,722	\$ 116,218	\$ 242,940	\$ 435,522
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	179,399	1,298,818	1,478,217	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	330,822	(329,739)	1,083	2,051
(Increase) decrease in inventories	-	(42,943)	(42,943)	-
Increase (decrease) in accounts payable and accrued liabilities	527,422	115,392	642,814	(50,551)
Increase (decrease) in customer deposits	-	16,215	16,215	-
Increase (decrease) in accrued landfill closure and post-closure costs	(492,123)	-	(492,123)	-
Net cash provided (used) by operating activities	<u>\$ 672,242</u>	<u>\$ 1,173,961</u>	<u>\$ 1,846,203</u>	<u>\$ 387,022</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 110,743	\$ 194,417
Taxes receivable, net	<u>-</u>	<u>872,991</u>
Total assets	<u>\$ 110,743</u>	<u>\$ 1,067,408</u>
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 192,315
Intergovernmental payable	<u>-</u>	<u>875,093</u>
Total liabilities	<u>-</u>	<u>1,067,408</u>
Net Position:		
Assets held in trust for pension benefits	<u>\$ 110,743</u>	<u>\$ -</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 25,000
Investment income	<u>84</u>
Total additions	<u>25,084</u>
Deductions:	
Benefits	<u>14,258</u>
Change in net position	10,826
Net Position:	
Beginning of year - July 1	<u>99,917</u>
End of year - June 30	<u>\$ 110,743</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, 2013

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, 2013, 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, 2013, 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, 2013

C. Basis of Presentation

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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. The Reassessment Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General 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 six 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, and CDBG Scattered Site Rehab 2012.

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 seven capital projects funds within the governmental fund types: RPO Peanut Belt Capital Project, Piezotronics Project, Industrial Building, QCSB Roanoke Rapids, Jail Construction, Halifax County Sewer Upgrade Project and German Wood.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Halifax County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes, which were billed during this period are shown as a receivable in these financial statements and offset by deferred inflows or resources.

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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 Housing), the enterprise funds, and the internal service funds. All capital project funds with the exception of the RPO Peanut Belt Capital Project Fund adopt project budgets. 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, 2013

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, 2013 is restricted for the purpose of debt retirement. The unexpended proceeds of the County's financing for the 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, 2012. 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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

inventory of the County's enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's enterprise funds is recorded as an expense as it is consumed or sold.

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

L. Capital Assets

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

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

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - prepaid taxes, other receivables, and taxes receivable.

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 Position.

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

N. Compensated Absences

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

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

O. 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

P. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position 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.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 4,972,815	\$ -	\$ 4,972,815
Economic development	-	43,072	43,072
Education	424,279	69,584	493,863
Public safety	-	357,993	357,993
Total	<u>\$ 5,397,094</u>	<u>\$ 470,649</u>	<u>\$ 5,867,743</u>

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 County Board of Commissioners is the highest level of decision-making authority 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	\$ 1,063,800	\$ -	\$ 1,063,800
Economic development	-	2,255,244	2,255,244
Total	<u>\$ 1,063,800</u>	<u>\$ 2,255,244</u>	<u>\$ 3,319,044</u>

Assigned Fund Balance

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been budgeted by the Board for 2013-2014 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.

Purpose	General Fund
Public safety	\$ 1,164,522
Subsequent year's expenditures	2,332,696
Total	\$ 3,497,218

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	\$ 29,748,050
Less:	
Inventories	33,242
Prepays	34,750
Stabilization by State statute	9,192,991
Total available fund balance	\$ 20,487,067

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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>\$ 28,684,250</u>
Reassessment Fund:	
Revenues:	
Investment earnings	780
Transfers in	150,000
Transfers out	(97,952)
Fund Balance:	
Beginning of year - July 1	<u>1,010,972</u>
End of year - June 30	<u>1,063,800</u>
Total ending fund balance (Exhibit D)	<u><u>\$ 29,748,050</u></u>

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Net Position of Individual Funds:

For the fiscal year ended June 30, 2013, individual funds had deficit fund balances as follows:

Piezotoronics Project	\$ 1,425,001
Jail Construction	403,914

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 financing proceeds are received.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

At June 30, 2013, the County's deposits had a carrying amount of \$28,773,955 and a bank balance of \$29,828,984. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$28,828,984 was covered by collateral held under the Pooling Method.

At June 30, 2013, the County had \$3,155 cash on hand.

Investments

At June 30, 2013, the County had \$11,029,419 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM 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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013.

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
2012	1,125,875	-	1,125,875
Total	\$ 3,247,227	\$ -	\$ 3,247,227

Receivables

The receivables amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2013 are net of the following allowances:

	Accounts
Governmental Activities:	
General Fund	
Taxes receivable	\$ 654,387
Accounts receivable	788,426
Total governmental activities	\$ 1,442,813
 Business-Type Activities:	
Solid Waste	\$ 176,436
Water Fund	121,030
Total business-type activities	\$ 297,466

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Due from other governments consisted of the following:

	Governmental Activities	Business-Type Activities
Local option sales tax and sales tax refunds	\$ 226,653	\$ 67,203

Capital Assets

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

	Balance July 1, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Governmental Activities:					
Non-Depreciable Assets:					
Land and improvements	\$ 3,500,690	\$ -	\$ -	\$ -	\$ 3,500,690
Construction in progress	7,103,318	539,086	-	-	7,642,404
Total non-depreciable capital assets	10,604,008	539,086	-	-	11,143,094
Depreciable Assets:					
Buildings and improvements	26,198,663	6,969	-	-	26,205,632
Vehicles	3,501,059	620,787	(474,565)	-	3,647,281
Equipment	4,732,280	189,418	(39,508)	26,465	4,908,655
Total depreciable capital assets	34,432,002	817,174	(514,073)	26,465	34,761,568
Total capital assets	45,036,010	1,356,260	(514,073)	26,465	45,904,662
Less Accumulated Depreciation:					
Buildings and improvements	(13,323,134)	(861,672)	-	-	(14,184,806)
Vehicles	(3,127,197)	(305,078)	454,562	-	(2,977,713)
Equipment	(4,597,797)	(278,663)	39,508	(26,465)	(4,863,417)
Total accumulated depreciation	(21,048,128)	\$ (1,445,413)	\$ 494,070	\$ (26,465)	(22,025,936)
Governmental activity capital assets, net	\$ 23,987,882				\$ 23,878,726

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

Governmental Activities:

General government	\$	364,595
Public safety		706,800
Economic and physical development		84,054
Human services		284,813
Cultural and recreational		<u>5,151</u>
Total	\$	<u><u>1,445,413</u></u>

Capital assets for proprietary funds of the County at June 30, 2013 are as follows:

	<u>Balance</u>		<u>Balance</u>		<u>Balance</u>
	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2013</u>
Business-Type Activities:					
Solid Waste:					
Non-Depreciable Assets:					
Land	\$ 312,250	\$ -	\$ -	\$ -	\$ 312,250
Construction in progress	<u>289,006</u>	<u>1,200,325</u>	<u>(232,080)</u>	<u>-</u>	<u>1,257,251</u>
Total non-depreciable assets	<u>601,256</u>	<u>1,200,325</u>	<u>(232,080)</u>	<u>-</u>	<u>1,569,501</u>
Depreciable Assets:					
Other improvements	27,123	-	-	-	27,123
Buildings	43,971	232,080	-	-	276,051
Vehicles	553,543	150,249	(12,762)	-	691,030
Equipment	<u>1,401,400</u>	<u>304,264</u>	<u>-</u>	<u>-</u>	<u>1,705,664</u>
Total depreciable capital assets	<u>2,026,037</u>	<u>686,593</u>	<u>(12,762)</u>	<u>-</u>	<u>2,699,868</u>
Less Accumulated Depreciation:					
Other improvements	(16,500)	(1,613)	-	-	(18,113)
Buildings	(29,136)	(9,326)	-	-	(38,462)
Vehicles	(449,621)	(36,204)	12,762	-	(473,063)
Equipment	<u>(907,053)</u>	<u>(132,256)</u>	<u>-</u>	<u>-</u>	<u>(1,039,309)</u>
Total accumulated depreciation	<u>(1,402,310)</u>	<u>\$ (179,399)</u>	<u>\$ 12,762</u>	<u>\$ -</u>	<u>(1,568,947)</u>
Total solid waste capital assets, net	<u>\$ 1,224,983</u>				<u>\$ 2,700,422</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Water Fund:					
Non-Depreciable Assets:					
Land	\$ 124,477	\$ -	\$ -	\$ -	\$ 124,477
Construction in progress	<u>1,901,896</u>	<u>1,087,934</u>	<u>(1,830,859)</u>	<u>-</u>	<u>1,158,971</u>
Total non-depreciable capital assets	<u>2,026,373</u>	<u>1,087,934</u>	<u>(1,830,859)</u>	<u>-</u>	<u>1,283,448</u>
Depreciable Assets:					
Plant and distribution centers	46,526,384	1,830,859	-	-	48,357,243
Vehicles	271,319	29,980	-	-	301,299
Equipment and furniture	<u>1,987,266</u>	<u>-</u>	<u>(30,196)</u>	<u>(26,465)</u>	<u>1,930,605</u>
Total depreciable capital assets	<u>48,784,969</u>	<u>1,860,839</u>	<u>(30,196)</u>	<u>(26,465)</u>	<u>50,589,147</u>
Less Accumulated Depreciation:					
Plant and distribution centers	(15,985,376)	(1,263,002)	-	-	(17,248,378)
Vehicles	(307,058)	(7,490)	-	-	(314,548)
Equipment and furniture	<u>(1,870,209)</u>	<u>(28,326)</u>	<u>30,196</u>	<u>26,465</u>	<u>(1,841,874)</u>
Total accumulated depreciation	<u>(18,162,643)</u>	<u>\$ (1,298,818)</u>	<u>\$ 30,196</u>	<u>\$ 26,465</u>	<u>(19,404,800)</u>
 Total water capital assets, net	 <u>32,648,699</u>				 <u>32,467,795</u>
 Business-type activities capital assets, net	 <u>\$ 33,873,682</u>				 <u>\$ 35,168,217</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2013 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	<u>\$ 23,878,726</u>	<u>\$ 35,168,217</u>
Total debt, gross	20,858,261	25,791,917
Long-term debt for assets not owned by the County	15,612,412	-
Unexpended proceeds	<u>-</u>	<u>1,992,447</u>
Total capital debt	<u>5,245,849</u>	<u>23,799,470</u>
 Net investment in capital assets	 <u>\$ 18,632,877</u>	 <u>\$ 11,368,747</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

B. Liabilities

Construction Commitments

The government has one active construction project as of June 30, 2013. The original contract was \$1,106,326. At year-end, the government's commitment for Proprietary Fund's Phase XI-A was to Ralph Hodge Construction for \$308,407.

Payables

Payables at Exhibit A for June 30, 2013 were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,062,508	\$ 682,811	\$ 95,703	\$ 1,841,022
Other governmental	<u>327,589</u>	<u>-</u>	<u>-</u>	<u>327,589</u>
Total governmental activities	<u>\$ 1,390,097</u>	<u>\$ 682,811</u>	<u>\$ 95,703</u>	<u>\$ 2,168,611</u>
Business-Type Activities:				
Solid waste	\$ 899,627	\$ -	\$ -	\$ 899,627
Water	<u>425,300</u>	<u>-</u>	<u>1,808</u>	<u>427,108</u>
Total business-type activities	<u>\$ 1,324,927</u>	<u>\$ -</u>	<u>\$ 1,808</u>	<u>\$ 1,326,735</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 2012, and 2011 were \$2,268,928, \$2,589,382, and \$1,234,618, 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, 2013

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	64
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>1</u>
Total	<u><u>65</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 \$25,000 or 1.08% 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, 2011 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, 2011 was 19 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 103,242
Interest on net pension obligation	27,723
Adjustment to annual required contribution	<u>(34,505)</u>
Annual pension cost	96,460
Contributions made	<u>(25,000)</u>
Increase (decrease) in net pension obligation	71,460
Net pension obligation:	
Beginning of year - July 1	<u>554,466</u>
End of year - June 30	<u><u>\$ 625,926</u></u>

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 96,492	12.41%	\$ 473,294
2012	93,437	13.13%	554,466
2013	96,460	25.92%	625,926

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 12.12% funded. The Actuarial Accrued Liability for benefits was \$976,573 and the Actuarial Value of Assets was \$118,345, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$858,228. The covered payroll (annual payroll of active employees covered by the plan) was \$2,306,726 and the ratio of the UAAL to the covered payroll was 37.21%. 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, 2013

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, 2013 were \$309,283, which consisted of \$115,882 from the County, \$19,051 from the law enforcement officers, and \$174,350 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, 2013

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 3 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, 2013, the County's required and actual contributions were \$3,769.

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 (the "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:

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 \$123,396, or .62% 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:

	Governmental Activities	Business -Type Activities	Total
Annual required contribution	\$ 352,852	\$ 14,994	\$ 367,846
Interest on net OPEB obligation	41,997	1,758	43,755
Adjustments to annual required contribution	(36,232)	(1,517)	(37,749)
Annual OPEB cost (expense)	358,617	15,235	373,852
Contributions made	(118,438)	(4,958)	(123,396)
Increase (decrease) in net OPEB obligation	240,179	10,277	250,456
Net OPEB obligation:			
Beginning of year - July 1	1,051,529	42,342	1,093,871
End of year - June 30	\$ 1,291,708	\$ 52,619	\$ 1,344,327

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2011	\$ 356,206	30.5%	\$ 910,762
2012	372,842	50.9%	1,093,871
2013	373,852	33.0%	1,344,327

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%. 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, relative 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% 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% annually. Both rates included a 3.00% 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, 2013

As of June 30, 2013, 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 (the "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 \$6,790,743 reported as landfill post-closure care liability at June 30, 2013 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 2013. 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 \$3,852,386 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, 2013

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 \$77,785 (market value - \$77,785) 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 Inflows of Resources

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

	<u>Unavailable</u> <u>Revenues</u>	<u>Unearned</u> <u>Revenues</u>
General Fund taxes receivable, net	\$ 1,769,187	\$ -
Special Revenue Fund taxes receivable, net	397,121	-
General Fund:		
Prepaid taxes not yet earned	-	157,981
Other receivables	<u>127,596</u>	<u>-</u>
Total	<u>\$ 2,293,904</u>	<u>\$ 157,981</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, 2013

The County obtained blanket property insurance coverage of \$51,891,453 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 2012-2013 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Beginning</u> <u>Liability</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Ending</u> <u>Liability</u>
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
2013	682,811	3,221,787	(3,272,338)	632,260

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, 2013

Contingent Liabilities

At June 30, 2013, 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 \$108,376 and book value is \$398,316.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

Year Ending	Amount
June 30	
2014	\$ 64,233
2015	22,199
2016	21,365
2017	21,364
2018	21,364
2019-2023	106,821
2024-2027	44,039
Total minimum lease payments	301,385
Less: amount representing interest	(78,305)
Present value of minimum lease payments	<u>\$ 223,080</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 the Board of Education.	\$ 11,050,000
\$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 from \$359,405 to \$280,065, including interest beginning April 2005 through April 2015; secured by real estate transferred to Halifax County Board of Education.	537,243
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.	112,168
4.45%, \$7,554,770 note, payable in annual installments ranging from \$713,926 to \$394,548, including interest beginning December 2006 through December 2025; secured by DSS building.	4,910,601
\$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>2,382,769</u>
Total notes payable	<u>\$ 20,635,181</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Serviced by the Enterprise Fund:

1.63%, \$150,284.34 bank note, payable in annual installments of \$31,036.59, including interest beginning January 2013 through January 2017; secured by equipment.	\$ 119,247
2.15%, \$1,700,000 bank note, payable in semi-annual installments of \$94,918.99, including interest, beginning February 2013 through August 2022; secured by Transfer Station structure and equipment.	<u>1,623,356</u>
Total Notes Payable	<u>\$ 1,742,603</u>

As of June 30, 2013, funds totaling \$770,425 have been deposited with NCCMT as part of the QZAB sinking fund requirement.

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

Year Ending June 30	Principal	Interest	Total
2014	\$ 1,778,726	\$ 846,591	\$ 2,625,317
2015	1,666,558	779,616	2,446,174
2016	1,397,936	708,864	2,106,800
2017	1,397,936	658,515	2,056,451
2018	1,397,936	607,245	2,005,181
2019-2023	8,632,082	2,262,674	10,894,756
2024-2027	4,364,007	777,217	5,141,224
Total	<u>\$ 20,635,181</u>	<u>\$ 6,640,722</u>	<u>\$ 27,275,903</u>

Year Ending June 30	Principal	Interest	Total
2014	\$ 184,861	\$ 36,013	\$ 220,874
2015	188,703	32,172	220,875
2016	192,624	28,250	220,874
2017	196,628	24,246	220,874
2018	169,680	20,158	189,838
2019-2023	810,107	44,164	854,271
Total	<u>\$ 1,742,603</u>	<u>\$ 185,003</u>	<u>\$ 1,927,606</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013 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.	\$ 4,160,000
\$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.	6,640,000
\$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.	1,888,000
\$8,674,314.29 - GO refunding bond, Series 2012 due in annual installments through September 2028; semi-annual installments ranging from \$347,030.79 to \$694,061.59 include interest at 2.79% per annum.	<u>8,674,314</u>
Total bonds payable	<u>\$ 21,362,314</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

Year Ending				
June 30	Principal	Interest	Total	
2014	\$ 786,718	\$ 748,771	\$ 1,535,489	
2015	819,667	711,205	1,530,872	
2016	846,806	686,092	1,532,898	
2017	875,314	659,760	1,535,074	
2018	898,203	632,013	1,530,216	
2019-2023	4,884,370	2,705,703	7,590,073	
2024-2028	5,614,980	1,841,665	7,456,645	
2029-2033	1,423,256	1,161,444	2,584,700	
2034-2038	1,311,000	926,694	2,237,694	
2039-2043	1,591,000	647,150	2,238,150	
2044-2048	1,906,000	307,856	2,213,856	
2049	405,000	17,031	422,031	
Total	<u>\$ 21,362,314</u>	<u>\$ 11,045,384</u>	<u>\$ 32,407,698</u>	

At June 30, 2013, the County had a legal debt margin of \$241,903,250.

Bond Anticipation Notes – Proprietary Fund

\$2,687,000 General Obligation Water Bond Anticipation Note issued on June 25, 2013 and maturing on June 25, 2014; interest at .75% for water line construction. The notes will be repaid from a general obligation bond issue expected to be sold in the next fiscal year.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
Notes payable	\$ 22,409,376	\$ -	\$ (1,774,195)	\$ 20,635,181	\$ 1,778,726
Capital leases	271,282	-	(48,202)	223,080	64,233
Compensated absences	1,737,989	773,142	(977,246)	1,533,885	567,537
Other post-employment benefits	1,051,529	363,575	(123,396)	1,291,708	-
Unfunded Special Separation Allowance	554,466	96,460	(25,000)	625,926	-
Total governmental activities	<u>\$ 26,024,642</u>	<u>\$ 1,233,177</u>	<u>\$ (2,948,039)</u>	<u>\$ 24,309,780</u>	<u>\$ 2,410,496</u>
Business-Type Activities:					
Solid Waste:					
Note payable	\$ -	\$ 1,850,284	\$ (107,681)	\$ 1,742,603	\$ 184,861
Accrued landfill closure and post-closure care costs	7,282,866	-	(492,123)	6,790,743	224,095
Other post-employment benefits	17,970	5,961	-	23,931	-
Compensated absences	24,417	9,637	(8,484)	25,570	9,717
Total solid waste activities	<u>7,325,253</u>	<u>1,865,882</u>	<u>(608,288)</u>	<u>8,582,847</u>	<u>418,673</u>
Water:					
General obligation debt	22,065,000	-	(702,686)	21,362,314	786,718
Bond anticipation note	-	2,687,000	-	2,687,000	2,687,000
Other post-employment benefits	24,372	4,316	-	28,688	-
Compensated absences	50,126	18,175	(21,617)	46,684	17,740
Total water activities	<u>22,139,498</u>	<u>2,709,491</u>	<u>(724,303)</u>	<u>24,124,686</u>	<u>3,491,458</u>
Total business-type activities	<u>\$ 29,464,751</u>	<u>\$ 4,575,373</u>	<u>\$ (1,332,591)</u>	<u>\$ 32,707,533</u>	<u>\$ 3,910,131</u>

Compensated absences, other post-employment benefits, and Law Enforcement Officers' Special Separation Allowance typically have been liquidated in the General Fund and are accounted for on an FIFO basis.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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.

C. Interfund Balances and Activity

Transfers from/to other funds at June 30, 2013 consist of the following:

	Transfers		Purpose
	From	To	
General Fund	\$ 1,461,896	\$ -	Reimbursement among funds
Enterprise Fund:			
Solid Waste	-	10,230	Reimbursement among funds
Water	-	8,066	Reimbursement among funds
Capital Project Fund:			
German Wood Project	-	1,443,600	Project funding
Capital Project Fund:			
Piezotronics	51,965	-	Correct posting of revenue
Halifax County Sewer Upgrade			
Special Revenue Fund:			
CDBG	19,441	-	Correct posting of revenue
Internal Service Fund	225,000	-	Fund internal service program
General Fund	-	296,406	
Enterprise Fund - Water			
Water Fund	526,800	-	
Phase XI	-	526,800	Project funding
Total	\$ 2,285,102	\$ 2,285,102	

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Capital Project Funds	\$ 3,995,363

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 (the "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 (the "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 \$1,272,218 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2013. 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, 2013. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Highway 158, Weldon, North Carolina 27890.

The County, in conjunction with the Counties of Bertie, Hertford, and Northampton, participates in a joint venture to operate the Choanoke Public Transportation Authority (the "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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 \$396,051 to the Transportation Authority during the fiscal year ended June 30, 2013. 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, 2013. 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 (the "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 \$22,292 to the Council during the fiscal year ended June 30, 2013.

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	\$ 936,421	\$ -
AFDC payments and penalties	(922)	(254)
TANF payments and penalties	594,976	-
SC/SA Domiciliary Care payment	-	780,336
State Foster Home	-	43,454
IV-E Adopt Subsidy and Vendor	254,602	67,200
IV-E Foster Care	69,846	18,439
IV-E Foster Care in Excess	3,718	-
CWS Adopt Subsidy and Vendor	-	88,396
Title XIX - Medicaid	69,017,546	39,508,617
Food Stamp Program	24,313,932	-
Total	\$ 95,190,119	\$ 40,506,188

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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. Change in Accounting Principles

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ended June 30, 2013. In accordance with GASB Statement 63, *the Statement of Net Position has been replaced with the Statement of Net Position*. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

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, 2013

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
12/30/2012	\$ 118,345	\$ 976,573	\$ 858,228	12.12%	\$ 2,306,726	37.21%
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
2013	\$ 103,242	\$ 25,000	24.21%
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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	18 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, 2013**

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 % of Covered Payroll (B-A)/C)
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%
2013	367,846	33.55%

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.

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-ACTUAL-GENERAL FUND CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Social Services Fund</u>	<u>Management Services Fund</u>
Revenues:				
Ad valorem taxes	\$ 24,508,463	\$ -	\$ -	\$ -
Other taxes and licenses	7,094,586	-	-	1,021
Unrestricted intergovernmental revenues	390,315	-	-	-
Restricted intergovernmental revenues	3,314,140	4,214,292	9,689,651	327,722
Permits and fees	1,343,989	-	2,302	-
Sales and services	1,497,227	12,746	-	2,369,918
Investment earnings	21,022	-	-	-
Miscellaneous	263,905	41,481	2,567	4,473
Total revenues	<u>38,433,647</u>	<u>4,268,519</u>	<u>9,694,520</u>	<u>2,703,134</u>
Expenditures:				
General government	8,787,443	-	-	-
Public safety	7,865,289	-	-	5,117,949
Economic and physical development	1,097,442	-	-	-
Human services	1,321,522	6,317,273	14,275,494	-
Cultural and recreational	680,198	-	-	-
Education	9,272,733	-	-	-
Debt service:				
Principal	1,714,761	-	-	107,637
Interest	911,845	-	-	9,254
Total expenditures	<u>31,651,233</u>	<u>6,317,273</u>	<u>14,275,494</u>	<u>5,234,840</u>
Revenues over (under) expenditures	<u>6,782,414</u>	<u>(2,048,754)</u>	<u>(4,580,974)</u>	<u>(2,531,706)</u>
Other Financing Sources (Uses):				
Intrafund transfers	(9,317,385)	2,576,953	5,189,821	1,498,563
Transfers in:				
Internal Service Fund	225,000	-	-	-
Capital projects funds	51,965	-	-	-
Special revenue funds	19,441	-	-	-
Transfers out:				
Capital projects funds	(1,443,600)	-	-	-
Enterprise funds	(18,296)	-	-	-
Total other financing sources (uses)	<u>(10,482,875)</u>	<u>2,576,953</u>	<u>5,189,821</u>	<u>1,498,563</u>
Net change in fund balance	(3,700,461)	528,199	608,847	(1,033,143)
Fund Balance:				
Beginning of year - July 1	<u>26,247,374</u>	<u>3,162,142</u>	<u>673,627</u>	<u>2,197,665</u>
End of year - June 30	<u>\$ 22,546,913</u>	<u>\$ 3,690,341</u>	<u>\$ 1,282,474</u>	<u>\$ 1,164,522</u>

<u>General Fund</u>	<u>Reassessment Fund</u>	<u>Eliminations</u>	<u>Total Consolidated General Fund</u>
\$ 24,508,463	\$ -	\$ -	\$ 24,508,463
7,095,607	-	-	7,095,607
390,315	-	-	390,315
17,545,805	-	-	17,545,805
1,346,291	-	-	1,346,291
3,879,891	-	-	3,879,891
21,022	780	-	21,802
312,426	-	-	312,426
<u>55,099,820</u>	<u>780</u>	<u>-</u>	<u>55,100,600</u>
8,787,443	-	-	8,787,443
12,983,238	-	-	12,983,238
1,097,442	-	-	1,097,442
21,914,289	-	-	21,914,289
680,198	-	-	680,198
9,272,733	-	-	9,272,733
1,822,398	-	-	1,822,398
921,099	-	-	921,099
<u>57,478,840</u>	<u>-</u>	<u>-</u>	<u>57,478,840</u>
<u>(2,379,020)</u>	<u>780</u>	<u>-</u>	<u>(2,378,240)</u>
(52,048)	52,048	-	-
225,000	-	-	225,000
51,965	-	-	51,965
19,441	-	-	19,441
(1,443,600)	-	-	(1,443,600)
<u>(18,296)</u>	<u>-</u>	<u>-</u>	<u>(18,296)</u>
<u>(1,217,538)</u>	<u>52,048</u>	<u>-</u>	<u>(1,165,490)</u>
(3,596,558)	52,828	-	(3,543,730)
<u>32,280,808</u>	<u>1,010,972</u>	<u>-</u>	<u>33,291,780</u>
<u>\$ 28,684,250</u>	<u>\$ 1,063,800</u>	<u>\$ -</u>	<u>\$ 29,748,050</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, 2013**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Social Services Fund</u>	<u>Emergency Management Services Fund</u>	<u>Total</u>
Revenues:					
Ad valorem taxes	\$ 24,508,463	\$ -	\$ -	\$ -	\$ 24,508,463
Other taxes and licenses	7,094,586	-	-	1,021	7,095,607
Unrestricted intergovernmental revenues	390,315	-	-	-	390,315
Restricted intergovernmental revenues	3,314,140	4,214,292	9,689,651	327,722	17,545,805
Permits and fees	1,343,989	-	2,302	-	1,346,291
Sales and services	1,497,227	12,746	-	2,369,918	3,879,891
Investment earnings	21,022	-	-	-	21,022
Miscellaneous	263,905	41,481	2,567	4,473	312,426
Total revenues	<u>38,433,647</u>	<u>4,268,519</u>	<u>9,694,520</u>	<u>2,703,134</u>	<u>55,099,820</u>
Expenditures:					
General government	8,787,443	-	-	-	8,787,443
Public safety	7,865,289	-	-	5,117,949	12,983,238
Economic and physical development	1,097,442	-	-	-	1,097,442
Human services	1,321,522	6,317,273	14,275,494	-	21,914,289
Cultural and recreational	680,198	-	-	-	680,198
Education	9,272,733	-	-	-	9,272,733
Debt service:					
Principal	1,714,761	-	-	107,637	1,822,398
Interest	911,845	-	-	9,254	921,099
Total expenditures	<u>31,651,233</u>	<u>6,317,273</u>	<u>14,275,494</u>	<u>5,234,840</u>	<u>57,478,840</u>
Revenues over (under) expenditures	<u>6,782,414</u>	<u>(2,048,754)</u>	<u>(4,580,974)</u>	<u>(2,531,706)</u>	<u>(2,379,020)</u>
Other Financing Sources (Uses):					
Intrafund transfers in (out)	(9,317,385)	2,576,953	5,189,821	1,498,563	(52,048)
Transfers in:					
Internal Service Fund	225,000	-	-	-	225,000
Capital projects funds	51,965	-	-	-	51,965
Special revenue funds	19,441	-	-	-	19,441
Transfers out:					
Capital projects funds	(1,443,600)	-	-	-	(1,443,600)
Enterprise funds	(18,296)	-	-	-	(18,296)
Total other financing sources (uses)	<u>(10,482,875)</u>	<u>2,576,953</u>	<u>5,189,821</u>	<u>1,498,563</u>	<u>(1,217,538)</u>
Net change in fund balance	(3,700,461)	528,199	608,847	(1,033,143)	(3,596,558)
Fund Balance:					
Beginning of year - July 1	<u>26,247,374</u>	<u>3,162,142</u>	<u>673,627</u>	<u>2,197,665</u>	<u>32,280,808</u>
End of year - June 30	<u>\$ 22,546,913</u>	<u>\$ 3,690,341</u>	<u>\$ 1,282,474</u>	<u>\$ 1,164,522</u>	<u>\$ 28,684,250</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 23,815,150	\$ 24,291,983	\$ 476,833	\$ 24,138,076
Penalties and interest	175,000	216,480	41,480	184,781
Total	23,990,150	24,508,463	518,313	24,322,857
Other Taxes and Licenses:				
Local option sales taxes	7,180,998	6,951,183	(229,815)	6,589,628
Cable franchise tax	130,000	143,403	13,403	121,816
Total	7,310,998	7,094,586	(216,412)	6,711,444
Unrestricted Intergovernmental:				
Fines and forfeitures	300,000	264,140	(35,860)	272,313
Beer and wine	-	126,175	126,175	136,069
Total	300,000	390,315	90,315	408,382
Restricted Intergovernmental:				
Federal and State grants	8,444,717	1,571,416	(6,873,301)	1,792,817
Lottery proceeds	1,263,692	1,257,897	(5,795)	1,369,143
Halifax ABC revenue	180,558	178,645	(1,913)	183,401
USDA commodity food	306,182	306,182	-	260,866
Total	10,195,149	3,314,140	(6,881,009)	3,606,227
Permits and Fees:				
Facility fees	75,000	67,706	(7,294)	74,483
Building inspection fees	100,000	103,402	3,402	114,754
Register of Deeds' fees	260,500	294,019	33,519	258,860
Other fees and rents	830,505	878,862	48,357	851,481
Total	1,266,005	1,343,989	77,984	1,299,578
Sales and Services:				
Occupancy tax administration	695,501	701,500	5,999	644,961
Jail fees	50,000	18,191	(31,809)	18,464
Central communications	137,250	137,250	-	196,820
Other sales and services	498,001	640,286	142,285	447,912
Total	1,380,752	1,497,227	116,475	1,308,157
Investment Earnings				
	15,000	21,022	6,022	27,816
Miscellaneous				
	347,887	263,905	(83,982)	362,777
Total revenues	44,805,941	38,433,647	(6,372,294)	38,047,238
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	87,391	86,976		85,392
Operating expenditures	80,547	79,567		69,705
Total	167,938	166,543	1,395	155,097

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Administration:				
Salaries and employee benefits	522,580	507,847		480,344
Operating expenditures	34,550	27,553		30,968
Total	557,130	535,400	21,730	511,312
Human resources:				
Salaries and employee benefits	295,632	272,143		275,457
Operating expenditures	13,487	12,831		5,755
Total	309,119	284,974	24,145	281,212
Non-departmental expenditures:				
Operating expenditures	3,726,070	3,280,995		1,915,112
Total	3,726,070	3,280,995	445,075	1,915,112
Finance:				
Salaries and employee benefits	384,299	383,264		373,567
Operating expenditures	28,104	25,002		18,543
Capital outlay	13,475	-		-
Total	425,878	408,266	17,612	392,110
Tax administration:				
Salaries and employee benefits	977,790	915,363		951,973
Operating expenditures	241,910	190,955		193,158
Capital outlay	-	-		5,426
Total	1,219,700	1,106,318	113,382	1,150,557
Revaluation:				
Salaries and employee benefits	75,107	58,409		275
Operating expenditures	27,652	9,800		3,054
Capital outlay	15,440	15,440		-
Total	118,199	83,649	34,550	3,329
Legal:				
Salaries and employee benefits	182,721	180,875		176,021
Operating expenditures	68,717	54,891		33,251
Total	251,438	235,766	15,672	209,272
Elections:				
Salaries and employee benefits	147,924	143,709		123,948
Operating expenditures	73,647	72,440		39,686
Total	221,571	216,149	5,422	163,634
Register of Deeds:				
Salaries and employee benefits	311,969	311,047		304,918
Operating expenditures	69,073	68,759		56,846
Capital outlay	15,591	14,564		29,307
Total	396,633	394,370	2,263	391,071

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Information technology services:				
Salaries and employee benefits	197,468	197,055		192,223
Operating expenditures	145,499	144,307		134,067
Capital outlay	25,200	22,862		-
Total	368,167	364,224	3,943	326,290
Maintenance and repairs - public buildings:				
Operating expenditures	733,441	495,069		405,508
Capital outlay	51,524	5,122		6,595
Total	784,965	500,191	284,774	412,103
Operations:				
Salaries and employee benefits	765,473	755,291		746,331
Operating expenditures	84,535	82,165		79,370
Capital outlay	17,135	17,135		16,813
Total	867,143	854,591	12,552	842,514
Other general government:				
Fuel center	1,607	1,607	-	1,370
Judicial services	16,219	11,777	4,442	15,109
Magistrates	18,740	9,740	9,000	18,740
Public buildings	11,774	10,910	864	9,090
Historic courthouse	129,397	120,529	8,868	122,404
Building C	8,100	3,739	4,361	725
Criminal justice building	9,834	9,834	-	8,762
Permits and inspections	8,542	7,775	767	7,583
Community corrections building	15,815	15,273	542	11,485
Court service	97,581	97,580	1	161,656
Rural Life complex	17,400	13,587	3,813	15,392
Agriculture complex	33,774	32,506	1,268	33,153
Shell building	-	-	-	129
Hurricane Irene	-	-	-	44,442
ARRA lighting project	-	-	-	38,046
Public intern program	5,000	-	5,000	-
Network master plan	45,000	-	45,000	-
CADA	21,150	21,150	-	21,150
Total	439,933	356,007	83,926	509,236
Total general government	9,853,884	8,787,443	1,066,441	7,262,849
Public Safety:				
Sheriff's department:				
Salaries and employee benefits	3,428,180	3,402,011		3,284,005
Operating expenditures	860,937	826,422		792,632
Capital outlay	136,580	136,580		309,573
Total	4,425,697	4,365,013	60,684	4,386,210

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Jail:				
Salaries and employee benefits	1,048,724	1,048,724		1,042,122
Operating expenditures	798,289	798,289		609,021
Total	1,847,013	1,847,013	-	1,651,143
Emergency management:				
Salaries and employee benefits	48,271	42,039		60,639
Operating expenditures	24,482	23,076		6,893
Total	72,753	65,115	7,638	67,532
Central communications:				
Salaries and employee benefits	970,960	970,960		879,361
Operating expenditures	3,952	3,952		37,537
Total	974,912	974,912	-	916,898
Donations:				
Fire departments and rescue squads	79,000	79,000		68,850
Total	79,000	79,000	-	68,850
Planning and inspections:				
Salaries and employee benefits	356,673	341,917		332,788
Operating expenditures	45,646	27,145		33,319
Capital outlay	15,500	15,440		-
Total	417,819	384,502	33,317	366,107
Other public safety:				
Coroner	30,000	14,600	15,400	42,500
Other donations	48,500	40,500	8,000	36,000
Controlled substance tax expenditures	168,000	65,264	102,736	2,694
Drug task force expenditures	16,000	-	16,000	-
DTF - federal asset forfeiture	38,500	-	38,500	23,481
Governor's one-on-one	4,505	4,505	-	-
Emergency Management supplement	44,724	10,226	34,498	13,972
Sheriff Bulletproof Vest Grant	4,500	1,130	3,370	1,500
Sheriff Bulletproof Vest Grant	95	-	95	136
ARRA - School Resource Officer	-	-	-	55,528
Justice Assistant Grant	13,510	13,509	1	-
JAG Grant	-	-	-	15,985
Sheriff Law Enforcement Block Grant	2,236	-	2,236	364
ARRA - JAG Grant	-	-	-	18,100
Edward Byrne Memorial JA Grant	-	-	-	18,017
Total	370,570	149,734	220,836	228,277
Total public safety	8,187,764	7,865,289	322,475	7,685,017
Economic and Physical Development:				
Halifax Developmental Commission:				
Salaries and employee benefits	152,063	152,056		160,060
Operating expenditures	82,381	64,248		62,880
Total	234,444	216,304	18,140	222,940

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Tourism:				
Salaries and employee benefits	4,881	4,881		4,881
Total	4,881	4,881	-	4,881
Cooperative extension office:				
Salaries and employee benefits	241,858	172,836		183,569
Operating expenditures	50,749	46,285		32,653
Total	292,607	219,121	73,486	216,222
Rural life education:				
Salaries and employee benefits	37,042	36,863		42,184
Operating expenditures	16,793	15,729		17,438
Total	53,835	52,592	1,243	59,622
Natural resource conservation:				
Salaries and employee benefits	137,700	121,702		120,244
Operating expenditures	12,279	7,833		9,647
Capital outlay	7,000	-		-
Total	156,979	129,535	27,444	129,891
Other economic and physical development:				
4-H clubs	19,074	13,821	5,253	23,574
County Extension	17,252	6,106	11,146	9,739
Extension agent program	28,951	9,066	19,885	7,231
Boards and Commissions	2,728	2,354	374	2,370
Forestry protection	90,760	78,417	12,343	87,032
Economic development incentive	2,070,770	359,666	1,711,104	-
Farmers Market	6,070	5,579	491	4,764
Natural Resource Equipment Grant	59,219	-	59,219	-
Project management	12,000	-	12,000	-
Total	2,306,824	475,009	1,831,815	134,710
Total economic and physical development	3,049,570	1,097,442	1,952,128	768,266
Human Services:				
Elderly transportation:				
Operating expenses	159,240	159,240	-	160,781
EFAP Administration:				
Operating expenditures	-	-		4,421
Total	-	-	-	4,421
Supplemental foods:				
Salaries and employee benefits	152,032	142,787		140,863
Operating expenditures	35,978	27,213		26,665
USDA commodity foods	306,450	306,450		278,165
Total	494,460	476,450	18,010	445,693

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Other human services:				
Family Caregiver Grant	1,000	500	500	-
Mental Health Admin	33,930	33,341	589	33,969
Operation Restart	139,920	139,920	-	167,502
JCPC Advisory Board	1,085	1,085	-	2,000
JCPC Grant	71,370	71,370	-	73,350
Pesticide recycling	6,709	-	6,709	-
Home and Community Block Grant	336,609	326,715	9,894	347,475
Council On Aging	19,546	17,732	1,814	18,365
Aging Division Grant	-	-	-	221
CJPP/Day reporting	-	-	-	91,756
Duke Endowment Grant	2,982	-	2,982	-
Multi-Jurisdictional Hazardous Mitigation Plan	-	-	-	465
Family Caregiver Support Program	35,119	8,965	26,154	18,898
SHIIP Grant FY12	-	-	-	1,369
ARRA - Methodist Home United Services Youth	-	-	-	40,001
ARRA - Methodist Home Jobs	-	-	-	50,905
ARRA - Methodist Home Relocation	-	-	-	78,024
ARRA - Methodist Home Transitional Re-entry	-	-	-	47,179
Halifax Helps Grant	1,325	181	1,144	22
Teen court	46,696	14,916	31,780	-
Co-op student incentive	71,107	71,107	-	67,831
Total	767,398	685,832	81,566	1,039,332
Total human services	1,421,098	1,321,522	99,576	1,650,227
Cultural and Recreational:				
Library:				
Salaries and employee benefits	486,693	484,802		475,912
Operating expenditures	178,206	94,504		139,431
Total	664,899	579,306	85,593	615,343
Other cultural and recreational:				
Monsanto Co-op	2,250	-		-
LSTA NCLA	-	-		992
LSTA	-	-		9,529
Library Career Enrichment Grant	172,171	-		-
Gates Foundation Grant	994	892		9,941
Weed control	100,000	100,000		100,000
Total	275,415	100,892	174,523	120,462
Total cultural and recreational	940,314	680,198	260,116	735,805

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/Under	2012
	Budget	Actual		Actual
Education:				
Public schools - current expenses	5,561,893	5,524,942		5,399,529
Public schools - capital outlay	2,331,203	1,247,203		742,864
Community colleges - current expenses	963,522	963,522		943,522
Community colleges - capital outlay	308,696	308,696		69,027
ADM - Public School Building Fund	1,586,746	1,228,370		1,329,632
Total education	<u>10,752,060</u>	<u>9,272,733</u>	1,479,327	<u>8,484,574</u>
Debt Service:				
Principal	1,804,261	1,714,760		1,931,954
Interest	911,846	911,846		923,439
Total debt service	<u>2,716,107</u>	<u>2,626,606</u>	89,501	<u>2,855,393</u>
Total expenditures	<u>36,920,797</u>	<u>31,651,233</u>	5,269,564	<u>29,442,131</u>
Revenues over (under) expenditures	<u>7,885,144</u>	<u>6,782,414</u>	(1,102,730)	<u>8,605,107</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(9,349,860)	(9,317,385)	32,475	(9,204,977)
Transfers in:			-	
Internal Service Fund	225,000	225,000	-	225,000
Capital Project Fund	-	-	-	50,615
Capital Projects Fund	51,965	51,965	-	-
Special Revenue Fund	19,441	19,441	-	-
Transfers out:				
Capital Projects Fund	(1,443,600)	(1,443,600)	-	(748,653)
Enterprise Fund	(3,271)	(18,296)	(15,025)	(21,470)
Appropriated fund balance	<u>2,615,181</u>	<u>-</u>	<u>(2,615,181)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,885,144)</u>	<u>(10,482,875)</u>	<u>(2,597,731)</u>	<u>(9,699,485)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,700,461)</u>	<u>\$ (3,700,461)</u>	<u>(1,094,378)</u>
Fund Balance:				
Beginning of year - July 1		<u>26,247,374</u>		<u>27,341,752</u>
End of year - June 30		<u>\$ 22,546,913</u>		<u>\$ 26,247,374</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 4,790,911	\$ 4,214,292	\$ (576,619)	\$ 5,097,539
Sales and services	294,951	12,746	(282,205)	12,283
Miscellaneous revenue	-	41,481	41,481	14,765
Investment earnings	500	-	(500)	345
Total revenues	5,086,362	4,268,519	(817,843)	5,124,932
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	381,288	153,404		279,818
Operating expenditures	206,043	106,324		86,185
Total	587,331	259,728	327,603	366,003
Animal control:				
Salaries and employee benefits	167,662	156,120		183,471
Operating expenditures	66,645	56,141		48,784
Capital outlay	110,705	108,178		227
Total	345,012	320,439	24,573	232,482
AIDS control:				
Salaries and employee benefits	253,334	253,332		244,596
Operating expenditures	863	791		497
Total	254,197	254,123	74	245,093
Tuberculosis control:				
Salaries and employee benefits	97,598	90,889		69,044
Operating expenditures	25,683	10,921		11,396
Total	123,281	101,810	21,471	80,440
CDC Tuberculosis:				
Salaries and employee benefits	34,572	34,572		32,202
Total	34,572	34,572	-	32,202
Communicable disease:				
Salaries and employee benefits	13,200	11,311		7,331
Operating expenditures	14,939	4,916		4,981
Total	28,139	16,227	11,912	12,312

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013		Variance Over/(Under)	2012
	Budget	Actual		Actual
Council On Aging:				
Salaries and employee benefits	71,203	44,270		107,755
Operating expenditures	28,144	27,675		37,158
Total	99,347	71,945	27,402	144,913
Home health:				
Salaries and employee benefits	821,047	682,448		701,452
Operating expenditures	801,489	607,286		678,157
Total	1,622,536	1,289,734	332,802	1,379,609
Hospice:				
Salaries and employee benefits	259,901	258,029		148,974
Operating expenditures	98,286	94,837		92,492
Capital outlay	500	500		-
Total	358,687	353,366	5,321	241,466
Adult health/diabetes:				
Salaries and employee benefits	211,381	74,119		87,509
Operating expenditures	76,753	47,866		51,903
Total	288,134	121,985	166,149	139,412
Maternity:				
Salaries and employee benefits	321,861	293,111		317,669
Operating expenditures	307,217	75,084		44,705
Total	629,078	368,195	260,883	362,374
Family planning:				
Salaries and employee benefits	550,958	464,870		476,389
Operating expenditures	393,724	105,068		99,088
Total	944,682	569,938	374,744	575,477
Child services coordinator:				
Salaries and employee benefits	138,137	138,130		130,812
Operating expenditures	3,793	3,793		7,799
Total	141,930	141,923	7	138,611

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/(Under)	Actual
Child health:				
Salaries and employee benefits	549,402	385,662		367,726
Operating expenditures	275,799	87,103		75,852
Total	825,201	472,765	352,436	443,578
Environmental health:				
Salaries and employee benefits	456,644	456,644		446,118
Operating expenditures	28,733	26,011		23,731
Total	485,377	482,655	2,722	469,849
Other human services:				
Bioterrorism	59,628	59,626	2	48,268
Carolina behavioral	260,099	255,920	4,179	219,111
Health promotion expenditures	1,120	1,120	-	18,019
Diabetes	27,643	11,344	16,299	13,171
BCCCP	34,129	19,971	14,158	34,323
CVD/Breast cancer	11,750	2,305	9,445	12,369
Folic Acid Grant	206,192	206,179	13	201,907
Immunization action plan	87,307	87,304	3	87,556
Baby Love Plus	98,019	96,230	1,789	93,880
Health working and wellness	37,737	37,731	6	37,910
Jail health	289,447	270,996	18,451	419,336
Dr. Wolfe Grant	-	-	-	5,120
Transformation Grant	33,088	33,086	2	1,906
Transformation Grant	16,501	1,501	15,000	-
Capital outlay-infection control	-	-	-	2,200
Health-mosquito control	2,795	2,795	-	4,911
QI/QA program	1,136	1,136	-	7,783
Weldon SNFI school nurse	100,000	100,000	-	99,937
RR SNFI school nurse	150,000	146,633	3,367	133,966
Motivational interview training	-	-	-	10,485
PREPARE Grant	100,001	100,001	-	85,127
Closing the Gap Grant	47,905	-	47,905	38
Susan Komen Grant	3,500	2,805		-
Healthy community program	18,685	18,685		-
Diabetes Capacity Grant	2,500	2,500		-
Total	1,589,182	1,457,868	130,619	1,537,323
Total human services	8,356,686	6,317,273	2,039,413	6,401,144
Revenues over (under) expenditures	(3,270,324)	(2,048,754)	1,221,570	(1,276,212)

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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/(Under)	Actual
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,594,403	2,576,953	(17,450)	2,367,134
Appropriated fund balance	<u>675,921</u>	<u>-</u>	<u>(675,921)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,270,324</u>	<u>2,576,953</u>	<u>(693,371)</u>	<u>2,367,134</u>
Net change in fund balance	<u>\$ -</u>	528,199	<u>\$ 528,199</u>	1,090,922
Fund Balance:				
Beginning of year - July 1		<u>3,162,142</u>		<u>2,071,220</u>
End of year - June 30		<u>\$ 3,690,341</u>		<u>\$ 3,162,142</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 10,604,335	\$ 9,689,651	\$ (914,684)	\$ 9,714,143
Permits and fees	327	2,302	1,975	669
Miscellaneous revenue	-	2,567	2,567	25,426
Total revenues	<u>10,604,662</u>	<u>9,694,520</u>	<u>(910,142)</u>	<u>9,740,238</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	8,271,271	7,908,634		7,870,070
Operating expenditures	1,188,194	679,721		684,115
Capital outlay	20,600	-		20,492
Total	<u>9,480,065</u>	<u>8,588,355</u>	<u>891,710</u>	<u>8,574,677</u>
Other human services:				
Fees and refunds	48,301	16,409	31,892	11,204
Family planning	10,000	7,766	2,234	4,487
Chore services	185,910	184,800	1,110	198,968
Daycare	2,467,223	2,376,029	91,194	2,305,710
Work First	318,948	221,217	97,731	270,344
Purchased services	88,000	69,193	18,807	42,409
4D-Purchase	3,700	2,864	836	873
Medicaid	787,500	518,883	268,617	797,695
Social services to the aged	928,019	780,883	147,136	852,004
CBA foster care	551,104	546,934	4,170	417,523
Adoptive assistance	89,958	88,396	1,562	99,175
LEIAP program	263,007	262,500	507	218,200
Crisis intervention	595,419	594,339	1,080	623,369
CP&L energy	2,585	1,819	766	7,364
Special foster care	9,000	8,137	863	13,765
CPS Staff Grant	32,029	-	32,029	1,094
Aid to the blind	7,991	6,970	1,021	7,222
Total	<u>6,388,694</u>	<u>5,687,139</u>	<u>701,555</u>	<u>5,871,406</u>
Total human services	<u>15,868,759</u>	<u>14,275,494</u>	<u>1,593,265</u>	<u>14,446,083</u>
Revenues over (under) expenditures	<u>(5,264,097)</u>	<u>(4,580,974)</u>	<u>683,123</u>	<u>(4,705,845)</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, 2013
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	5,189,821	5,189,821	-	4,813,999
Appropriated fund balance	<u>74,276</u>	<u>-</u>	<u>(74,276)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,264,097</u>	<u>5,189,821</u>	<u>(74,276)</u>	<u>4,813,999</u>
Net change in fund balance	<u>\$ -</u>	608,847	<u>\$ 608,847</u>	108,154
Fund Balance:				
Beginning of year - July 1		<u>673,627</u>		<u>565,473</u>
End of year - June 30		<u>\$ 1,282,474</u>		<u>\$ 673,627</u>

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND - EMERGENCY MANAGEMENT SERVICES DEPARTMENT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013**

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

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 1,200	\$ 1,021	\$ (179)	\$ 776
Restricted intergovernmental revenues	209,832	327,722	117,890	231,704
Sales and services	2,333,356	2,369,918	36,562	2,777,861
Miscellaneous revenue	-	4,473	4,473	9,972
Total revenues	<u>2,544,388</u>	<u>2,703,134</u>	<u>158,746</u>	<u>3,020,313</u>
Expenditures:				
Public Safety:				
General:				
Salaries and employee benefits	3,828,131	3,813,546		3,361,389
Operating expenditures	880,615	832,264		896,287
Capital outlay	563,410	472,139		-
Total	<u>5,272,156</u>	<u>5,117,949</u>	<u>154,207</u>	<u>4,257,676</u>
Debt Service:				
Principal	107,637	107,637		159,627
Interest	9,255	9,254		15,344
Total debt service	<u>116,892</u>	<u>116,891</u>	<u>1</u>	<u>174,971</u>
Total expenditures	<u>5,389,048</u>	<u>5,234,840</u>	<u>154,208</u>	<u>4,432,647</u>
Revenues over (under) expenditures	<u>(2,844,660)</u>	<u>(2,531,706)</u>	<u>(312,954)</u>	<u>(1,412,334)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	1,498,563	1,498,563	-	2,001,294
Appropriated fund balance (contingency)	1,346,097	-	(1,346,097)	-
Total other financing sources (uses)	<u>2,844,660</u>	<u>1,498,563</u>	<u>(1,346,097)</u>	<u>2,001,294</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,033,143)</u>	<u>\$ (1,033,143)</u>	<u>588,960</u>
Fund Balance:				
Beginning of year - July 1		<u>2,197,665</u>		<u>1,608,705</u>
End of year - June 30		<u>\$ 1,164,522</u>		<u>\$ 2,197,665</u>

COMBINING STATEMENTS FOR NONMAJOR FUNDS



This page left intentionally blank

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 487,805	\$ 3,935,950	\$ 4,423,755
Accounts receivable	149,039	1,071,714	1,220,753
Due from other governments	10,497	20,521	31,018
Taxes receivable, net	397,121	-	397,121
	<u>397,121</u>	<u>-</u>	<u>397,121</u>
Total assets	<u>\$ 1,044,462</u>	<u>\$ 5,028,185</u>	<u>\$ 6,072,647</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 214,629	\$ 112,960	\$ 327,589
Due to other funds	-	3,995,363	3,995,363
	<u>-</u>	<u>3,995,363</u>	<u>3,995,363</u>
Total liabilities	<u>214,629</u>	<u>4,108,323</u>	<u>4,322,952</u>
Deferred Inflows of Resources			
Taxes receivable	397,121	-	397,121
	<u>397,121</u>	<u>-</u>	<u>397,121</u>
Total deferred inflows of resources	<u>397,121</u>	<u>-</u>	<u>397,121</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	159,536	1,092,235	1,251,771
Public safety	357,993	-	357,993
Economic development	-	43,072	43,072
Education	-	69,584	69,584
Committed	-	2,255,244	2,255,244
Unassigned	(84,817)	(2,540,273)	(2,625,090)
	<u>(84,817)</u>	<u>(2,540,273)</u>	<u>(2,625,090)</u>
Total fund balances	<u>432,712</u>	<u>919,862</u>	<u>1,352,574</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,044,462</u>	<u>\$ 5,028,185</u>	<u>\$ 6,072,647</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2013

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,732,880	\$ -	\$ 4,732,880
Other taxes and licenses	511,700	-	511,700
Restricted intergovernmental revenues	398,562	416,465	815,027
Miscellaneous	97	-	97
Investment earnings	16,714	133	16,847
Total revenues	<u>5,659,953</u>	<u>416,598</u>	<u>6,076,551</u>
Expenditures:			
Current:			
Public safety	1,847,380	369,965	2,217,345
Education	3,341,837	144,204	3,486,041
Economic and physical development	5,968	468,048	474,016
Human services	442,542	-	442,542
Total expenditures	<u>5,637,727</u>	<u>982,217</u>	<u>6,619,944</u>
Revenues over (under) expenditures	<u>22,226</u>	<u>(565,619)</u>	<u>(543,393)</u>
Other Financing Sources (Uses):			
Transfers in	-	1,443,600	1,443,600
Transfers out	(19,441)	(51,965)	(71,406)
Total other financing sources (uses)	<u>(19,441)</u>	<u>1,391,635</u>	<u>1,372,194</u>
Net change in fund balances	2,785	826,016	828,801
Fund Balances:			
Beginning of year - July 1	<u>429,927</u>	<u>93,846</u>	<u>523,773</u>
End of year - June 30	<u>\$ 432,712</u>	<u>\$ 919,862</u>	<u>\$ 1,352,574</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 2012 – This fund is used to account for the Community Development Block Grant that is funding assistance to citizens for housing rehabilitation.

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2013

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Assets:				
Cash and cash equivalents	\$ 422,855	\$ 6,749	\$ 17,005	\$ 19,877
Accounts receivable	64,222	10,719	37,897	36,201
Due from other governments	10,497	-	-	-
Taxes receivable, net	<u>-</u>	<u>51,577</u>	<u>120,639</u>	<u>132,009</u>
Total assets	<u>\$ 497,574</u>	<u>\$ 69,045</u>	<u>\$ 175,541</u>	<u>\$ 188,087</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ 64,862</u>	<u>\$ 17,468</u>	<u>\$ 54,902</u>	<u>\$ 56,078</u>
Total liabilities	<u>64,862</u>	<u>17,468</u>	<u>54,902</u>	<u>56,078</u>
Deferred Inflows of Resources:				
Taxes receivable	<u>-</u>	<u>51,577</u>	<u>120,639</u>	<u>132,009</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	74,719	10,719	37,897	36,201
Public safety	357,993	-	-	-
Unassigned	<u>-</u>	<u>(10,719)</u>	<u>(37,897)</u>	<u>(36,201)</u>
Total fund balances	<u>432,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 497,574</u>	<u>\$ 69,045</u>	<u>\$ 175,541</u>	<u>\$ 188,087</u>

Schedule D-1

Roanoke Rapids School Graded District Fund	<u>Project Budget</u>		Total
	CDBG Scattered Site Rehab 2012		
\$ 21,319	\$ -	\$	487,805
-	-		149,039
-	-		10,497
<u>92,896</u>	<u>-</u>		<u>397,121</u>
<u>\$ 114,215</u>	<u>\$ -</u>	<u>\$</u>	<u>1,044,462</u>
\$ 21,319	\$ -	\$	214,629
<u>21,319</u>	<u>-</u>		<u>214,629</u>
<u>92,896</u>	<u>-</u>		<u>397,121</u>
-	-		159,536
-	-		357,993
-	-		(84,817)
<u>-</u>	<u>-</u>		<u>432,712</u>
<u>\$ 114,215</u>	<u>\$ -</u>	<u>\$</u>	<u>1,044,462</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, 2013

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Revenues:				
Ad valorem taxes	\$ -	\$ 377,878	\$ 1,271,009	\$ 1,258,193
Other taxes and licenses	-	64,664	228,625	218,411
Restricted intergovernmental	385,331	-	-	-
Miscellaneous	96	-	-	-
Investment earnings	311	-	-	-
Total revenues	<u>385,738</u>	<u>442,542</u>	<u>1,499,634</u>	<u>1,476,604</u>
Expenditures:				
Public safety	370,776	-	-	1,476,604
Economic and physical development	-	-	-	-
Human services	-	442,542	-	-
Education	-	-	1,499,634	-
Total expenditures	<u>370,776</u>	<u>442,542</u>	<u>1,499,634</u>	<u>1,476,604</u>
Revenues over (under) expenditures	<u>14,962</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers to General Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,962	-	-	-
Fund Balances:				
Beginning of year - July 1	<u>417,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 432,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule D-2

Roanoke Rapids School Graded District Fund	<u>Project Budget</u>	
	CDBG Scattered Site Rehab 2012	Total
\$ 1,825,800	\$ -	\$ 4,732,880
-	-	511,700
-	13,231	398,562
-	1	97
16,403	-	16,714
<u>1,842,203</u>	<u>13,232</u>	<u>5,659,953</u>
-	-	1,847,380
-	5,968	5,968
-	-	442,542
1,842,203	-	3,341,837
<u>1,842,203</u>	<u>5,968</u>	<u>5,637,727</u>
-	7,264	22,226
-	(19,441)	(19,441)
-	(19,441)	(19,441)
-	(12,177)	2,785
-	12,177	429,927
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,712</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, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Wireless funding	\$ 371,631	\$ 385,331	\$ 13,700	\$ 371,631
Miscellaneous	29,869	96	(29,773)	-
Investment earnings	-	311	311	369
Total revenues	<u>401,500</u>	<u>385,738</u>	<u>(15,762)</u>	<u>372,000</u>
Expenditures:				
Public safety:				
Operating expenses	30,724	-	30,724	-
Telephone and furniture	129,020	129,020	-	168,732
Software maintenance	48,270	48,270	-	12,884
Hardware maintenance	99,164	99,164	-	147,388
Training	94,322	94,322	-	46,041
Total expenditures	<u>401,500</u>	<u>370,776</u>	<u>30,724</u>	<u>375,045</u>
Net change in fund balance	<u>\$ -</u>	14,962	<u>\$ 14,962</u>	(3,045)
Fund Balance:				
Beginning of year - July 1		<u>417,750</u>		<u>420,795</u>
End of year - June 30		<u>\$ 432,712</u>		<u>\$ 417,750</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, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 413,500	\$ 377,878	\$ (35,622)	\$ 373,639
Local option sales tax	64,664	64,664	-	60,833
Total revenues	<u>478,164</u>	<u>442,542</u>	<u>(35,622)</u>	<u>434,472</u>
Expenditures:				
Human services:				
Our Community Hospital	<u>478,164</u>	<u>442,542</u>	<u>35,622</u>	<u>434,472</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, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,400,000	\$ 1,271,009	\$ (128,991)	\$ 1,332,006
Local option sales tax	235,000	228,625	(6,375)	234,540
Total revenues	<u>1,635,000</u>	<u>1,499,634</u>	<u>(135,366)</u>	<u>1,566,546</u>
Expenditures:				
Education:				
Payments to school district	<u>1,635,000</u>	<u>1,499,634</u>	<u>135,366</u>	<u>1,566,546</u>
Total expenditures	<u>1,635,000</u>	<u>1,499,634</u>	<u>135,366</u>	<u>1,566,546</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

FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,422,200	\$ 1,258,193	\$ (164,007)	\$ 1,265,487
Local option sales tax	239,457	218,411	(21,046)	236,883
Total revenues	<u>1,661,657</u>	<u>1,476,604</u>	<u>(185,053)</u>	<u>1,502,370</u>
Expenditures:				
Current:				
Public safety:				
Payments to fire districts	<u>1,661,657</u>	<u>1,476,604</u>	<u>185,053</u>	<u>1,502,370</u>
Total expenditures	<u>1,661,657</u>	<u>1,476,604</u>	<u>185,053</u>	<u>1,502,370</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, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,950,000	\$ 1,825,800	\$ (124,200)	\$ 1,766,991
Other taxes and licenses	-	-	-	318,895
Interest	7,000	16,403	9,403	7,199
Total revenues	<u>1,957,000</u>	<u>1,842,203</u>	<u>(114,797)</u>	<u>2,093,085</u>
Expenditures:				
Education:				
Payments to school district	1,957,000	1,842,203	114,797	2,093,085
Tax collection fee	-	-	-	-
Total expenditures	<u>1,957,000</u>	<u>1,842,203</u>	<u>114,797</u>	<u>2,093,085</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 HOUSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013**

	<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:					
Other program revenue	\$ 19,441	\$ 19,440	\$ 1	\$ 19,441	\$ -
NC Division of Community Assistance	400,000	-	13,231	13,231	(386,769)
Total revenues	<u>419,441</u>	<u>19,440</u>	<u>13,232</u>	<u>32,672</u>	<u>(386,769)</u>
Expenditures:					
Economic and physical development:					
Administration	40,000	7,263	5,968	13,231	26,769
Rehabilitation	265,500	-	-	-	265,500
Relocation	94,500	-	-	-	94,500
Total expenditures	<u>400,000</u>	<u>7,263</u>	<u>5,968</u>	<u>13,231</u>	<u>386,769</u>
Revenues over (under) expenditures	<u>19,441</u>	<u>12,177</u>	<u>7,264</u>	<u>19,441</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfer out	(19,441)	-	(19,441)	(19,441)	-
Total other financing sources (uses)	<u>(19,441)</u>	<u>-</u>	<u>(19,441)</u>	<u>(19,441)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 12,177</u>	<u>\$ (12,177)</u>	<u>\$ -</u>	<u>\$ -</u>



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.

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.

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.

German Wood Project – This fund is used to account for a project supporting economic development efforts in the area.

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2013

	<u>Annual Budget</u>			
	RPO Peanut Belt Capital Project	Piezotronics Project	Industrial Building	QCSB Roanoke Rapids
Assets:				
Cash and cash equivalents	\$ 70,443	\$ -	\$ 1,010,946	\$ 113,489
Accounts receivable	24,603	-	-	47,111
Due from other governments	-	-	2,765	17,756
Total assets	<u>\$ 95,046</u>	<u>\$ -</u>	<u>\$ 1,013,711</u>	<u>\$ 178,356</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 27,371	\$ -	\$ -	\$ 43,905
Due to other funds	-	1,425,001	-	-
Total liabilities	<u>27,371</u>	<u>1,425,001</u>	<u>-</u>	<u>43,905</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	24,603	-	2,765	64,867
Economic development	43,072	-	-	-
Education	-	-	-	69,584
Committed:				
Economic development	-	-	1,010,946	-
Assigned:				
Unassigned	-	(1,425,001)	-	-
Total fund balances	<u>67,675</u>	<u>(1,425,001)</u>	<u>1,013,711</u>	<u>134,451</u>
Total liabilities and fund balances	<u>\$ 95,046</u>	<u>\$ -</u>	<u>\$ 1,013,711</u>	<u>\$ 178,356</u>

Schedule E-1

<u>Jail Construction</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>German Wood</u>	<u>Total</u>
\$ 141,184	\$ 198,930	\$ 2,400,958	\$ 3,935,950
-	1,000,000	-	1,071,714
-	-	-	20,521
<u>\$ 141,184</u>	<u>\$ 1,198,930</u>	<u>\$ 2,400,958</u>	<u>\$ 5,028,185</u>
\$ 40,943	\$ 741	\$ -	\$ 112,960
<u>504,155</u>	<u>909,547</u>	<u>1,156,660</u>	<u>3,995,363</u>
<u>545,098</u>	<u>910,288</u>	<u>1,156,660</u>	<u>4,108,323</u>
-	1,000,000	-	1,092,235
-	-	-	43,072
-	-	-	69,584
-	-	1,244,298	2,255,244
<u>(403,914)</u>	<u>(711,358)</u>	<u>-</u>	<u>(2,540,273)</u>
<u>(403,914)</u>	<u>288,642</u>	<u>1,244,298</u>	<u>919,862</u>
<u>\$ 141,184</u>	<u>\$ 1,198,930</u>	<u>\$ 2,400,958</u>	<u>\$ 5,028,185</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, 2013

	<u>Annual Budget</u>		
	RPO Peanut Belt Capital Project	Piezotronics Project	Industrial Building
Revenues:			
Restricted intergovernmental	\$ 104,626	\$ -	\$ -
Investment earnings	-	-	-
Total revenues	<u>104,626</u>	<u>-</u>	<u>-</u>
Expenditures:			
Public safety	-	-	-
Education	-	-	-
Economic and physical development	99,625	-	168,304
Total expenditures	<u>99,625</u>	<u>-</u>	<u>168,304</u>
Revenues over (under) expenditures	<u>5,001</u>	<u>-</u>	<u>(168,304)</u>
Other Financing Sources (Uses):			
Transfers in:			
General Fund	-	-	-
Transfers out:			
General Fund	-	(51,965)	-
Total other financing sources (uses)	<u>-</u>	<u>(51,965)</u>	<u>-</u>
Net change in fund balances	5,001	(51,965)	(168,304)
Fund Balances:			
Beginning of year - July 1	<u>62,674</u>	<u>(1,373,036)</u>	<u>1,182,015</u>
End of year - June 30	<u>\$ 67,675</u>	<u>\$ (1,425,001)</u>	<u>\$ 1,013,711</u>

Schedule E-2

<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>German Wood</u>	<u>Total</u>
\$ 112,093	\$ -	\$ 199,746	\$ -	\$ 416,465
133	-	-	-	133
<u>112,226</u>	<u>-</u>	<u>199,746</u>	<u>-</u>	<u>416,598</u>
-	369,965	-	-	369,965
144,204	-	-	-	144,204
-	-	817	199,302	468,048
<u>144,204</u>	<u>369,965</u>	<u>817</u>	<u>199,302</u>	<u>982,217</u>
<u>(31,978)</u>	<u>(369,965)</u>	<u>198,929</u>	<u>(199,302)</u>	<u>(565,619)</u>
-	-	-	1,443,600	1,443,600
-	-	-	-	(51,965)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,443,600</u>	<u>1,391,635</u>
(31,978)	(369,965)	198,929	1,244,298	826,016
<u>166,429</u>	<u>(33,949)</u>	<u>89,713</u>	<u>-</u>	<u>93,846</u>
<u>\$ 134,451</u>	<u>\$ (403,914)</u>	<u>\$ 288,642</u>	<u>\$ 1,244,298</u>	<u>\$ 919,862</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 104,625	\$ 104,626	\$ 1	\$ 102,608
Expenditures:				
Economic development	104,625	99,625	5,000	99,625
Total expenditures	104,625	99,625	5,000	99,625
Net change in fund balance	\$ -	5,001	\$ 5,001	2,983
Fund Balance:				
Beginning of year - July 1		62,674		59,691
End of year - June 30		\$ 67,675		\$ 62,674

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, 2013

	<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	198,119	116,262	-	116,262	(81,857)
Total revenues	<u>2,050,119</u>	<u>543,262</u>	<u>-</u>	<u>543,262</u>	<u>(1,506,857)</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	580,688	580,688	-	580,688	-
Transfer to other fund	<u>(51,965)</u>	<u>-</u>	<u>(51,965)</u>	<u>(51,965)</u>	
Total other financing sources (uses)	<u>528,723</u>	<u>580,688</u>	<u>(51,965)</u>	<u>528,723</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,373,036)</u>	<u>\$ (51,965)</u>	<u>\$ (1,425,001)</u>	<u>\$ (1,425,001)</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, 2013

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental	\$ 322,071	\$ 263,965	\$ -	\$ 263,965	\$ (58,106)
Total revenues	<u>322,071</u>	<u>263,965</u>	<u>-</u>	<u>263,965</u>	<u>(58,106)</u>
Expenditures:					
Economic and physical development:					
Engineering	9,598	9,598	-	9,598	-
Construction	<u>399,378</u>	<u>393,328</u>	<u>-</u>	<u>393,328</u>	<u>6,050</u>
Total expenditures	<u>408,976</u>	<u>402,926</u>	<u>-</u>	<u>402,926</u>	<u>6,050</u>
Revenues over (under) expenditures	<u>(86,905)</u>	<u>(138,961)</u>	<u>-</u>	<u>(138,961)</u>	<u>(52,056)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	134,042	138,961	-	138,961	4,919
Appropriated fund balance	<u>(47,137)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,137</u>
Total other financing sources (uses)	<u>86,905</u>	<u>138,961</u>	<u>-</u>	<u>138,961</u>	<u>52,056</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

**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, 2013**

	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	1,171,927	199,746	1,371,673	(57,468)
NC Rural Education	814,530	814,530	-	814,530	-
Total	2,293,671	2,036,457	199,746	2,236,203	(57,468)
<i>Phase II</i>					
NC Department of Commerce	779,203	779,203	-	779,203	-
NC Rural Economic Development Center	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	400,000	400,000	-	400,000	-
Total revenues	4,472,874	4,215,660	199,746	4,415,406	(57,468)
Expenditures:					
Economic and physical development:					
<i>Phase I</i>					
Professional	197,500	197,500	-	197,500	-
Engineering	55,000	55,000	-	55,000	-
Land	2,500	2,000	-	2,000	500
Construction	1,527,076	1,425,036	-	1,425,036	102,040
Administration	7,038	7,038	-	7,038	-
Contingency	210,970	-	-	-	210,970
Total	2,000,084	1,686,574	-	1,686,574	313,510
<i>Phase II</i>					
Professional	100,300	100,300	-	100,300	-
Engineering	142,970	142,970	-	142,970	-
Construction	1,857,422	1,819,373	817	1,820,190	37,232
Administration	15,468	15,180	-	15,180	288
Total	2,116,160	2,077,823	817	2,078,640	37,520
<i>Phase III</i>					
Construction	400,000	400,000	-	400,000	-
Total	400,000	400,000	-	400,000	-
Total expenditures	4,516,244	4,164,397	817	4,165,214	351,030
Revenues over (under) expenditures	(43,370)	51,263	198,929	250,192	293,562
Other Financing Sources (Uses):					
Transfer to General Fund	(49,500)	(54,420)	-	(54,420)	(4,920)
Transfer from Water Fund	92,870	92,870	-	92,870	-
Total other financing sources (uses)	43,370	38,450	-	38,450	(4,920)
Net change in fund balance	\$ -	\$ 89,713	\$ 198,929	\$ 288,642	\$ 288,642

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, 2013

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
Total revenues	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Expenditures:					
Education:					
Administration	40,850	40,818	-	40,818	32
Professional services	90,000	68,200	-	68,200	21,800
Equipment	600,000	-	-	-	600,000
Construction	1,459,150	298,967	168,304	467,271	991,879
Total expenditures	<u>2,190,000</u>	<u>407,985</u>	<u>168,304</u>	<u>576,289</u>	<u>1,613,711</u>
Revenues over (under) expenditures	<u>(1,590,000)</u>	<u>(407,985)</u>	<u>(168,304)</u>	<u>(576,289)</u>	<u>1,013,711</u>
Other Financing Sources (Uses):					
Transfers in	1,590,000	1,590,000	-	1,590,000	-
Total other financing sources (uses)	<u>1,590,000</u>	<u>1,590,000</u>	<u>-</u>	<u>1,590,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,182,015</u>	<u>\$ (168,304)</u>	<u>\$ 1,013,711</u>	<u>\$ 1,013,711</u>

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, 2013

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 161,223	\$ 47,111	\$ 112,093	\$ 159,204	\$ (2,019)
Investment earnings	-	1,715	133	1,848	1,848
Total revenues	<u>161,223</u>	<u>48,826</u>	<u>112,226</u>	<u>161,052</u>	<u>(171)</u>
Expenditures:					
Education:					
Construction	2,404,073	2,228,651	141,954	2,370,605	33,468
Professional services	40,000	40,000	-	40,000	-
Administration	18,171	8,017	500	8,517	9,654
Engineering	196,617	158,696	1,750	160,446	36,171
Contingency	55,329	-	-	-	55,329
Total expenditures	<u>2,714,190</u>	<u>2,435,364</u>	<u>144,204</u>	<u>2,579,568</u>	<u>134,622</u>
Revenues over (under) expenditures	<u>(2,552,967)</u>	<u>(2,386,538)</u>	<u>(31,978)</u>	<u>(2,418,516)</u>	<u>134,451</u>
Other Financing Sources (Uses):					
Long-term debt issued	<u>2,552,967</u>	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>
Total other financing sources (uses)	<u>2,552,967</u>	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 166,429</u>	<u>\$ (31,978)</u>	<u>\$ 134,451</u>	<u>\$ 134,451</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, 2013**

	<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	\$ 534,332	\$ -	\$ -	\$ -	\$ (534,332)
Total revenues	<u>534,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(534,332)</u>
Expenditures:					
Education:					
Professional services	506,622	33,949	346,635	380,584	126,038
Construction	<u>27,710</u>	<u>-</u>	<u>23,330</u>	<u>23,330</u>	<u>4,380</u>
Total expenditures	<u>534,332</u>	<u>33,949</u>	<u>369,965</u>	<u>403,914</u>	<u>130,418</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (33,949)</u>	<u>\$ (369,965)</u>	<u>\$ (403,914)</u>	<u>\$ (403,914)</u>

HALIFAX COUNTY, NORTH CAROLINA

GERMAN WOOD PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
NC Department of Commerce	\$ 206,660	\$ -	\$ -	\$ -	\$ (206,660)
NC Department of Transportation	950,000	-	-	-	(950,000)
Total revenues	<u>1,156,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,156,660)</u>
Expenditures:					
Economic Development:					
Site preparation	1,590,000	-	183,431	183,431	1,406,569
Road construction	950,000	-	-	-	950,000
Administration	16,660	-	15,871	15,871	789
Sewer line	18,600	-	-	-	18,600
Rail spur	25,000	-	-	-	25,000
Total expenditures	<u>2,600,260</u>	<u>-</u>	<u>199,302</u>	<u>199,302</u>	<u>2,400,958</u>
Revenues over (under) expenditures	<u>(1,443,600)</u>	<u>-</u>	<u>(199,302)</u>	<u>(199,302)</u>	<u>1,244,298</u>
Other Financing Sources (Uses):					
Transfer in	<u>1,443,600</u>	<u>-</u>	<u>1,443,600</u>	<u>1,443,600</u>	<u>-</u>
Total other financing sources (uses)	<u>1,443,600</u>	<u>-</u>	<u>1,443,600</u>	<u>1,443,600</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244,298</u>	<u>\$ 1,244,298</u>	<u>\$ 1,244,298</u>



This page left intentionally blank

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, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Solid waste fees	\$ 4,591,395	3,725,817	\$ (865,578)	\$ 8,335,298
Electronics management	4,000	3,122	(878)	4,233
Other taxes and licenses	82,000	83,280	1,280	84,179
Total operating revenues	<u>4,677,395</u>	<u>3,812,219</u>	<u>(865,176)</u>	<u>8,423,710</u>
Non-operating revenues:				
Interest earned on investments	<u>1,000</u>	<u>4,139</u>	<u>3,139</u>	<u>5,121</u>
Total revenues	<u>4,678,395</u>	<u>3,816,358</u>	<u>(862,037)</u>	<u>8,428,831</u>
Expenditures:				
Landfill operations:				
Salaries and benefits	428,402	417,710		386,088
Operating expenses	3,530,926	3,170,249		3,277,748
Repairs and maintenance	185,513	150,990		61,825
Capital outlay	494,031	454,513		-
Total landfill operations	<u>4,638,872</u>	<u>4,193,462</u>	<u>445,410</u>	<u>3,725,661</u>
Ash monofill cell:				
Salaries and benefits	87,758	87,556		72,182
Operating expenses	155,090	144,209		105,654
Repairs and maintenance	14,000	5,200		-
Total ash monofill cell	<u>256,848</u>	<u>236,965</u>	<u>19,883</u>	<u>177,836</u>
Landfill closure:				
Landfill closure expenditures	<u>75,000</u>	<u>20,356</u>		<u>30,535</u>
Total landfill closure	<u>75,000</u>	<u>20,356</u>	<u>54,644</u>	<u>30,535</u>
Electronics management:				
Operating expenses	4,000	1,951		14,940
Capital outlay	-	-		140,994
Total electronics management	<u>4,000</u>	<u>1,951</u>	<u>2,049</u>	<u>155,934</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Debt service expenditures:				
Principal	107,681	107,681		-
Interest	18,275	18,275		-
Total debt service	125,956	125,956	-	-
Total expenditures	5,100,676	4,578,690	521,986	4,089,966
Revenues over (under) expenditures	(422,281)	(762,332)	(340,051)	4,338,865
Other Financing Sources (Uses):				
Intrafund transfers in (out)	-	-	-	(90,230)
General Fund - transfer in	12,033	10,230	(1,803)	8,414
Long-term debt issued	150,248	150,284	36	-
Appropriated retained earnings	260,000	-	(260,000)	-
Total other financing sources (uses)	422,281	160,514	(261,767)	(81,816)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (601,818)	\$ (601,818)	\$ 4,257,049
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (601,818)		\$ 4,257,049
Depreciation		(179,399)		(139,794)
Capital outlay		454,513		140,994
Debt service expenditures		107,681		-
Debt proceeds		(150,284)		-
Interest from projects		1,541		-
Intrafund transfer from capital project		-		(24,770)
Intrafund transfer to capital project		-		115,000
Change in post-closure liability estimate		492,123		(4,782,446)
Change in net position		\$ 124,357		\$ (433,967)

HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2013
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,689,979	\$ 4,514,125	\$ (175,854)	\$ 4,139,274
Sewer sales	191,623	183,829	(7,794)	195,567
Tap fees	68,400	48,050	(20,350)	43,300
Penalties and other charges	247,760	215,619	(32,141)	202,989
Miscellaneous	-	18,536	18,536	35,000
Total operating revenues	<u>5,197,762</u>	<u>4,980,159</u>	<u>(217,603)</u>	<u>4,616,130</u>
Non-operating revenues:				
Interest earned on investments	<u>3,000</u>	<u>1,312</u>	<u>(1,688)</u>	<u>3,289</u>
Total revenues	<u>5,200,762</u>	<u>4,981,471</u>	<u>(219,291)</u>	<u>4,619,419</u>
Expenditures:				
Water Department:				
Salaries and employee benefits	667,466	633,546		656,182
Water purchases	1,719,270	1,697,521		1,774,499
Repairs and maintenance	168,650	127,468		121,651
Other operating expenditures	1,545,711	1,098,357		995,601
Capital outlay	<u>29,980</u>	<u>29,980</u>		<u>86,208</u>
Total water operations	<u>4,131,077</u>	<u>3,586,872</u>	<u>544,205</u>	<u>3,634,141</u>
Debt service:				
Debt service principal	702,868	702,686		289,000
Debt service interest and fees	<u>866,099</u>	<u>866,098</u>		<u>825,410</u>
Total debt service	<u>1,568,967</u>	<u>1,568,784</u>	<u>183</u>	<u>1,114,410</u>
Total expenditures	<u>5,700,044</u>	<u>5,155,656</u>	<u>544,388</u>	<u>4,748,551</u>
Revenues over (under) expenditures	<u>(499,282)</u>	<u>(174,185)</u>	<u>325,097</u>	<u>(129,132)</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, 2013
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012**

	2013			2012
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
General Fund - transfer in	6,263	8,066	1,803	13,057
Intrafund transfers	(526,800)	(526,800)	-	197,925
General obligation bond issued	-	-	-	9,048,000
Payment to escrow agent, debt refunding payment	-	-	-	(9,323,000)
Appropriated retained earnings	1,019,819	-	(1,019,819)	-
Total other financing sources (uses)	<u>499,282</u>	<u>(518,734)</u>	<u>(1,018,016)</u>	<u>(64,018)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (692,919)</u>	<u>\$ (692,919)</u>	<u>\$ (193,150)</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (692,919)		\$ (193,150)
Debt principal		702,686		289,000
Capital outlay		29,980		86,208
General obligation note retired		-		9,323,000
General obligation bond issued		-		(9,048,000)
Interfund transfer out		-		(45,830)
Intrafund transfer		526,800		(197,925)
Interest income from water capital projects		44		17
Project expense not capitalized		(8,231)		(10,202)
Capital contributions from water capital projects		766,515		2,511
Depreciation		<u>(1,298,818)</u>		<u>(2,577,838)</u>
Change in net position		<u>\$ 26,057</u>		<u>\$ (2,372,209)</u>

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, 2013

	<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
Total revenues	<u>61,425</u>	<u>21,425</u>	<u>-</u>	<u>21,425</u>
Expenditures:				
Administration	2,925	62	-	62
Engineering	<u>58,500</u>	<u>10,202</u>	<u>8,231</u>	<u>18,433</u>
Total expenditures	<u>61,425</u>	<u>10,264</u>	<u>8,231</u>	<u>18,495</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 11,161</u>	<u>\$ (8,231)</u>	<u>\$ 2,930</u>

HALIFAX COUNTY, NORTH CAROLINA

PHASE XI and X1-A SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Phase X1				
Restricted intergovernmental	\$ 1,513,000	\$ -	\$ -	\$ -
Investment earnings	-	-	44	44
Total Phase X1 revenues	<u>1,513,000</u>	<u>-</u>	<u>44</u>	<u>44</u>
Phase X1-A				
Restricted intergovernmental	1,545,218	-	766,515	766,515
Total Phase X1-A revenues	<u>1,545,218</u>	<u>-</u>	<u>766,515</u>	<u>766,515</u>
Total Revenues	<u>3,058,218</u>	<u>-</u>	<u>766,559</u>	<u>766,559</u>
Expenditures				
Phase X1				
Economic and physical development:				
Administration	35,000	-	2,028	2,028
Contingency	857,600	-	-	-
Construction	3,352,848	-	-	-
Interest	75,000	-	-	-
Engineering	236,352	-	186,682	186,682
Total Phase X1 expenditures	<u>4,556,800</u>	<u>-</u>	<u>188,710</u>	<u>188,710</u>
Phase X1-A:				
Economic and physical development:				
Administration	355,900	5,978	88,469	94,447
Professional services	30,904	65,059	(34,155)	30,904
Contingency	57,031	-	-	-
Construction	1,140,622	-	768,763	768,763
Engineering	130,761	-	76,147	76,147
Total Phase X1-A expenditures	<u>1,715,218</u>	<u>71,037</u>	<u>899,224</u>	<u>970,261</u>
Total Expenditures	<u>6,272,018</u>	<u>71,037</u>	<u>1,087,934</u>	<u>1,158,971</u>
Revenues over (under) expenditures	<u>(3,213,800)</u>	<u>(71,037)</u>	<u>(321,375)</u>	<u>(392,412)</u>
Other Financing Sources (Uses):				
Intrafund transfer - water Ph X1	526,800	-	526,800	526,800
Proceeds from long-term debt Ph X1	2,687,000	-	2,687,000	2,687,000
Total other financing sources (uses)	<u>3,213,800</u>	<u>-</u>	<u>3,213,800</u>	<u>3,213,800</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (71,037)</u>	<u>\$ 2,892,425</u>	<u>\$ 2,821,388</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, 2013

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,541	\$ 1,541
Total revenues	<u>-</u>	<u>-</u>	<u>1,541</u>	<u>1,541</u>
Expenditures:				
Economic and physical development:				
Construction	1,503,677	-	1,117,049	1,117,049
Administration	23,223	-	9,487	9,487
Engineering	120,000	55,188	53,858	109,046
Contingency	<u>53,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,700,000</u>	<u>55,188</u>	<u>1,180,394</u>	<u>1,235,582</u>
Revenues over (under) expenditures	<u>(1,700,000)</u>	<u>(55,188)</u>	<u>(1,178,853)</u>	<u>(1,234,041)</u>
Other Financing Sources (Uses):				
Proceeds from long-term debt	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>
Total other financing sources (uses)	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>	<u>1,700,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (55,188)</u>	<u>\$ 521,147</u>	<u>\$ 465,959</u>

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, 2013

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures:				
Engineering	\$ 115,000	\$ 1,738	\$ 19,931	\$ 21,669
Total expenditures	<u>115,000</u>	<u>1,738</u>	<u>19,931</u>	<u>21,669</u>
Other Financing Sources (Uses):				
Intrafund transfer - Solid Waste Disposal	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total other financing sources (uses)	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 113,262</u>	<u>\$ (19,931)</u>	<u>\$ 93,331</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 POSITION INTERNAL SERVICE FUNDS JUNE 30, 2013

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,262,243	\$ 322,654	\$ 1,584,897
Accounts receivable, net	87	-	87
Total assets	<u>1,262,330</u>	<u>322,654</u>	<u>1,584,984</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	<u>632,260</u>	-	<u>632,260</u>
Net Position:			
Unrestricted	<u>\$ 630,070</u>	<u>\$ 322,654</u>	<u>\$ 952,724</u>

HALIFAX COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012

	2013			2012
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Operating Revenues:				
Charges for services	\$ 3,503,057	\$ 280,900	\$ 3,783,957	\$ 3,647,764
Operating Expenses:				
Unemployment claims	-	76,097	76,097	70,042
Health insurance premiums and administration	3,272,338	-	3,272,338	3,343,558
Total operating expenses	3,272,338	76,097	3,348,435	3,413,600
Operating income (loss)	230,719	204,803	435,522	234,164
Non-Operating Revenues:				
Investment earnings	848	278	1,126	1,212
Income (loss) before operating transfers	231,567	205,081	436,648	235,376
Transfer in (out) - General Fund	-	(225,000)	(225,000)	(225,000)
Net income (loss)	231,567	(19,919)	211,648	10,376
Net Position:				
Beginning of year - July 1	398,503	342,573	741,076	730,700
End of year - June 30	\$ 630,070	\$ 322,654	\$ 952,724	\$ 741,076

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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

	2013			2012
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,505,108	\$ 280,900	\$ 3,786,008	\$ 3,647,190
Cash paid for goods and services	(3,322,889)	(76,097)	(3,398,986)	(3,336,844)
Net cash provided (used) by operating activities	<u>182,219</u>	<u>204,803</u>	<u>387,022</u>	<u>310,346</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>848</u>	<u>278</u>	<u>1,126</u>	<u>1,212</u>
Net cash provided (used) by investing activities	<u>848</u>	<u>278</u>	<u>1,126</u>	<u>1,212</u>
Net increase (decrease) in cash, cash equivalents, and investments	183,067	(19,919)	163,148	86,558
Cash, Cash Equivalents, and Investments:				
Beginning of year - July 1	<u>1,079,176</u>	<u>342,573</u>	<u>1,421,749</u>	<u>1,335,191</u>
End of year - June 30	<u>\$ 1,262,243</u>	<u>\$ 322,654</u>	<u>\$ 1,584,897</u>	<u>\$ 1,421,749</u>
Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ 230,719	\$ 204,803	\$ 435,522	\$ 234,164
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,051	-	2,051	(574)
Increase (decrease) in accounts payable	(50,551)	-	(50,551)	76,756
Net cash provided (used) by operating activities	<u>\$ 182,219</u>	<u>\$ 204,803</u>	<u>\$ 387,022</u>	<u>\$ 310,346</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, 2013

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 3,500,000	\$ 3,503,057	\$ 3,057
Operating Expenses:			
Health insurance premiums and administration	3,500,000	3,272,338	227,662
Total operating expenses	<u>3,500,000</u>	<u>3,272,338</u>	<u>227,662</u>
Operating income (loss)	-	230,719	230,719
Non-Operating Revenues:			
Investment earnings	-	848	848
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 231,567</u>	<u>\$ 231,567</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ 231,567</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, 2013

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 550,000	\$ 280,900	\$ (269,100)
Operating Expenses:			
Unemployment claims	325,000	76,097	248,903
Total operating expenses	<u>325,000</u>	<u>76,097</u>	<u>248,903</u>
Operating income (loss)	225,000	204,803	(20,197)
Non-Operating Revenues:			
Investment earnings	<u>-</u>	<u>278</u>	<u>278</u>
Income (loss) before operating transfers	225,000	205,081	(19,919)
Transfer (in) out - General Fund	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (19,919)</u>	<u>\$ (19,919)</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ (19,919)</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, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 61,830	\$ 39,943	\$ 61,830	\$ 39,943
Liabilities:				
Miscellaneous liabilities	\$ 61,830	\$ 39,943	\$ 61,830	\$ 39,943
Tax Collection Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 182,072	\$ 11,690,059	\$ 11,719,760	\$ 152,372
Taxes receivable, net	918,282	13,488,799	13,534,090	872,991
Total assets	<u>\$ 1,100,354</u>	<u>\$ 25,178,858</u>	<u>\$ 25,253,850</u>	<u>\$ 1,025,363</u>
Liabilities:				
Miscellaneous liabilities	\$ 182,072	\$ 11,326,864	\$ 11,356,565	\$ 152,372
Intergovernmental payable	918,282	13,482,198	13,436,908	872,991
Total liabilities	<u>\$ 1,100,354</u>	<u>\$ 24,809,062</u>	<u>\$ 24,793,473</u>	<u>\$ 1,025,363</u>
DMV Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 32,404	\$ 32,404	\$ -
Total assets	<u>\$ -</u>	<u>\$ 32,404</u>	<u>\$ 32,404</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ -	\$ 32,404	\$ 32,404	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 32,404</u>	<u>\$ 32,404</u>	<u>\$ -</u>
ROD Trust Fund Fee:				
Assets:				
Cash and cash equivalents	\$ 2,040	\$ 25,594	\$ 25,532	\$ 2,102
Total assets	<u>\$ 2,040</u>	<u>\$ 25,594</u>	<u>\$ 25,532</u>	<u>\$ 2,102</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ 2,040	\$ 25,594	\$ 25,532	\$ 2,102
Total liabilities	<u>\$ 2,040</u>	<u>\$ 25,594</u>	<u>\$ 25,532</u>	<u>\$ 2,102</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 245,942	\$ 11,788,000	\$ 11,839,526	\$ 194,417
Taxes receivable, net	918,282	13,488,799	13,534,090	872,991
Total assets	<u>\$ 1,164,224</u>	<u>\$ 25,276,799</u>	<u>\$ 25,373,616</u>	<u>\$ 1,067,408</u>
Liabilities and Fund Balance:				
Liabilities:				
Miscellaneous liabilities	\$ 243,902	\$ 11,366,807	\$ 11,418,395	\$ 192,315
Intergovernmental payable	920,322	13,540,196	13,494,844	875,093
Total liabilities	<u>\$ 1,164,224</u>	<u>\$ 24,907,003</u>	<u>\$ 24,913,239</u>	<u>\$ 1,067,408</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, 2013

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2012</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2013</u>
2012-2013	\$ -	\$ 24,551,139	\$ 23,787,576	\$ 763,563
2011-2012	722,257	-	426,722	295,535
2009-2010	364,288	-	125,627	238,661
2008-2009	295,936	-	100,897	195,039
2007-2008	153,949	-	15,605	138,344
2006-2007	143,235	-	11,882	131,353
2005-2006	151,322	-	10,346	140,976
2004-2005	143,169	-	8,529	134,640
2003-2004	126,118	-	6,414	119,704
2002-2003	135,603	-	7,888	127,715
2001-2002	121,674	-	121,674	-
Total	<u>\$ 2,357,551</u>	<u>\$ 24,551,139</u>	<u>\$ 24,623,160</u>	<u>2,285,530</u>
Motor vehicle taxes receivable for 2013				138,044
Less: allowance for uncollectible ad valorem taxes receivable				<u>(654,387)</u>
Ad valorem taxes receivable, net				<u>\$ 1,769,187</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 24,508,463
Reconciling items:				
Gross receipts tax				(21,452)
Penalties collected on ad valorem taxes - Agency Fund				(216,480)
Amounts written off for tax years per Statute of Limitations				121,674
Abatements and releases				113,311
Refunds				(131,361)
Writeoffs/discounts				218,774
Miscellaneous adjustments				<u>30,231</u>
Total collections and credits				<u>\$ 24,623,160</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2013

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 3,279,699,365	\$ 0.68	\$ 22,301,956	\$ 22,301,956	\$ -
Motor vehicles taxed at current year's rate	335,283,247	0.68	2,279,927	-	2,279,927
Penalties	-		24,097	24,097	-
Total original levy	<u>3,614,982,612</u>		<u>24,605,980</u>	<u>22,326,053</u>	<u>2,279,927</u>
Discoveries	<u>8,598,604</u>	0.68	<u>58,470</u>	<u>58,470</u>	<u>-</u>
Abatements	<u>(16,663,368)</u>	0.68	<u>(113,311)</u>	<u>(47,477)</u>	<u>(65,834)</u>
Total property valuation	<u>\$ 3,606,917,848</u>				
Net Levy			24,551,139	22,337,046	2,214,093
Uncollected taxes at June 30, 2013			<u>763,563</u>	<u>524,481</u>	<u>239,082</u>
Current Year's Taxes Collected			<u>\$ 23,787,576</u>	<u>\$ 21,812,565</u>	<u>\$ 1,975,011</u>
Current Levy Collection Percentage			<u>96.89%</u>	<u>97.65%</u>	<u>89.20%</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2013

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio	100.08%
Real property	\$ 2,688,009,515
Personal property	741,238,469
Public service companies	<u>181,213,573</u>
Total assessed valuation	<u>\$ 3,610,461,557</u>
Tax rate per \$100	0.68
Levy (included discoveries, releases and abatements)	<u>\$ 24,551,139</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	\$ 3,143,539
Fire protection districts	1,272,938
Community hospital	<u>381,681</u>
Total	<u>\$ 4,798,158</u>



This page left intentionally blank

STATISTICAL SECTION

(unaudited)

This part of the Halifax County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the county’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	127
Revenue Capacity These schedules contain information to help the reader assess the factors affecting affecting the County’s ability to generate its property and sales taxes.	135
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.	139
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.	142
Operating Information These schedules contain information about the county’s operations and resources to help the reader understand how the county’s financial information relates to the services the County provides and the activities it performs.	144

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities			
Net investment in capital assets	\$ 18,632,877	\$ 18,477,076	\$ 15,509,024
Restricted	16,312,505	16,423,142	11,130,798
Unrestricted	<u>(1,029,184)</u>	<u>(21,964)</u>	<u>6,009,922</u>
Total governmental activities net position	<u>\$ 33,916,198</u>	<u>\$ 34,878,254</u>	<u>\$ 32,649,744</u>
Business-type activities			
Net investment in capital assets	\$ 11,368,747	\$ 11,893,823	\$ 13,581,258
Restricted	-	-	-
Unrestricted	<u>6,831,496</u>	<u>6,156,006</u>	<u>7,257,654</u>
Total business-type activities net position	<u>\$ 18,200,243</u>	<u>\$ 18,049,829</u>	<u>\$ 20,838,912</u>
Primary government			
Net investment in capital assets	\$ 30,001,624	\$ 30,370,899	\$ 29,090,282
Restricted	16,312,505	16,423,142	11,130,798
Unrestricted	<u>5,802,312</u>	<u>6,134,042</u>	<u>13,267,576</u>
Total primary government net position	<u>\$ 52,116,441</u>	<u>\$ 52,928,083</u>	<u>\$ 53,488,656</u>

Fiscal Year

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 15,987,959	\$ 16,324,481	\$ 15,903,882	\$ 16,542,906	\$ 12,700,784	\$ 12,337,967	\$ 11,821,605
58,992	58,192	89,618	89,618	57,658	1,195,232	69,412
<u>14,562,807</u>	<u>10,725,835</u>	<u>11,984,749</u>	<u>12,708,171</u>	<u>24,037,834</u>	<u>17,409,976</u>	<u>18,630,429</u>
<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<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>
\$ 13,947,296	\$ 12,725,129	\$ 13,264,059	\$ 14,421,955	\$ 14,537,104	\$ 14,805,053	\$ 15,256,490
-	-	-	-	-	-	-
<u>7,598,212</u>	<u>8,209,572</u>	<u>7,633,787</u>	<u>5,758,236</u>	<u>3,648,978</u>	<u>2,516,250</u>	<u>3,103,225</u>
<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<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>
\$ 29,935,255	\$ 29,049,610	\$ 29,167,941	\$ 30,964,861	\$ 27,237,888	\$ 27,143,020	\$ 27,078,095
58,992	58,192	89,618	89,618	57,658	1,195,232	69,412
<u>22,161,019</u>	<u>18,935,407</u>	<u>19,618,536</u>	<u>18,466,407</u>	<u>27,686,812</u>	<u>19,926,226</u>	<u>21,733,654</u>
<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>	<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>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses				
Governmental activities:				
General government	\$ 11,421,727	\$ 11,155,986	\$ 10,435,130	\$ 9,781,235
Public safety	14,124,871	12,844,194	12,274,234	11,872,036
Economic and physical development	1,418,100	1,711,426	1,757,528	1,648,548
Human Services	20,918,807	21,780,366	22,082,009	21,431,637
Cultural and Recreational	617,701	683,275	539,435	528,298
Education	12,758,774	14,579,569	11,696,274	11,920,920
Interest and Fees	921,100	938,783	396,649	460,169
Total governmental activities expenses	<u>\$ 62,181,080</u>	<u>\$ 63,693,599</u>	<u>\$ 59,181,259</u>	<u>\$ 57,642,843</u>
Business-type activities:				
Water and Sewer	\$ 5,730,039	\$ 6,961,383	\$ 5,071,355	\$ 5,064,811
Landfill/Solid Waste	3,703,772	8,871,212	3,906,530	3,465,856
Total business-type activities	<u>\$ 9,433,811</u>	<u>\$ 15,832,595</u>	<u>\$ 8,977,885</u>	<u>\$ 8,530,667</u>
Total primary governmental expenses	<u>\$ 71,614,891</u>	<u>\$ 79,526,194</u>	<u>\$ 68,159,144</u>	<u>\$ 66,173,510</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,754,422	\$ 2,149,215	\$ 2,787,711	\$ 2,695,952
Public Safety	2,528,535	3,436,113	3,584,112	2,413,056
Economic and physical development	-	-	-	-
Human Services	102,747	158,807	143,102	40,693
Cultural and recreation	21,822	19,223	26,895	5,992
Operating grants and contributions	17,435,430	21,669,387	17,744,622	18,458,663
Capital grants and contributions	1,257,897	1,369,143	1,018,199	1,371,293
Total governmental activities program revenues	<u>\$ 24,100,853</u>	<u>\$ 28,801,888</u>	<u>\$ 25,304,641</u>	<u>\$ 24,985,649</u>
Business-type activities:				
Charges of services:				
Water and sewer	\$ 4,980,159	\$ 4,616,130	\$ 4,664,667	\$ 4,825,979
Solid waste	3,728,939	8,356,624	3,372,705	3,194,215
Operating grants and contributions	-	-	-	-
Capital grants and contributions	766,515	2,511	224,763	1,021,862
Total business-type activities program revenues	<u>\$ 9,475,613</u>	<u>\$ 12,975,265</u>	<u>\$ 8,262,135</u>	<u>\$ 9,042,056</u>
Total primary governmental program revenues	<u>\$ 33,576,466</u>	<u>\$ 41,777,153</u>	<u>\$ 33,566,776</u>	<u>\$ 34,027,705</u>
Net (Expense)/Revenue				
Governmental activities	\$ (38,080,227)	\$ (34,891,710)	\$ (33,876,618)	\$ (32,657,194)
Business-type activities	41,802	(2,857,330)	(715,750)	511,389
Total primary government net expense	<u>\$ (38,038,425)</u>	<u>\$ (37,749,040)</u>	<u>\$ (34,592,368)</u>	<u>\$ (32,145,805)</u>

<u>Fiscal Year</u>					
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 11,094,199	\$ 8,844,192	\$ 9,365,516	\$ 10,211,044	\$ 7,698,532	\$ 7,116,623
12,291,389	12,153,355	9,859,448	10,052,711	8,890,593	8,403,482
1,156,054	780,355	1,671,471	1,147,987	453,428	1,184,197
25,268,365	25,764,084	26,121,156	25,931,106	31,319,162	33,319,002
578,152	554,833	442,423	401,453	466,682	462,043
12,159,112	16,571,006	23,973,376	14,876,729	10,210,577	9,627,621
532,773	579,473	637,840	338,167	371,056	437,614
<u>\$ 63,080,044</u>	<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>
\$ 5,787,146	\$ 6,486,493	\$ 4,990,957	\$ 5,322,080	\$ 6,428,356	\$ 4,982,173
3,210,966	2,445,520	2,248,862	1,940,213	2,248,419	2,158,409
\$ 8,998,112	\$ 8,932,013	\$ 7,239,819	7,262,293	8,676,775	7,140,582
<u>\$ 72,078,156</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>
\$ 2,301,996	\$ 2,412,155	\$ 2,991,008	\$ 1,549,543	\$ 964,228	\$ 919,984
3,152,842	2,407,032	2,480,344	2,429,014	2,044,812	1,723,913
-	7,144	14,992	463,496	128,997	396,142
19,664	116,303	20,841	6,129	355,558	3,048,181
4,514	-	-	36,043	37,480	36,703
19,390,471	18,592,406	18,407,546	16,108,612	21,147,425	26,011,802
640,654	930,192	-	1,388,553	250,321	2,178,862
<u>\$ 25,510,141</u>	<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>
\$ 5,389,856	\$ 5,868,898	\$ 5,230,740	\$ 4,944,059	\$ 4,937,390	\$ 4,406,902
3,129,176	3,059,677	2,865,798	2,686,642	2,459,691	2,903,549
-	-	18,502	18,502	18,502	521,662
252,287	358,948	545,569	231,401	171,509	171,211
<u>\$ 8,771,319</u>	<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>\$ 34,281,460</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>
\$(37,569,903)	\$(40,782,066)	\$(48,156,499)	\$(40,977,807)	\$(34,481,209)	\$(26,234,995)
(226,793)	355,510	1,420,790	618,311	(1,089,683)	862,742
<u>\$(37,796,696)</u>	<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>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Ad valorem taxes	\$ 29,176,862	\$ 29,060,545	\$ 28,853,192	\$ 29,073,973
Local option sales tax	7,462,883	7,441,555	6,544,483	6,765,382
Other taxes	144,424	121,816	124,282	131,484
Interest earned on investments	39,775	39,565	99,372	109,491
Miscellaneous	312,523	432,380	206,482	72,410
Transfers	(18,296)	24,359	88,793	5,704
Total governmental activities	<u>\$ 37,118,171</u>	<u>\$ 37,120,220</u>	<u>\$ 35,916,604</u>	<u>\$ 36,158,444</u>
Business-type activities:				
Other Taxes	\$ -	\$ -	\$ -	\$ -
Privilege Tax	83,280	84,179	81,674	78,893
Interest	7,036	8,427	16,273	26,229
Miscellaneous	-	-	-	-
Transfers	18,296	(24,359)	(88,793)	(5,704)
Total business-type activities	<u>\$ 108,612</u>	<u>\$ 68,247</u>	<u>\$ 9,154</u>	<u>\$ 99,418</u>
Total primary government	<u>\$ 37,226,783</u>	<u>\$ 37,188,467</u>	<u>\$ 35,925,758</u>	<u>\$ 36,257,862</u>
Change in Net Position				
Governmental activities	\$ (962,056)	\$ 2,228,510	\$ 2,039,986	\$ 3,501,250
Business-type activities	150,414	(2,789,083)	(706,596)	610,807
Total primary government	<u>\$ (811,642)</u>	<u>\$ (560,573)</u>	<u>\$ 1,333,390</u>	<u>\$ 4,112,057</u>

Fiscal Year					
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 27,031,921	\$ 26,283,349	\$ 26,892,818	\$ 33,794,125	\$ 24,190,324	\$ 24,978,410
9,017,316	11,147,940	11,224,258	10,358,468	9,779,111	-
138,512	489,499	162,525	168,945	148,923	8,245,592
436,090	1,350,134	2,424,199	1,619,907	515,500	195,877
107,007	-	-	773,508	91,582	279,117
(30,684)	148,698	(2,882)	115,955	177,498	181,722
<u>\$ 36,700,162</u>	<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>
\$ -	\$ 83,899	\$ 84,494	\$ 80,029	\$ 77,403	\$ -
76,003	-	-	-	-	-
156,961	426,944	485,943	282,394	151,366	59,301
-	-	-	-	-	-
30,684	(148,698)	2,882	(115,955)	(177,498)	(181,722)
<u>\$ 263,648</u>	<u>\$ 362,145</u>	<u>\$ 573,319</u>	<u>\$ 246,468</u>	<u>\$ 51,271</u>	<u>\$ (122,421)</u>
<u>\$ 36,963,810</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>
\$ (869,741)	\$ (1,362,446)	\$ (7,455,581)	\$ 5,853,101	\$ 421,729	\$ 7,645,723
36,855	717,655	1,994,109	864,779	(1,038,412)	740,321
<u>\$ (832,886)</u>	<u>\$ (644,791)</u>	<u>\$ (5,461,472)</u>	<u>\$ 6,717,880</u>	<u>\$ (616,683)</u>	<u>\$ 8,386,044</u>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	N/A	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
Unreserved	N/A	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
Nonspendable	\$ 67,992	\$ 787,417	\$ 118,618	-	-	-	-	-	-	-
Restricted	14,590,085	13,736,617	9,937,529	-	-	-	-	-	-	-
Committed	1,063,800	1,010,972	987,513	-	-	-	-	-	-	-
Assigned	3,497,218	4,530,361	3,941,401	-	-	-	-	-	-	-
Unassigned	10,528,955	13,226,413	17,589,602	-	-	-	-	-	-	-
Total General Fund	\$ 29,748,050	\$ 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
All other governmental funds										
Reserved	N/A	N/A	N/A	\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178	\$ 141,383	\$ 1,237,302	\$ 105,133
Unreserved, reported in:										
Undesignated	N/A	N/A	N/A	-	-	-	-	-	-	-
Special revenue funds	N/A	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	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	N/A	-	-	-	-	-	-	-
Nonspendable	-	-	\$ -	-	-	-	-	-	-	-
Restricted	1,722,420	2,686,525	1,193,269	-	-	-	-	-	-	-
Committed	2,255,244	1,182,015	-	-	-	-	-	-	-	-
Assigned	-	-	1,534,350	-	-	-	-	-	-	-
Unassigned	(2,625,090)	(3,344,767)	(2,692,045)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,352,574	\$ 523,773.00	\$ 35,574	\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676	\$ 18,334,671	\$ (61,913)	\$ 342,536

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Ad valorem taxes	\$ 24,508,463	\$ 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
Other taxes and licenses	7,095,607	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
Unrestricted intergovernmental revenues	390,315	408,382	727,980	483,341	567,941	561,175	630,484	601,198	599,277	736,658
Restricted intergovernmental revenues	17,545,805	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
Permits and fees	1,346,291	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
Sales and services	3,879,891	4,098,301	4,328,128	3,063,410	3,988,594	3,043,037	3,060,770	2,663,994	2,088,402	2,212,529
Investment earnings	21,802	29,070	96,610	104,371	407,156	1,284,516	2,339,579	1,539,551	473,766	180,274
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Miscellaneous	312,426	412,940	206,482	799,583	742,245	649,621	457,060	1,152,402	280,069	279,118
Total revenues	\$ 55,100,600	\$ 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
Expenditures										
General government	8,787,443	7,262,849	6,603,840	6,400,525	7,749,605	6,571,683	6,619,523	10,390,233	5,563,541	4,806,691
Public safety	12,983,238	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
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Economic and physical development	1,097,442	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
Human services	21,914,289	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
Cultural and recreational	680,198	735,805	596,275	584,198	612,437	595,436	543,258	492,024	537,581	591,072
Public Health	-	-	-	-	-	-	-	-	-	-
Education	9,272,733	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
Capital outlay	-	-	-	-	-	1,822,427	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	1,822,398	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
Interest	921,099	936,291	396,649	460,168	532,773	579,473	637,841	338,167	370,845	437,614
Total expenditures	\$ 57,478,840	\$ 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
Excess of revenues over (under) expenditures	(2,378,240)	(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
Other financing sources (uses)										
Intrafund transfers in (out)	-	-	-	-	-	-	-	-	-	-
Transfers in-	296,406	1,076,323	2,069,142	660,665	887,783	1,016,154	1,029,132	986,216	1,324,865	1,049,883
Transfers out-	(1,461,896)	(826,964)	(1,755,349)	(429,961)	(693,467)	(642,456)	(807,014)	(645,261)	(1,047,367)	(768,161)
Sale of capital assets	-	-	-	-	-	-	-	-	-	20,310
Installment purchase obligations issued	-	2,552,967	-	-	-	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 of Capital Lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,165,490)	2,802,326	313,793	230,704	194,316	1,324,494	728,810	25,134,529	2,498,120	669,660
Net change in fund balances	\$ (3,543,730)	\$ (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
Debt services as a percentage of noncapital expenditures	4.80%	4.50%	4.78%	5.31%	4.91%	4.71%	3.91%	2.54%	2.73%	2.72%

**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			
2013	\$ 2,688,009,515	\$ 181,213,573	\$ 741,238,469	\$ 3,610,461,557	\$ 0.6800	
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	0.6800	
2010	2,599,443,151	142,435,241	819,002,637	3,560,881,029	0.6800	
2009	2,603,714,835	157,174,358	755,127,735	3,516,016,928	0.6800	
2008	2,565,732,240	152,640,937	797,774,936	3,516,148,113	0.6800	
2007	1,881,563,995	127,542,574	812,461,530	2,821,568,099	0.8650	
2006	1,855,471,722	113,599,077	765,434,571	2,734,505,370	0.8650	
2005	1,813,198,512	107,412,690	777,559,326	2,698,170,528	0.8650	
2004	1,784,560,532	111,270,000	740,146,000	2,635,976,532	0.8650	

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									
	<u>2013</u>	<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>
County Direct Rates										
Halifax	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650
Components of Direct Rates										
Public Safety	0.125392									
Education	0.199512									
Operational Services	0.355096									
City Rates										
Roanoke Rapids	0.6240	0.6240	0.6240	0.6240	0.6240	0.5790	0.5790	0.4990	0.4990	0.4990
Enfield	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7000	0.7000	0.7000
Halifax	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Scotland Neck	0.7000	0.6800	0.6400	0.6400	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Hobgood	0.5700	0.5700	0.5700	0.5700	0.5700	0.4500	0.4500	0.4500	0.4500	0.4500
Littleton	0.6500	0.6500	0.6500	0.6500	0.6100	0.6500	0.6500	0.6500	0.6500	0.6500
Weldon	0.6600	0.6600	0.6600	0.6800	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
School District										
Weldon	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	0.2100	-	-	-	-	-
Fire Districts										
Rheasville	0.0700	0.0700	0.0700	0.0700	0.0700	0.0563	0.0700	0.0700	0.0600	0.0600
Davie	0.0900	0.0900	0.0900	0.0900	0.0900	0.0720	0.0700	0.0700	0.0700	0.0700
Darlington	0.0900	0.0900	0.0900	0.0900	0.0900	0.0672	0.0700	0.0700	0.0700	0.0700
Thelma	-	-	-	-	-	-	0.0700	0.0700	0.0700	0.0700
Littleton	0.0460	0.0460	0.0460	0.0460	0.0460	0.3300	0.0600	0.0600	0.0600	0.0600
Brinkleyville	-	-	-	-	-	-	-	-	-	-
Arcola	0.0700	0.0700	0.0700	0.0700	0.0700	0.5520	0.0700	0.0700	0.0700	0.0700
Enfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600
Halifax	0.0726	0.0726	0.0726	0.0726	0.0726	0.0626	0.0600	0.0600	0.0600	0.0600
Hobgood	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0700	0.0700	0.0700	0.0700
Scotland Neck	0.0700	0.0700	0.0700	0.0649	0.0649	0.0649	0.0600	0.0600	0.0600	0.0600
Weldon	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0900	0.0900	0.0900	0.0900
Tillery	0.0500	0.0500	0.0500	0.0500	0.0500	0.0488	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

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	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion-Virginia Power	\$ 215,073,032	1	32.06%	\$ 182,087,639	1	36.95%
Kapstone Kraft Paper Corporation	144,527,950	2	21.55%	109,539,115	2	22.23%
Westmoreland LG&E Partners	109,095,773	3	16.26%	70,367,473	3	14.28%
CSX Transportatoin Inc.	53,362,598	4	7.95%	27,843,515	4	5.65%
Carolina Telephone & Telegraph	39,984,393	5	5.96%	27,027,679	5	5.48%
Halifax EMC	36,449,317	6	5.43%	23,652,895	6	4.80%
Reser's Fine Foods Inc	33,614,740	7	5.01%	17,880,870	7	3.63%
Rae-Me North Carolina LLC	13,462,313	8	2.01%	16,173,787	8	3.28%
Apple Six Hospitality LP	12,939,147	9	1.93%	13,233,496	9	2.69%
Wal-Mart Real Estate Business Trust	12,309,310	10	1.83%	4,950,810	10	1.00%
Totals	\$ 670,818,573		100.00%	\$ 492,757,279		100.00%

Source: State Department of Revenue, Bureau of Property Tax

Schedule 8
Halifax County, North Carolina
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Total Adjusted		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date			
	Fiscal Year	(Original Levy)	Adjustments	Levy	Percentage of		Amount	Subsequent Years	Percentage of			
					Amount	Original Levy			Amount	Adjusted Levy		
2013	\$	24,605,980	\$	24,551,139	\$	23,787,576	96.89%	\$	763,563	\$	24,623,160	100.29%
2012		24,462,488	(3,436)	24,459,052		23,736,795	97.05%		722,257		24,461,494	100.01%
2011		24,229,651	(31,165)	24,198,486		23,425,324	96.80%		773,162		24,162,912	99.85%
2010		24,477,419	(295,880)	24,181,539		23,263,860	95.04%		917,679		24,143,660	99.84%
2009		24,149,388	(104,523)	24,044,865		23,218,278	96.14%		826,587		23,952,570	99.62%
2008		23,375,303	562,670	23,937,973		23,209,724	99.29%		728,249		23,936,900	100.00%
2007		23,941,561	465,003	24,406,564		23,650,788	98.79%		755,776		24,472,018	100.27%
2006		23,956,573	212,615	24,169,188		23,429,508	97.80%		739,680		29,825,467	123.40%
2005		23,498,215	(159,040)	23,339,175		21,943,282	93.38%	1,395,893			22,693,471	97.23%
2004		23,774,111	(945,894)	22,828,217		21,940,001	92.29%	888,216			22,801,262	99.88%

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					
2013	\$ 21,362,314	\$ (21,362,314)	\$ -	-	2.4%	0.59%	\$ 395.55
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

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, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ 21,362,314	100%	\$ -
Underlying:			
Enfield	2,131,500	100%	-
Halifax	-	100%	-
Littleton	259,500	100%	-
Roanoke Rapids	-	100%	-
Scotland Neck	323,000	100%	-
Weldon	-	100%	-
Total	\$ 24,076,314		\$ -

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 debtburden 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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Assessed Value of Property	\$ 3,606,918	\$ 3,593,205	\$ 3,554,895	\$ 3,541,345	\$ 3,516,016	\$ 3,516,148	\$ 2,821,568	\$ 2,794,125	\$ 2,698,170	\$ 2,635,976
Debt limit, 8% of Assessed Value (Statutory Limitation)	288,553	287,456	284,392	283,308	281,281	281,292	225,725	223,530	215,854	210,878
Amount of Debt Applicable to Limit	288,553	287,456	284,392	283,308	281,281	281,292	225,725	223,530	215,854	210,878
General Obligation Bonds	21,362	22,065	22,629	21,062	14,595	14,918	15,230	15,532	15,824	15,975
Less: Resources Restricted to Paying Principal	(21,362)	(22,065)	(22,629)	(21,062)	(14,595)	(14,918)	(15,230)	(15,532)	(15,824)	(15,975)
Installment purchase contracts**	22,378	22,409	21,906	24,324	26,943	29,683	31,558	34,244	11,034	9,464
Promissory Notes	223	272								
Revenue Bonds	2,687									
Total net debt applicable to limit	46,650	44,746	43,971	45,386	26,943	29,683	31,558	34,244	11,034	9,464
Legal debt margin	\$ 241,903	\$ 242,710	\$ 240,421	\$ 237,922	\$ 254,338	\$ 251,609	\$ 194,167	\$ 189,286	\$ 204,820	\$ 201,414
Total net debt applicable to the limit as a percentage of debt limit	7.76%	7.80%	7.70%	8.59%	9.58%	10.55%	13.98%	15.32%	5.11%	4.49%

**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
2013	54,006	\$ 905,033	\$ 16,758	7,396	13.4%
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%

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>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Halifax Regional Medical Center	846	1	13.99%	880	2	15.08%
County of Halifax	637	2	10.54%	776	3	13.30%
Halifax County Schools	558	3	9.23%	900	1	15.42%
KapStone	480	4	7.94%	554	4	9.49%
Roanoke Rapids City Schools	451	5	7.46%	453	5	7.76%
Safelite (Belron USA)	300	6	4.96%	300	6	5.14%
Reser's Fine Foods	300	7	4.96%	110	18	1.89%
AAA Carolinas	290	8	4.80%	120	16	2.06%
Halifax Community College	270	9	4.47%	160	12	2.74%
New Dixie Oil	263	10	4.35%	150	14	2.57%
Wal-mart, Inc	255	11	4.22%	198	9	3.39%
Rural Health Group	211	12	3.49%	-	20	0.00%
Weldon City Schools	200	13	3.31%	200	8	3.43%
Don Pancho	160	14	2.65%	-	19	0.00%
PCB Piezotronics	152	15	2.51%	-	21	0.00%
Flambeau Airmold	150	16	2.48%	250	7	4.28%
Patch Rubber	150	17	2.48%	185	10	3.17%
City of Roanoke Rapids	137	18	2.27%	157	13	2.69%
Kennametal	121	19	2.00%	150	15	2.57%
Halifax Linen Service	115	20	1.90%	120	17	2.06%
Coastal Lumber Company	-	21	0.00%	172	11	2.95%
Total	6,046		100.00%	5,835		100.00%

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Justice and law enforcement	91	91	91	88	88	73	75	74	72	72
Health and human services	262	263	263	263	283	288	300	287	300	324
Environment, parks, and education	7	7	5	6	12	3	5	5	4	4
Public works	17	17	20	20	24	24	26	24	24	24
General government	168	168	152	162	163	168	174	167	150	183
Total	545	546	531	539	570	556	580	557	550	607

Source: County Budget Office.

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

Function	Fiscal Year									
	<u>2013</u>	<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>
Sheriff										
Volume of calls	37,196	37,442	38,489	28,006	38,257	38,620	35,010	32,749	35,028	31,026
Incident reports filed	2,257	2,431	2,706	2,069	3,188	2,835	2,229	2,630	2,750	N/A
EMS										
Volume of calls	13,483	12,859	12,553	12,339	12,076	11,290	11,041	10,262	10,086	9,866
Response time (in minutes)	8.89	8.75	2.1	8	8.43	8.63	8.31	8.40	8.39	8.60
Transports	10,176	9,154	9,100	9,030	8,917	8,422	8,006	10,224	9,428	9,298
Water										
New connections	82	75	111	85	191	233	168	171	158	195
Water mains breaks	11	14	2	21	10	9	10	N/A	N/A	N/A
Average daily consumption (thousands of gallons)	2,265,000	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

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									
	<u>2013</u>	<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>
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	21	20	20	20	19	19	19	19	19	19
Water										
Water mains (miles)	568.29	568.29	565.60	540.50	520.50	506.54	449.84	443.84	N/A	N/A
Fire hydrants	1,622	1,622	1,615	1,550	1,502	1,452	1,338	1,332	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	4,050,000	2,825,000	2,825,000	N/A	N/A
Sewer										
Sanitary sewers (miles)	11.5	11.5	10	10	10	10	10	10	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