

HALIFAX COUNTY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2011**



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HALIFAX COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

Prepared by the Halifax County Office of Budget and Finance

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



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INTRODUCTORY SECTION



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November 4, 2011

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, 2011. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes and Associates, CPAs, PA. Their unqualified opinion is included in the basic financial statements. Halifax County however, is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe that the data, as presented, is accurate in all material aspects; that they are presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

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

Description of the County

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

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

Halifax County is located in northeastern North Carolina in the upper coastal plains, halfway between New York and Florida. It is the fourteenth largest county in North Carolina and covers an area of 731 square miles. Interstate 95 and US Highway 301, oriented north and south, split the county in the middle. US Highway 158 is near the northern boundary and is oriented east and west. US Highway 258 is oriented north and south through the county on the eastern side. CSX Railroad parallels the path of US 301.

Agriculture and forest products continue to be major contributors to the local economy. Both agriculture and forest products now support new and diversified economic development opportunities as business and industry find the area viable for growth with lower operating costs, availability of land, a mild climate and a labor pool of people willing to meet modern business challenges. The County’s location along Interstate 95 provides a major location advantage for businesses and opportunities to attract motorists to experience our diverse destinations. The 2010 Census reports Halifax County’s population at 54,691. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,754.

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

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

Economic Conditions and Outlook

Halifax County continues to feel the effects of a sluggish economy. In the first months of 2011, Halifax County's unemployment has hovered at 12%, and began to creep up slowly to the current 13.4%. Hard hit by the recession, manufacturing, retail and commercial sectors continue their lean operations as a result of recessionary downsizing.

In spite of the sluggish economic climate, tourism spending grew by 4.3% in Halifax County in 2010, representing over \$75 million in tourism-related revenues. Our location along Interstate 95, diverse destination attractions, and solid foundation of shopping, restaurants and hotels choices, contribute to the attraction of tourists and the steady increase in overall tourism spending the past few years.

A continued strong focus on economic development by the Board of Commissioners will help stimulate new investment and job creation opportunities and support Halifax County's economic growth.

Recent Initiatives

In August 2004, Halifax County residents approved a \$10 million general obligation bond referendum that allowed the County's water system to grow. Since the general obligation bond referendum was approved, Halifax County has completed several water projects which greatly enhance the water quality to many homes and businesses. Phases IX and IX-A were completed in April, 2011. Phase X, \$1.9 million dollars, will include nine roads with an estimated base of 149 customers is anticipated to be completed in October 2011. The funding of these projects was coordinated through USDA Rural Development. The Phase XI project is estimated to cost approximately \$5.8 million dollars and will include 18 roads and 175 customers. Approximately 48,500 rural County residents are receiving pure, safe drinking water.

In January of 2010, Reser's Fine Foods announced a multi-phase project at the Halifax Industrial Center located on NC Highway 903 which represents a \$62 million investment and 500 jobs over the next five years. Phase I of this expansion was completed in early 2011 with the addition of Don Pancho Authentic Mexican Foods. In November of 2010, Empire Foods and Halifax County broke ground for a new food technology facility to be located in the Halifax Corporate Park. During fiscal year 2011, Public Utilities contributed \$100,000.00 for the installation of gravity and forced sewer mains to these two new industries. Additionally, LSA America announced the location of the company's light sport aircraft manufacturing facility in Littleton. This facility will create 34 new jobs.

The County provided the three public school systems with \$5,403,446 in current expense and \$3,541,645 in capital outlay funds. Halifax Community College received \$943,522 in operating funds and \$69,027 in capital outlay funds. In addition, debt service payments were made on projects for Belmont Elementary School, part of the Roanoke Rapids Graded School District, and for Weldon Middle School, part of the Weldon City Schools District.

Future Initiatives

The new Halifax-Northampton Regional Airport continues to add improvements and is attracting industries interested in locating in the nearby Halifax Corporate Park. The airport has continued its additional improvements, including a parallel taxiway, private corporate hangar, and T-Hangars, which are fully occupied, thus enhancing economic opportunities for the area. Additionally, the former airport facility located on US Highway 158 just outside of Roanoke Rapids (240 acres) has generated a great deal of interest from commercial and industrial businesses looking for location options. A best use study is underway to assist Halifax County in determining the most feasible future use of this site to benefit all of Halifax County's citizens.

Halifax County continues to develop the 700-acre Halifax Corporate Park located on NC Highway 561 adjacent to the Halifax-Northampton Regional Airport. Designated by the North Carolina Department of Commerce as a Certified Industrial Park, the property will provide added marketing appeal for new and expanding business and industry projects. Our goal in establishing the Halifax Corporate Park is to build \$100 million in new tax base in the next 10 years. Construction of a \$4.3 million regional sewer line is underway with construction of a \$3.2 million interior access road to begin in October, 2011 by NCDOT. Also in October, Halifax County will begin construction of a 35,000 square foot industrial building at the Halifax Corporate Park which will be leased to Empire Foods. Equally important to the future of Halifax County is its existing manufacturing base. The County continues to work with existing business industry to provide a supportive climate for growth and expansion. Currently, two major employers are planning expansions which will add more jobs and investment in Halifax County. The County's largest employer, Halifax Regional Medical Center, has just broken ground on a \$6.5 million modernization and expansion project for its outpatient services.

The Board of Commissioners established the Educational Facilities Capital Improvement Planning Committee in 2007 to prepare a prioritized list of educational facility project needs. Through the work of the Committee, staff from the County as well as all three school systems, the Commissioners adopted the School Improvement Plan in March 2010. The School Improvement Plan is a five year plan that addresses both short term and long term needs of each of the school systems. Roanoke Rapids Graded School system will make their final loan payment for Belmont Elementary in October 2011.

The Board of Commissioners has elected to fund FY 2012 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, 2011, provided no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

Enterprise Operations

Halifax County's enterprise operations are comprised of one department with two separate and distinct divisions: the Public Utilities Department is divided into the Water/Wastewater Division, and the Solid Waste Division. With the exception of administrative staff, each division has a separate staff and budget and operates independently from the other.

The Water/Wastewater Division is responsible for providing safe drinking water to approximately 48,500 rural county residents and the collection and disposal of wastewater from approximately 1,100 rural county residents. Water and wastewater rates are adjusted annually to ensure that funds are available for repayment of debt and for daily operations and maintenance.

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

The Solid Waste Division of Public Utilities purchased land at the intersection of White Swan Road and Thirteen Bridges Road for the construction of a five bay Convenience Center.

On June 6, 2011, the County Commissioners authorized Public Utilities to move forward with the building of a Transfer Station at the County Landfill on Liles Road in Littleton. The current contract with Waste industries ends June 2013 and the County does not intend to renew. The estimated date of completion for the Transfer Station is May 2013.

Cash Management

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

At June 30, 2011, the total amount of Governmental Activities cash and investments was \$29,472,182. Investment earnings for the governmental fund types totaled \$93,610 for the current year compared to \$104,371 for the preceding year.

Risk Management

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

OTHER INFORMATION

Independent Audit

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

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

Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

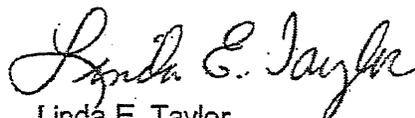
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

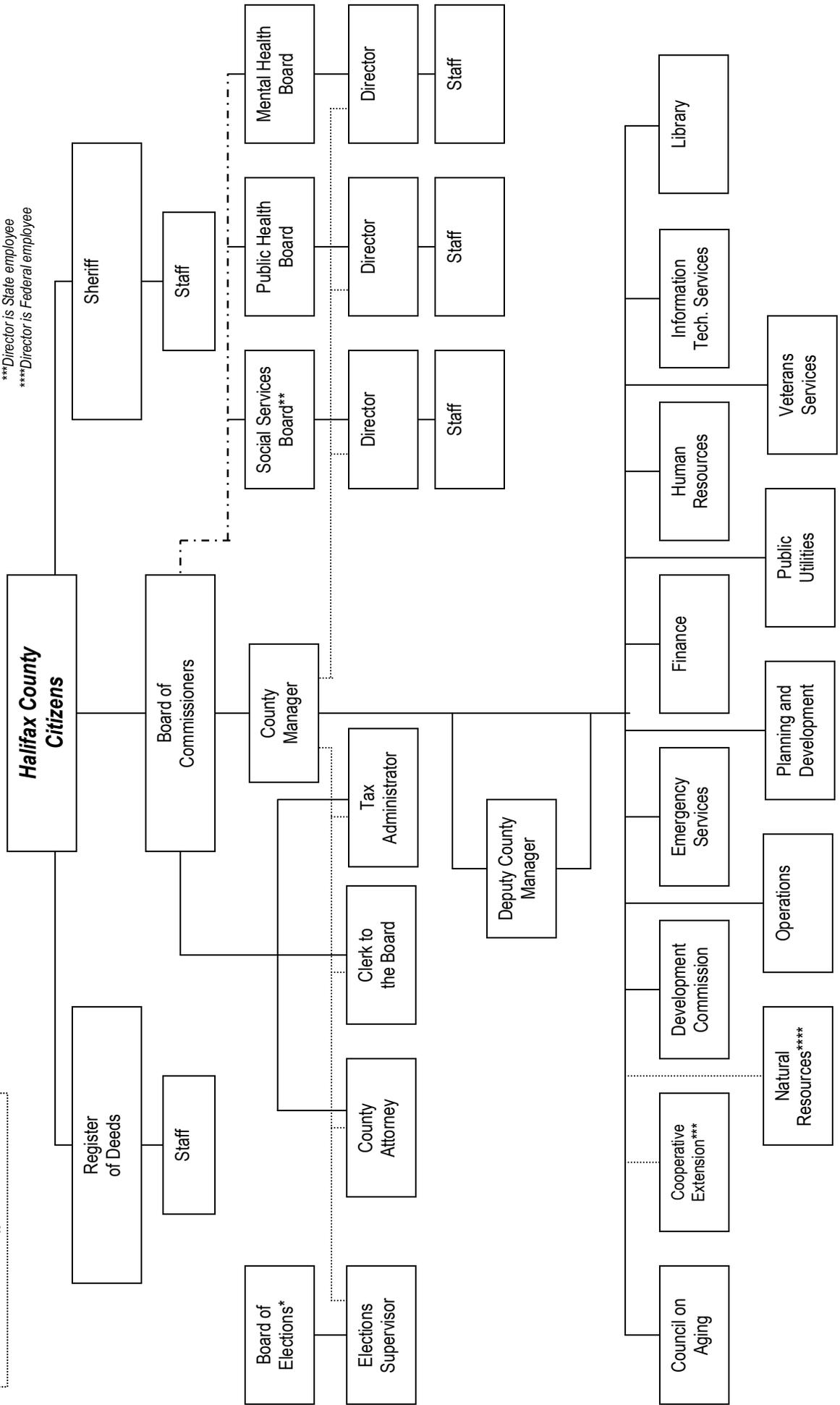
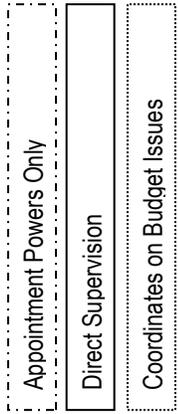
Respectfully submitted,


Tony N. Brown
County Manager


Linda E. Taylor
Assistant County Manager of Financial
Services

Organizational Chart ~ Halifax County

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



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Halifax County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

HALIFAX COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2011

Board of Commissioners

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

Administrative Officials

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

FINANCIAL SECTION



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

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Halifax County
Halifax, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Halifax County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Halifax County ABC Board which represents 87.29 percent, 87.12 percent, and 85.38 percent, respectively, of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us and, our opinion on the financial statements, insofar as it relates to the amounts included for the Halifax County ABC Board, is based solely on the report of the other auditor.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of June 30, 2011, and the respective changes in financial position and cash flows, where appropriate thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011, on our consideration of Halifax County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Halifax County, North Carolina. The introductory section, combined and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express any assurance on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 4, 2011

MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis is designed to provide an objective and easy to read analysis of Halifax County, North Carolina’s (the County’s) financial activities for the fiscal year ended June 30, 2011. It is intended to provide a broad overview using a short-term and long-term analysis of the County’s activities based on information presented in the financial report and fiscal policies that have been adopted by the Board of County Commissioners.

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

FINANCIAL HIGHLIGHTS

The assets of Halifax County exceeded its liabilities at the close of the fiscal year by \$53,488,656.

The County’s net assets of governmental activities exhibited an increase of \$2,039,986 with the Business-type activities showing a decrease in the amount of \$706,596 resulting in the government’s total net assets increasing by \$1,333,390. This increase can be attributed to the continued aggressive tax collections, hiring freeze on vacant positions and limited capital asset expenditures.

As of the close of the current fiscal year, Halifax County’s governmental funds reported combined ending fund balances of \$32,610,237 after a net increase of \$1,484,357. Approximately 34.5% of this total amount or \$11,249,416 is restricted or non-spendable.

The County's unassigned fund balance for the General Fund was \$17,589,602 or 54 percent 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 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

Other Information

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, as well as individual fund budget and actual comparison schedules for the nonmajor and major Debt Service Fund, are found in the *Combining and Individual Fund Statements and Schedules* of the CAFR. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found on pages 63 and 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Halifax County's Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets:						
Current assets	\$ 36,859,709	\$ 37,332,999	\$ 10,504,058	\$ 10,729,342	\$ 47,363,767	\$ 48,062,341
Restricted assets	1,524,513	358,019	446,071	-	1,970,584	358,019
Capital assets	<u>21,862,547</u>	<u>22,909,652</u>	<u>35,973,597</u>	<u>35,008,796</u>	<u>57,836,144</u>	<u>57,918,448</u>
Total assets	<u>60,246,769</u>	<u>60,600,670</u>	<u>46,923,726</u>	<u>45,738,138</u>	<u>107,170,495</u>	<u>106,338,808</u>
Liabilities:						
Current liabilities	2,568,659	3,342,400	853,020	648,400	3,421,679	3,990,800
Non-current liabilities	<u>25,028,366</u>	<u>26,648,512</u>	<u>25,231,794</u>	<u>23,544,230</u>	<u>50,260,160</u>	<u>50,192,742</u>
Total liabilities	<u>27,597,025</u>	<u>29,990,912</u>	<u>26,084,814</u>	<u>24,192,630</u>	<u>53,681,839</u>	<u>54,183,542</u>
Net Assets:						
Invested in capital assets, net of related debt	15,509,024	15,987,959	13,581,258	13,947,296	29,090,282	29,935,255
Restricted	11,130,798	58,992	-	-	11,130,798	58,992
Unrestricted	<u>6,009,922</u>	<u>14,562,807</u>	<u>7,257,654</u>	<u>7,598,212</u>	<u>13,267,576</u>	<u>22,161,019</u>
Total net assets	<u>\$ 32,649,744</u>	<u>\$ 30,609,758</u>	<u>\$ 20,838,912</u>	<u>\$ 21,545,508</u>	<u>\$ 53,488,656</u>	<u>\$ 52,155,266</u>

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$53,488,656 at fiscal year-end. Net assets increased in the current fiscal year due to using stringent reviews of expenditures and an aggressive pursuit of tax revenues. \$29,090,282 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.

Twenty-one percent of total net assets represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets, 24.8% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 13.6% in unrestricted net assets of the business-type activities is earmarked for use only within the respective enterprise fund, therefore, unavailable to fund general operations of the County. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the government as a whole, as well as its separate governmental and business-type activities.

Halifax County's Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 6,541,820	\$ 5,155,693	\$ 8,037,372	\$ 8,020,194	\$ 14,579,192	\$ 13,175,887
Operating grants and contributions	17,744,622	18,458,663	-	-	17,744,622	18,458,663
Capital grants and contributions	1,018,199	1,371,293	224,763	1,021,862	1,242,962	2,393,155
General revenue:						
Property taxes	28,853,192	29,073,973	-	-	28,853,192	29,073,973
Local option sales tax	6,544,483	6,765,382	-	-	6,544,483	6,765,382
Other taxes	124,282	131,484	81,674	78,893	205,956	210,377
Occupancy tax	-	-	-	-	-	-
Interest	99,372	109,491	16,273	26,229	115,645	135,720
Miscellaneous	206,482	72,410	-	-	206,482	72,410
Total revenues	<u>61,132,452</u>	<u>61,138,389</u>	<u>8,360,082</u>	<u>9,147,178</u>	<u>69,492,534</u>	<u>70,285,567</u>
Expenses:						
General government	10,435,130	9,781,235	-	-	10,435,130	9,781,235
Public safety	12,274,234	11,872,036	-	-	12,274,234	11,872,036
Economic and physical development	1,757,528	1,648,548	-	-	1,757,528	1,648,548
Human services	22,082,009	21,431,637	-	-	22,082,009	21,431,637
Recreational	539,435	528,298	-	-	539,435	528,298
Education	11,696,274	11,920,920	-	-	11,696,274	11,920,920
Interest and fees	396,649	460,169	-	-	396,649	460,169
Water and sewer	-	-	5,071,355	5,064,811	5,071,355	5,064,811
Landfill/solid waste	-	-	3,906,530	3,465,856	3,906,530	3,465,856
Total expenses	<u>59,181,259</u>	<u>57,642,843</u>	<u>8,977,885</u>	<u>8,530,667</u>	<u>68,159,144</u>	<u>66,173,510</u>
Revenues over (under) expenses	1,951,193	3,495,546	(617,803)	616,511	1,333,390	4,112,057
Transfers	88,793	5,704	(88,793)	(5,704)	-	-
Increase in net assets	<u>2,039,986</u>	<u>3,501,250</u>	<u>(706,596)</u>	<u>610,807</u>	<u>1,333,390</u>	<u>4,112,057</u>
Net Assets:						
Beginning of year - July 1	<u>30,609,758</u>	<u>27,108,508</u>	<u>21,545,508</u>	<u>20,934,701</u>	<u>52,155,266</u>	<u>48,043,209</u>
End of year - June 30	<u>\$ 32,649,744</u>	<u>\$ 30,609,758</u>	<u>\$ 20,838,912</u>	<u>\$ 21,545,508</u>	<u>\$ 53,488,656</u>	<u>\$ 52,155,266</u>

Governmental Activities

Of total net assets, governmental activities accounted for \$32,649,744 with Operating Grants and Contributions funding, \$17,744,622 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2011, interest revenues continued to decline with interest rates around .12% to .25%. The County remained fairly constant with fees from construction which had taken a downturn in the previous fiscal years. With no major capital purchases in the fiscal year, analysis of true need versus want in regards to expenses and a tough stance on tax collections, Net Assets showed an increase of \$2,039,986.

Business-Type Activities

Business-type activities decreased the County's net assets by \$706,596. Revenues generated by Charges for Services in the business-type activities decreased by \$17,178, with expenses increasing \$447,218, but Capital Grants and Contributions decreased by \$797,099 in comparison to the prior fiscal year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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 \$25,592,634, while total fund balance reached \$32,574,663. The County currently has an available fund balance of 49% of General Fund expenditures, while total fund balance represents 62 % of that same amount.

At June 30, 2011, the governmental funds of Halifax County reported a combined fund balance of \$32,610,237, a 4.7 percent increase over last year. This increase is due to controlled and restricted spending across all funds and a Medicaid Hold Harmless revenue in the current year.

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, 2011, the net change in fund balances per the governmental funds totaled \$1,484,357, while the governmental activities column of the Government-Wide Financial Statements indicated a \$2,039,986 change in fund balance. Both changes were an increase from the prior fiscal year. A major contributing factor to this difference is due to the reporting of capital outlays as expenditures in the governmental funds but as balance sheet/capital items (i.e., not expenses immediately, but rather over the life of the assets) on the government-wide statements.

Fund balance may serve as a useful measure of a government's net resources available for spending. As of June 30, 2011, the County's governmental funds reported combined ending fund balances of \$32,610,237. Approximately \$7,799,833 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 \$422,101 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital Project Funds reported expenditures of \$1,090,142 for the current fiscal year. Projects, which become assets of the County, have their yearly expenses added to the County's construction in progress until the project is completed and then depreciated over their useful lives.

Proprietary Funds

Proprietary Funds provide the same type of information found in the government-wide finance statements, but in more detail. Unrestricted net assets of Solid Waste at year-end totaled \$4,078,267 and the Water Fund totaled \$16,760,645 for a cumulative total of \$20,838,912. 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, 2011, total net assets amounted to \$730,700, which is a decrease of \$341,782 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 \$265,061.

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, 2011 amounts to \$57,836,144 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, and solid waste convenience sites. The decrease in the County's capital assets for the current fiscal year was .14%.

Halifax County's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and improvements	\$ 3,500,690	\$ 3,500,690	\$ 443,850	\$ 416,727	\$ 3,944,540	\$ 3,917,417
Buildings	24,635,736	24,623,236	37,077,977	37,099,692	61,713,713	61,722,928
Equipment	5,168,134	5,131,481	3,300,784	3,104,884	8,468,918	8,236,365
Vehicles	3,223,089	3,163,668	705,541	726,891	3,928,630	3,890,559
Construction in progress	4,634,202	3,957,193	11,292,767	9,416,835	15,926,969	13,374,028
Subtotal	41,161,851	40,376,268	52,820,919	50,765,029	93,982,770	91,141,297
Less: Accumulated depreciation	(19,299,304)	(17,466,616)	(16,847,322)	(15,756,233)	(36,146,626)	(33,222,849)
Total	\$ 21,862,547	\$ 22,909,652	\$ 35,973,597	\$ 35,008,796	\$ 57,836,144	\$ 57,918,448

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

Prior to implementation of GASB No. 34, accumulated depreciation and depreciation expenses were required to be reported only in the Enterprise Funds and Internal Service Funds. With the implementation of GASB, accumulated depreciation was reported in the Statement of Net Assets for capital assets which were not held by the enterprise or internal service funds. In addition, the corresponding depreciation expenses were reported in the Statement of Activities. Please refer to the Notes to Financial Statements on page 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 \$22,629,000, representing bonds backed by the full faith and credit of the County.

This outstanding General Obligation indebtedness is only a portion of the legal debt limit of approximately \$262,499,000. 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 9.38%.

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

	Business-Type Activities	
	2011	2010
General Obligation Bonds	\$ 22,629,000	\$ 21,061,500

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$413.76 as of June 30, 2011, while the County's gross debt per capita is \$814.30.

Additional information of the County's long-term debt can be found beginning on page 54 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 2011 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 23,632 and has an unemployment rate of 13.5% as of June 30, 2011. This compares unfavorably to the State's unemployment rate of 10.4% and the United States' rate of 9.3% for the same period. The labor force, per ESC 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 54,691 has decreased by less than .01% from 2010 to 2011.

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

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2011-2012

Governmental Activities

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

Property taxes and revenues from permits and fees are expected to continue to lead the increase in revenue projections. Budgeted expenditure reductions implemented in fiscal year 2011 were carried forward into fiscal year 2012.

Economic Development will continue to be emphasized during the 2011-2012 fiscal year. Development continues in the Halifax Corporate Park with infrastructure construction of Empire Foods. Six industrial sites are being promoted with emphasis on the proximity to the Halifax Northampton Regional Airport.

Business-Type Activities

The budgeted expenditures for the Solid Waste Fund are \$4,147,326, which is a 5.5% increase as compared to last year. Public Utilities - Water Division's budgeted expenditures are \$4,963,340 which is also an increase of .2% from the previous fiscal year.

Phase X water construction is nearly completed with a final inspection in September 2011. Phase XI planning continues with construction beginning in Spring 2012.

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.



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BASIC FINANCIAL STATEMENTS



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HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Halifax	Halifax
	Activities	Activities		Tourism	County
			Development	ABC Board	Authority
Assets:					
Cash and investments	\$ 29,382,702	\$ 9,166,972	\$ 38,549,674	\$ 199,351	\$ 506,486
Ad valorem taxes receivable, net	2,231,221	-	2,231,221	-	-
Accounts receivable, net	4,742,170	1,221,018	5,963,188	29,891	-
Due from other governments	384,998	81,892	466,890	-	-
Due from primary government	-	-	-	54,465	-
Inventories	55,229	34,176	89,405	-	374,499
Prepaid items	63,389	-	63,389	2,600	12,391
Restricted assets:					
Cash and investments	1,524,513	446,071	1,970,584	-	-
Capital assets:					
Non-depreciable assets	8,134,892	11,709,494	19,844,386	-	139,924
Other capital assets, net of depreciation	13,727,655	24,264,103	37,991,758	-	933,164
Total assets	<u>60,246,769</u>	<u>46,923,726</u>	<u>107,170,495</u>	<u>286,307</u>	<u>1,966,464</u>
Liabilities:					
Accounts payable and accrued liabilities	2,494,688	643,610	3,138,298	14,959	256,082
Customer deposits	-	209,410	209,410	-	-
Due to other governments	-	-	-	-	47,627
Unearned revenues	73,971	-	73,971	-	-
Non-current liabilities:					
Due within one year	2,632,306	547,681	3,179,987	4,730	-
Due in more than one year	22,396,060	24,684,113	47,080,173	20,783	-
Total liabilities	<u>27,597,025</u>	<u>26,084,814</u>	<u>53,681,839</u>	<u>40,472</u>	<u>303,709</u>
Net Assets:					
Invested in capital assets, net of related debt	15,509,024	13,581,258	29,090,282	-	1,073,088
Restricted for:					
Stabilization by State statute	7,681,215	-	7,681,215	84,356	-
Other	3,449,583	-	3,449,583	-	124,268
Unrestricted	<u>6,009,922</u>	<u>7,257,654</u>	<u>13,267,576</u>	<u>161,479</u>	<u>465,399</u>
Total net assets	<u>\$ 32,649,744</u>	<u>\$ 20,838,912</u>	<u>\$ 53,488,656</u>	<u>\$ 245,835</u>	<u>\$ 1,662,755</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, 2011**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 10,435,130	\$ 2,787,711	\$ 1,832,200	\$ -
Public safety	12,274,234	3,584,112	796,460	-
Economic and physical development	1,757,528	-	674,733	591,297
Human services	22,082,009	143,102	14,315,242	-
Cultural and recreation	539,435	26,895	125,987	-
Education	11,696,274	-	-	426,902
Interest and fees	396,649	-	-	-
Total governmental activities	<u>59,181,259</u>	<u>6,541,820</u>	<u>17,744,622</u>	<u>1,018,199</u>
Business-Type Activities:				
Water and sewer	5,071,355	4,664,667	-	224,763
Solid waste	3,906,530	3,372,705	-	-
Total business-type activities	<u>8,977,885</u>	<u>8,037,372</u>	<u>-</u>	<u>224,763</u>
Total primary government	<u>\$ 68,159,144</u>	<u>\$ 14,579,192</u>	<u>\$ 17,744,622</u>	<u>\$ 1,242,962</u>
Component Units:				
Tourism Development Authority	\$ 740,421	\$ 17,600	\$ 2,500	\$ -
ABC Board	4,132,306	4,194,847	-	-
Total component units	<u>\$ 4,872,727</u>	<u>\$ 4,212,447</u>	<u>\$ 2,500</u>	<u>\$ -</u>

General Revenues:

Taxes:

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

Interest earned on investments

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in Net Assets

Net Assets:

Beginning of year - July 1

End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
\$ (5,815,219)	\$ -	\$ (5,815,219)		
(7,893,662)	-	(7,893,662)		
(491,498)	-	(491,498)		
(7,623,665)	-	(7,623,665)		
(386,553)	-	(386,553)		
(11,269,372)	-	(11,269,372)		
(396,649)	-	(396,649)		
<u>(33,876,618)</u>	<u>-</u>	<u>(33,876,618)</u>		
-	(181,925)	(181,925)		
-	(533,825)	(533,825)		
-	(715,750)	(715,750)		
<u>(33,876,618)</u>	<u>(715,750)</u>	<u>(34,592,368)</u>		
			\$ (720,321)	\$ -
			-	62,541
			<u>(720,321)</u>	<u>62,541</u>
28,853,192	-	28,853,192	-	-
6,544,483	-	6,544,483	-	-
124,282	-	124,282	-	-
-	81,674	81,674	-	-
-	-	-	698,012	-
99,372	16,273	115,645	317	366
206,482	-	206,482	-	-
<u>35,827,811</u>	<u>97,947</u>	<u>35,925,758</u>	<u>698,329</u>	<u>366</u>
<u>88,793</u>	<u>(88,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>35,916,604</u>	<u>9,154</u>	<u>35,925,758</u>	<u>698,329</u>	<u>366</u>
2,039,986	(706,596)	1,333,390	(21,992)	62,907
<u>30,609,758</u>	<u>21,545,508</u>	<u>52,155,266</u>	<u>267,827</u>	<u>1,599,848</u>
<u>\$ 32,649,744</u>	<u>\$ 20,838,912</u>	<u>\$ 53,488,656</u>	<u>\$ 245,835</u>	<u>\$ 1,662,755</u>

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2011

	<u>General Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 25,524,386	\$ 2,523,125	\$ 28,047,511
Taxes receivable, net	1,835,637	395,584	2,231,221
Accounts receivable, net	3,934,969	805,637	4,740,606
Due from other governments	372,831	12,167	384,998
Due from other funds	2,799,016	-	2,799,016
Inventories	55,229	-	55,229
Prepaid items	63,389	-	63,389
Restricted cash	1,524,513	-	1,524,513
Total assets	<u>\$ 36,109,970</u>	<u>\$ 3,736,513</u>	<u>\$ 39,846,483</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,382,294	\$ 506,339	\$ 1,888,633
Due to other funds	-	2,799,016	2,799,016
Deferred revenues	2,153,013	395,584	2,548,597
Total liabilities	<u>3,535,307</u>	<u>3,700,939</u>	<u>7,236,246</u>
Fund Balances:			
Non-spendable:			
Inventory	55,229	-	55,229
Prepaid items	63,389	-	63,389
Restricted:			
Stabilization by State statute	6,863,411	817,804	7,681,215
Other	3,074,118	375,465	3,449,583
Committed	987,513	-	987,513
Assigned	3,941,401	1,534,350	5,475,751
Unassigned	17,589,602	(2,692,045)	14,897,557
Total fund balances	<u>32,574,663</u>	<u>35,574</u>	<u>32,610,237</u>
Total liabilities and fund balances	<u>\$ 36,109,970</u>	<u>\$ 3,736,513</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,862,547
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.	(25,028,366)
Internal service funds are used by management to charge the cost of health insurance and unemployment insurance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	730,700
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net assets in the Statement of Net Assets.	<u>2,474,626</u>
Net assets of governmental activities	<u>\$ 32,649,744</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, 2011

	<u>General Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total</u>
Revenues:			
Ad valorem taxes	\$ 24,034,165	\$ 4,753,498	\$ 28,787,663
Other taxes and licenses	6,133,210	535,555	6,668,765
Unrestricted intergovernmental revenues	446,890	281,090	727,980
Restricted intergovernmental revenues	17,468,525	1,509,368	18,977,893
Permits and fees	1,148,751	-	1,148,751
Sales and services	4,328,128	-	4,328,128
Interest earned on investments	89,211	7,399	96,610
Miscellaneous	206,482	-	206,482
Total revenues	<u>53,855,362</u>	<u>7,086,910</u>	<u>60,942,272</u>
Expenditures:			
Current:			
General government	6,603,840	-	6,603,840
Public safety	10,801,322	1,912,015	12,713,337
Economic and physical development	1,097,678	1,357,772	2,455,450
Human services	22,419,491	429,780	22,849,271
Cultural and recreation	596,275	-	596,275
Education	8,392,716	3,303,558	11,696,274
Debt service:			
Principal repayments	2,460,612	-	2,460,612
Interest	396,649	-	396,649
Total expenditures	<u>52,768,583</u>	<u>7,003,125</u>	<u>59,771,708</u>
Revenues over (under) expenditures	<u>1,086,779</u>	<u>83,785</u>	<u>1,170,564</u>
Other Financing Sources (Uses):			
Transfers in	313,007	1,756,135	2,069,142
Transfers out	<u>(1,663,265)</u>	<u>(92,084)</u>	<u>(1,755,349)</u>
Total other financing sources (uses)	<u>(1,350,258)</u>	<u>1,664,051</u>	<u>313,793</u>
Net change in fund balances	(263,479)	1,747,836	1,484,357
Fund Balances:			
Beginning of year - July 1	<u>32,838,142</u>	<u>(1,712,262)</u>	<u>31,125,880</u>
End of year - June 30	<u>\$ 32,574,663</u>	<u>\$ 35,574</u>	<u>\$ 32,610,237</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, 2011

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

Net change in fund balances - total governmental funds per Exhibit D	\$ 1,484,357
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(139,500)
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.	911,869
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,940,185)
Capital assets disposed of during the year not recognized on the modified accrual basis	(18,789)
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.	(376,598)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	2,460,612
The net revenue of the internal service funds are reported with governmental activities.	<u>(341,780)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 2,039,986</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 23,385,150	\$ 23,385,168	\$ 24,034,165	\$ 648,997
Other taxes and licenses	5,330,850	5,473,933	6,133,210	659,277
Unrestricted intergovernmental revenues	460,000	460,000	446,890	(13,110)
Restricted intergovernmental revenues	17,869,759	21,488,916	17,468,525	(4,020,391)
Permits and fees	1,106,463	1,137,401	1,148,751	11,350
Sales and services	2,876,449	3,017,757	4,328,128	1,310,371
Investment earnings	100,400	100,400	87,629	(12,771)
Miscellaneous	236,850	328,496	206,482	(122,014)
Total revenues	<u>51,365,921</u>	<u>55,392,071</u>	<u>53,853,780</u>	<u>(1,538,291)</u>
Expenditures:				
Current:				
General government	6,624,711	7,504,303	6,603,840	900,463
Public safety	10,928,441	11,416,869	10,801,322	615,547
Economic and physical development	832,125	2,285,834	1,097,678	1,188,156
Human services	22,466,476	25,572,783	22,419,491	3,153,292
Cultural and recreational	593,704	659,728	596,275	63,453
Education	8,938,546	10,189,739	8,392,716	1,797,023
Debt service:				
Principal retirement	2,529,607	2,550,115	2,460,612	89,503
Interest and fees	391,741	396,647	396,649	(2)
Total expenditures	<u>53,305,351</u>	<u>60,576,018</u>	<u>52,768,583</u>	<u>7,807,435</u>
Revenues over (under) expenditures	<u>(1,939,430)</u>	<u>(5,183,947)</u>	<u>1,085,197</u>	<u>6,269,144</u>
Other Financing Sources (Uses):				
Transfers in	225,000	263,007	313,007	50,000
Transfers out	-	(1,656,135)	(1,663,265)	(7,130)
Appropriated fund balance	1,714,430	6,577,075	-	(6,577,075)
Total other financing sources (uses)	<u>1,939,430</u>	<u>5,183,947</u>	<u>(1,350,258)</u>	<u>(6,534,205)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(265,061)</u>	<u>\$ (265,061)</u>
Fund Balance:				
Beginning of year - July 1			<u>31,852,211</u>	
End of year - June 30			<u>\$ 31,587,150</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2011

	<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	\$ 5,305,850	\$ 3,861,122	\$ 9,166,972	\$ 1,335,191
Accounts receivable, net	544,704	676,314	1,221,018	1,564
Due from other funds	-	100,025	100,025	-
Due from other governments	21,689	60,203	81,892	-
Restricted cash	-	446,071	446,071	-
Inventories	-	34,176	34,176	-
Total current assets	<u>5,872,243</u>	<u>5,177,911</u>	<u>11,050,154</u>	<u>1,336,755</u>
Non-current assets:				
Non-depreciable assets	413,298	11,296,196	11,709,494	-
Other capital assets, net of depreciation	642,526	23,621,577	24,264,103	-
Total non-current assets	<u>1,055,824</u>	<u>34,917,773</u>	<u>35,973,597</u>	<u>-</u>
Total assets	<u>6,928,067</u>	<u>40,095,684</u>	<u>47,023,751</u>	<u>1,336,755</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	312,272	331,338	643,610	606,055
Customer deposits	-	209,410	209,410	-
Due to other funds	-	100,025	100,025	-
Compensated absences payable	8,928	16,739	25,667	-
Accrued landfill post-closure care costs	82,514	-	82,514	-
General obligation bonds payable	-	439,500	439,500	-
Total current liabilities	<u>403,714</u>	<u>1,097,012</u>	<u>1,500,726</u>	<u>606,055</u>
Non-current liabilities:				
Compensated absences payable	14,567	27,310	41,877	-
Accrued landfill post-closure care costs	2,417,906	-	2,417,906	-
Other post-employment benefits	13,613	21,217	34,830	-
General obligation bonds payable - non-current	-	22,189,500	22,189,500	-
Total non-current liabilities	<u>2,446,086</u>	<u>22,238,027</u>	<u>24,684,113</u>	<u>-</u>
Total liabilities	<u>2,849,800</u>	<u>23,335,039</u>	<u>26,184,839</u>	<u>606,055</u>
Net Assets:				
Invested in capital assets, net of related debt	1,055,824	12,525,434	13,581,258	-
Unrestricted	<u>3,022,443</u>	<u>4,235,211</u>	<u>7,257,654</u>	<u>730,700</u>
Total net assets	<u>\$ 4,078,267</u>	<u>\$ 16,760,645</u>	<u>\$ 20,838,912</u>	<u>\$ 730,700</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities			Governmental
	Major			Activities
	Solid Waste Fund	Water Fund	Total	Internal Service Fund
Operating Revenues:				
Water and sewer sales	\$ 3,372,705	\$ 4,610,467	\$ 7,983,172	\$ -
System tap and service fees	-	54,200	54,200	-
Other taxes and licenses	81,674	-	81,674	-
Charges for services	-	-	-	3,575,507
Total operating revenues	3,454,379	4,664,667	8,119,046	3,575,507
Operating Expenses:				
Administration	-	-	-	3,695,049
Water and sewer operations	-	3,076,779	3,076,779	-
Repairs and maintenance	-	122,699	122,699	-
Landfill operations	3,718,984	-	3,718,984	-
Landfill post-closure care costs	45,360	-	45,360	-
Depreciation	142,186	970,253	1,112,439	-
Total operating expenses	3,906,530	4,169,731	8,076,261	3,695,049
Operating income (loss)	(452,151)	494,936	42,785	(119,542)
Non-Operating Revenues (Expenses):				
Investment earnings	8,798	7,475	16,273	2,762
Interest and fees paid	-	(901,624)	(901,624)	-
Total non-operating revenues (expenses)	8,798	(894,149)	(885,351)	2,762
Income (loss) before transfers and capital contributions	(443,353)	(399,213)	(842,566)	(116,780)
Transfers from other funds	-	196,831	196,831	-
Transfers to other funds	(192,754)	(92,870)	(285,624)	(225,000)
Capital contributions	-	224,763	224,763	-
Change in net assets	(636,107)	(70,489)	(706,596)	(341,780)
Net Assets:				
Beginning of year - July 1	4,714,374	16,831,134	21,545,508	1,072,480
End of year - June 30	\$ 4,078,267	\$ 16,760,645	\$ 20,838,912	\$ 730,700

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, 2011

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>		<u>Fund</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,567,223	\$ 4,987,126	\$ 8,554,349	\$ 3,575,178
Cash paid for goods and services	(2,887,412)	(3,267,636)	(6,155,048)	(3,801,803)
Cash paid to employees for services	(380,819)	(609,896)	(990,715)	-
Other operating revenues	-	7,375	7,375	-
Net cash provided (used) by operating activities	<u>298,992</u>	<u>1,116,969</u>	<u>1,415,961</u>	<u>(226,625)</u>
Cash Flows from Non-Capital Financing Activities:				
Due from other funds	-	441,942	441,942	-
Transfers in	-	196,831	196,831	-
Transfers out	(192,754)	(92,870)	(285,624)	(225,000)
Net cash provided (used) by non-capital financing activities	<u>(192,754)</u>	<u>545,903</u>	<u>353,149</u>	<u>(225,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Contributed capital received	-	224,763	224,763	-
Long-term debt issued	-	1,916,000	1,916,000	-
Interest expense	-	(901,624)	(901,624)	-
Acquisition of capital assets	(251,326)	(1,825,914)	(2,077,240)	-
Principal repayments on long-term debt	-	(348,500)	(348,500)	-
Net cash provided (used) by capital and related financing activities	<u>(251,326)</u>	<u>(935,275)</u>	<u>(1,186,601)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>8,798</u>	<u>7,475</u>	<u>16,273</u>	<u>2,762</u>
Net cash provided (used) on investments	<u>8,798</u>	<u>7,475</u>	<u>16,273</u>	<u>2,762</u>
Net increase (decrease) in cash and cash equivalents	(136,290)	735,072	598,782	(448,863)
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>5,442,140</u>	<u>3,572,121</u>	<u>9,014,261</u>	<u>1,784,054</u>
End of year - June 30	<u>\$ 5,305,850</u>	<u>\$ 4,307,193</u>	<u>\$ 9,613,043</u>	<u>\$ 1,335,191</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, 2011

	<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>
Reconciliation of Operating Income (Loss) to				
Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (452,151)	\$ 494,936	\$ 42,785	\$ (119,542)
Adjustments to reconcile operating income (loss)				
to net cash provided (used) by operating activities:				
Depreciation	142,186	970,253	1,112,439	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	305,597	(368,599)	(63,002)	(329)
(Increase) decrease in inventories	-	(945)	(945)	-
Increase (decrease) in accounts payable				
and accrued liabilities	297,420	13,949	311,369	(106,754)
Increase (decrease) in customer deposits	-	7,375	7,375	-
Increase (decrease) in accrued landfill closure				
and post-closure costs	5,940	-	5,940	-
Net cash provided (used) by operating activities	<u>\$ 298,992</u>	<u>\$ 1,116,969</u>	<u>\$ 1,415,961</u>	<u>\$ (226,625)</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2011

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 88,034	\$ 176,108
Taxes receivable, net	-	827,994
Total assets	<u>\$ 88,034</u>	<u>\$ 1,004,102</u>
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 175,663
Intergovernmental payable	-	828,439
Total liabilities	<u>-</u>	<u>1,004,102</u>
Net Assets:		
Assets held in trust for pension benefits	<u>\$ 88,034</u>	<u>\$ -</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 25,000
Investment income	<u>116</u>
Total additions	<u>25,116</u>
Deductions:	
Benefits	<u>13,203</u>
Change in net assets	11,913
Net Assets:	
Beginning of year - July 1	<u>76,121</u>
End of year - June 30	<u>\$ 88,034</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, 2011

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, 2011, 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, 2011, 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, 2011

C. Basis of Presentation

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The County reports the following major enterprise funds:

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

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

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

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

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

Capital Projects Funds. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments, or trust funds). The County maintains ten capital projects funds within the governmental fund types: RPO Peanut Belt Capital Project, Littleton Building Project, Piezotronics Project, Alliance Drive Relocation Project, Halifax County Sewer Upgrade Project, Community Corrections Project, Reser's East Coast Expansion Project, Industrial Building, QCSB Roanoke Rapids, and QCSB Weldon.

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, 2011

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 five dollars of each fee collected by the Register Of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

D. Measurement Focus and Basis of Accounting

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value 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, 2011

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 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes which were billed during this period are shown as a receivable in these financial statements and offset by deferred revenues.

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

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

E. Budgetary Data

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

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

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

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

G. Cash and Cash Equivalents

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

H. Restricted Assets

The sinking fund amount deposited for QZAB debt as of June 30, 2011 is restricted for the purpose of debt retirement. The unexpended proceeds of the County's financing for the Phase X Water Capital Project is restricted for the purpose in which it was borrowed. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the tax reassessment fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

I. Ad Valorem Taxes Receivable

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

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

K. Inventories and Prepaid Items

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

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

L. Capital Assets

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

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

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, 2011

M. Long-Term Obligation

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

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

N. Compensated Absences

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

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

O. Management Estimates

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

P. Net Assets/Fund Balances

Net Assets

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 Register of Deeds – portion of fund balance restricted by State statute for automation enhancement (software) improvements.

Restricted for Economic Development – portion of fund balance restricted by grantor for economic development.

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, 2011

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.

Purpose	General Fund	Other Governmental	Total
Human services	\$ 2,636,693	\$ -	\$ 2,636,693
Register of Deeds	13,146	-	13,146
Economic development	-	3,172	3,172
Education	424,279	-	424,279
Public safety	-	372,293	372,293
Total	\$ 3,074,118	\$ 375,465	\$ 3,449,583

Committed Fund Balance

This classification represents a portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town’s governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

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

Purpose	General Fund	Other Governmental	Total
Tax revaluation	\$ 987,513	\$ -	\$ 987,513
Total	\$ 987,513	\$ -	\$ 987,513

Assigned Fund Balance

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

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been budgeted by the Board for 2011-2012 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.

HALIFAX COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

Assigned for Economic Development – portion of fund balance that has been budgeted by the Board for the construction of a new industrial building.

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Public safety	\$ 1,608,705	\$ -	\$ 1,608,705
Economic development	-	1,534,350	1,534,350
Subsequent year's expenditures	2,332,696	-	2,332,696
Total	<u>\$ 3,941,401</u>	<u>\$ 1,534,350</u>	<u>\$ 5,475,751</u>

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	\$ 32,574,663
Less:	
Inventories	55,229
Prepays	63,389
Stabilization by State statute	<u>6,863,411</u>
Total available fund balance	<u>\$ 25,592,634</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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)	\$ 31,587,150
Reassessment Fund:	
Revenues:	
Investment earnings	\$ 1,582
Fund Balance:	
Beginning of year - July 1	<u>985,931</u>
End of year, June 30	<u>987,513</u>
Total ending fund balance (Exhibit D)	<u>\$ 32,574,663</u>

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Net Assets of Individual Funds:

For the fiscal year ended June 30, 2011, individual funds had deficit fund balances as follows:

Littleton Building Project	\$ 675,337
Piezotoronics Project	1,373,036

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.

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011, the County's deposits had a carrying amount of \$21,281,189 and a bank balance of \$22,135,030. Of the bank balance, \$750,000 was covered by federal depository insurance and \$21,385,030 was covered by collateral held under the Pooling Method.

At June 30, 2011 the County had \$2,945 cash on hand.

Investments

At June 30, 2011, the County had \$19,500,266 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAm by Standard & Poor's.

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

Credit Risk. The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard and Poor's as of June 30, 2011.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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	Tax	Interest	Total
<u>June 30</u>	<u> </u>	<u> </u>	<u> </u>
2008	\$ 1,073,861	\$ -	\$ 1,073,861
2009	1,069,600	-	1,069,600
2010	<u>1,078,027</u>	<u>-</u>	<u>1,078,027</u>
Total	<u>\$ 4,015,282</u>	<u>\$ -</u>	<u>\$ 4,015,282</u>

Receivables

Receivables at Exhibit A at June 30, 2011 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 5,237,751	\$ 2,493,865	\$ 372,831	\$ 8,104,447
Other governmental	805,637	395,584	12,167	1,213,388
Allowance for doubtful accounts	<u>(1,301,218)</u>	<u>(658,228)</u>	<u>-</u>	<u>(1,959,446)</u>
Total governmental activities	<u>\$ 4,742,170</u>	<u>\$ 2,231,221</u>	<u>\$ 384,998</u>	<u>\$ 7,358,389</u>
Business-Type Activities:				
Solid Waste	\$ 715,063	\$ -	\$ 21,689	\$ 736,752
Water Fund	676,314	-	60,203	736,517
Allowance for doubtful accounts	<u>(170,359)</u>	<u>-</u>	<u>-</u>	<u>(170,359)</u>
Total business-type activities	<u>\$ 1,221,018</u>	<u>\$ -</u>	<u>\$ 81,892</u>	<u>\$ 1,302,910</u>

Due from other governments consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	<u>\$ 384,998</u>	<u>\$ 81,892</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Capital Assets

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

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Governmental Activities:				
Non-Depreciable Assets:				
Land and improvements	\$ 3,500,690	\$ -	\$ -	\$ 3,500,690
Construction in progress	3,957,193	677,009	-	4,634,202
Total non-depreciable capital assets	7,457,883	677,009	-	8,134,892
Depreciable Assets:				
Buildings and improvements	24,623,236	12,500	-	24,635,736
Vehicles	3,163,668	170,583	(111,162)	3,223,089
Equipment	5,131,481	51,777	(15,124)	5,168,134
Total depreciable capital assets	32,918,385	234,860	(126,286)	33,026,959
Total capital assets	40,376,268	911,869	(126,286)	41,161,851
Less Accumulated Depreciation:				
Buildings and improvements	(10,773,767)	(1,332,175)	-	(12,105,942)
Vehicles	(2,674,210)	(306,455)	92,373	(2,888,292)
Equipment	(4,018,639)	(301,555)	15,124	(4,305,070)
Total accumulated depreciation	(17,466,616)	\$ (1,940,185)	\$ 107,497	(19,299,304)
Governmental activity capital assets, net	\$ 22,909,652			\$ 21,862,547

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

Governmental Activities:	
General government	\$ 388,559
Public safety	708,005
Economic and physical development	34,652
Human services	806,469
Cultural and recreational	2,500
Total	\$ 1,940,185

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Capital assets for proprietary funds of the County at June 30, 2011 are as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>
Business-Type Activities:				
Solid Waste:				
Non-Depreciable Assets:				
Land	\$ 292,250	\$ -	\$ -	\$ 292,250
Construction in progress	-	121,048	-	121,048
Total non-depreciable assets	<u>292,250</u>	<u>121,048</u>	<u>-</u>	<u>413,298</u>
Depreciable Assets:				
Other improvements	27,123	-	-	27,123
Buildings	38,563	5,408	-	43,971
Vehicles	476,884	-	(13,705)	463,179
Equipment	1,245,900	124,870	-	1,370,770
Total depreciable capital assets	<u>1,788,470</u>	<u>130,278</u>	<u>(13,705)</u>	<u>1,905,043</u>
Less Accumulated Depreciation:				
Other improvements	(13,272)	(1,614)	-	(14,886)
Buildings	(26,406)	(1,140)	-	(27,546)
Vehicles	(404,244)	(30,354)	13,705	(420,893)
Equipment	(690,114)	(109,078)	-	(799,192)
Total accumulated depreciation	<u>(1,134,036)</u>	<u>\$ (142,186)</u>	<u>\$ 13,705</u>	<u>(1,262,517)</u>
Total solid waste capital assets, net	<u>\$ 946,684</u>			<u>\$ 1,055,824</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Water Fund:				
Non-Depreciable Assets:				
Land	\$ 124,477	\$ -	\$ -	\$ 124,477
Construction in progress	9,416,835	1,754,884	-	11,171,719
Total non-depreciable capital assets	9,541,312	1,754,884	-	11,296,196
Depreciable Assets:				
Plant and distribution centers	37,034,006	-	-	37,034,006
Vehicles	250,007	-	(7,645)	242,362
Equipment and furniture	1,858,984	71,030	-	1,930,014
Total depreciable capital assets	39,142,997	71,030	(7,645)	39,206,382
Less Accumulated Depreciation:				
Plant and distribution centers	(12,483,765)	(946,590)	-	(13,430,355)
Vehicles	(288,720)	(16,677)	7,645	(297,752)
Equipment and furniture	(1,849,712)	(6,986)	-	(1,856,698)
Total accumulated depreciation	(14,622,197)	\$ (970,253)	\$ 7,645	(15,584,805)
Total water capital assets, net	34,062,112			34,917,773
Business-type activities capital assets, net	\$ 35,008,796			\$ 35,973,597

Invested in Capital Assets, Net of Debt

The total invested in capital assets, net of related debt at June 30, 2011 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 21,862,547	\$ 35,973,597
Total debt, gross	22,219,272	22,629,000
Long-term debt for assets not owned by the County	15,860,205	-
Other debt not issued for capital	5,544	-
Unexpended proceeds	-	236,661
Total capital debt	6,353,523	22,392,339
Invested in capital assets, net of related debt	\$ 15,509,024	\$ 13,581,258

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

B. Liabilities

Construction Commitments

The government has two active construction projects as of June 30, 2011. The projects include the Water Construction PhaseX and Halifax Corporate Park. At year-end, the government's commitment was as follows: Herring & Rivenbark \$106,641 and Sandord Contractors \$3,164,512.

Payables

Payables at Exhibit A for June 30, 2011 were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,215,443	\$ 606,055	\$ 166,851	\$ 1,988,349
Other governmental	506,339	-	-	506,339
Total governmental activities	<u>\$ 1,721,782</u>	<u>\$ 606,055</u>	<u>\$ 166,851</u>	<u>\$ 2,494,688</u>
Business-Type Activities:				
Solid waste	\$ 312,272	-	-	\$ 312,272
Water	325,645	-	5,693	331,338
Total business-type activities	<u>\$ 637,917</u>	<u>\$ -</u>	<u>\$ 5,693</u>	<u>\$ 643,610</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. Halifax County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report ("CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011, 2010, and 2009 were \$1,234,618, \$1,874,335, and \$1,895,414 respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers' Special Separation Allowance

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

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>63</u>
Total	<u>64</u>

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Contributions. The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial values. For the current year, the County contributed \$12,265 or .52% 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, 2009 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 4.5 to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investment. The unfunded actuarial accrued liability is being amortized as a level percentage of projected pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 97,868
Interest on net pension obligation	19,453
Adjustment to annual required contribution	<u>(20,829)</u>
Annual pension cost	96,492
Contributions made	<u>(12,265)</u>
Increase (decrease) in net pension obligation	84,227
Net Pension Obligation:	
Beginning of year - July 1	<u>389,067</u>
End of year - June 30	<u><u>\$ 473,294</u></u>

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 62,109	23.80%	\$ 329,705
2010	71,627	17.12%	389,067
2011	96,492	12.41%	473,294

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Funded Status and Funding Progress

As of December 31 2010, the most recent actuarial valuation date, the plan was 8.19% funded. The Actuarial Accrued Liability for benefits was \$849,990 and the Actuarial Value of Assets was \$69,576, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$780,414. The covered payroll (annual payroll of active employees covered by the plan) was \$2,342,396 and the ratio of the UAAL to the covered payroll was 33.32 percent. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan

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

Funding Policy. Article 12E of G. S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$348,795, which consisted of \$112,862 from the County, \$28,497 from the law enforcement officers, and \$207,436 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, 2011

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 1 of G. S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2011, the County's required and actual contributions were \$3,542.

Other Post-Employment Benefits

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

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

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

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

The current ARC rate is 1.86 of annual covered payroll. For the current year, the County contributed \$108,790, or .57% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net Obligation

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

	<u>Governmental Activities</u>	<u>Business -Type Activities</u>	<u>Total</u>
Annual required contribution	\$ 341,288	\$ 13,259	\$ 354,547
Interest on net OPEB obligation	25,542	992	26,534
Adjustments to annual required contribution	<u>(23,945)</u>	<u>(930)</u>	<u>(24,875)</u>
Annual OPEB cost (expense)	342,885	13,321	356,206
Contributions made	<u>(104,722)</u>	<u>(4,068)</u>	<u>(108,790)</u>
Increase (decrease) in net OPEB obligation	238,163	9,253	247,416
Net OPEB obligation:			
Beginning of year - July 1	<u>637,769</u>	<u>25,577</u>	<u>663,346</u>
End of year - June 30	<u><u>\$ 875,932</u></u>	<u><u>\$ 34,830</u></u>	<u><u>\$ 910,762</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

<u>Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 520,212	20.4%	\$ 414,026
2010	356,820	30.1%	663,346
2011	356,206	30.5%	910,762

Fund Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$4,221,342. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,065,825, and the ratio of the UAAL to the covered payroll was 22.1

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, related to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

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

As of June 30, 2011, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Board.

Other Employee Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

Landfill Closure and Post-Closure Costs

Federal and State laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County's only municipal solid waste landfill stopped accepting waste as of January 1, 1998. The County subsequently incurred costs of approximately \$350,000 to close the landfill. The \$2,500,420 reported as landfill post-closure care liability at June 30, 2011 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 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Deferred/Unearned Revenues

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

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
General Fund taxes receivable, net	\$ 1,835,640	\$ -
Special Revenue Fund taxes receivable, net	395,584	-
General Fund:		
Prepaid taxes not yet earned	73,971	73,971
USDA inventory	55,229	-
County school loan	188,173	-
Total	<u>\$ 2,548,597</u>	<u>\$ 73,971</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Risk Management

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

The County obtained blanket property insurance coverage of \$41,966,060 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 2010-2011 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>
2009	\$ 509,824	\$ 3,447,172	\$ (3,337,660)	\$ 619,336
2010	619,336	3,616,914	(3,544,412)	691,838
2011	691,838	3,568,948	(3,654,731)	606,055

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, 2011

Contingent Liabilities

At June 30, 2011, the County was a defendant to various lawsuits. In the opinion of the County's Management and the County Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Obligations

Capital Leases

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

The agreement was executed on May 18, 2006 for the lease of two-thirds of the building commonly known as the Halifax County Convention and Visitors Bureau. The agreement required three monthly payments of \$2,138 and two monthly payments of \$4,606 in the first year; 79 monthly payments of \$4,606; 27 monthly payments of \$3,813; and 129 monthly payments of \$1,344 in the remaining years. Under the terms of the agreement, the County may purchase two-thirds undivided interest of the building for \$1 at the end of the lease term. The asset held under the capital lease agreement is included with other buildings reported by the County. The building was added to capital assets at \$506,692. The current accumulated depreciation is \$74,596 and book value is \$432,096.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

Year Ending	Amount
June 30	
2012	\$ 55,334
2013	55,334
2014	55,334
2015	22,199
2016	21,365
2017-2021	106,770
2022-2026	89,558
2027	4,102
Total minimum lease payments	409,996
Less: amount representing interest	(96,438)
Present value of minimum lease payments	\$ 313,558

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Notes Payable:

Serviced by the General Fund:

4.27%, \$ \$17,000,000 Certificate of Participation Schools Series 2006, payable in annual installments ranging from \$869,125 through 1,535,312; secured by school, to be transferred to Board of Education	\$ 12,750,000
\$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
3.97%, \$5,810,408 bank note, payable in semi-annual installments of \$401,126, including interest beginning October 2003 through October 2011; secured by real estate transferred to Roanoke Rapids School District	393,319
4.26%, \$3,223,458 bank note, payable in annual installments ranging \$359,405 to \$280,065, including interest beginning April 2005 through April 2015; secured by real estate transferred to Halifax County Board of Education	1,074,486
\$125,544 Non-interest bearing note, payable in annual installments of \$10,000 through 2011 and \$5,544 in 2012; note is an assumption of debt for past services	5,544
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	323,093
4.45%, \$7,554,770 note, payable in annual installments ranging of \$713,926 to \$394,548, including interest beginning December 2006 through December 2025: secured by DSS building	5,666,078
3.43% \$245,827 bank note, payable in annual intallments of \$52,536, including interest beginning February 2008 through 2012; secured by EMS equipment	<u>50,794</u>
Total notes payable	<u>\$ 21,905,714</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

As of June 30, 2011, funds totaling \$537,000 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
2012	\$ 2,049,305	\$ 861,878	\$ 2,911,183
2013	1,603,997	506,813	2,110,810
2014	1,608,528	718,943	2,327,471
2015	1,496,360	651,968	2,148,328
2016	1,227,738	581,216	2,327,471
2017 - 2021	7,781,092	2,176,155	9,957,247
2022-2026	6,138,694	839,330	6,978,024
Total	<u>\$ 21,905,714</u>	<u>\$ 6,336,302</u>	<u>\$ 28,760,534</u>

General Obligation Indebtedness

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Bonds payable at June 30, 2011 are comprised of the following individual issues:

Serviced by Enterprise Fund - Water Fund:

\$1,360,000 - 1999A Water Bonds due in annual installments through June 2039; annual installments ranging from \$61,060 to \$78,863, including interest at 4.75% per annum	\$ 1,183,000
\$1,222,000 - 1999B Water Bonds due in annual installments through June 2039; annual installments ranging from \$54,864 to \$71,462, including interest at 4.75% per annum	1,059,000
\$390,000 - 1999C Water Bonds due in annual installments through June 2039; annual installments ranging from \$17,510 to \$22,908, including interest at 4.75% per annum	337,000
\$6,821,000 - 2003A Water Bonds due in annual installments through June 2043; annual installments ranging from \$294,331 to \$309,320, including interest at 4.5% per annum	6,327,000
\$444,000 - 2003B Water Bonds due in annual installments through June 2043; annual installments ranging from \$19,375 to \$20,900, including interest at 4.5% per annum	417,000
\$5,835,000 - 2004 Water Bonds due in annual installments through June 2028; annual installments ranging from \$166,288 to \$326,800, including interest at 3.0% per annum	4,590,000
\$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	6,800,000
\$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	<u>1,916,000</u>
Total bonds payable	<u>\$ 22,629,000</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

Year Ending June 30	Principal	Interest	Total
2012	\$ 439,500	\$ 949,120	\$ 1,388,620
2013	487,000	930,568	1,417,568
2014	508,000	910,279	1,418,279
2015	524,500	889,105	1,413,605
2016	546,000	869,226	1,415,226
2017-2021	3,038,500	4,005,085	7,043,585
2022-2026	3,604,500	3,328,324	6,932,824
2027-2031	3,237,500	2,545,735	5,783,235
2032-2036	3,187,500	1,891,879	5,079,379
2037-2041	3,440,000	1,158,268	4,598,268
2042-2046	2,417,000	494,061	2,911,061
2047 - 2049	1,199,000	95,204	1,294,204
Total	<u>\$ 22,629,000</u>	<u>\$ 18,066,854</u>	<u>\$ 40,695,854</u>

At June 30, 2011, the County had bonds authorized of \$10,000,000, with \$1,284,000 unissued and a legal debt margin of \$262,499,000.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011:

	<u>Balance</u>		<u>Balance</u>	<u>Current</u>
	<u>July 1, 2010</u>	<u>Additions</u>	<u>June 30, 2011</u>	<u>Portion of</u>
				<u>Balance</u>
Governmental Activities:				
Notes payable	\$ 24,324,120	\$ -	\$ (2,418,406)	\$ 2,049,305
Capital leases	355,764	-	(42,206)	42,850
Compensated absences	1,405,660	727,981	(673,773)	540,151
Other post-employment benefits	637,769	342,885	(104,722)	-
Unfunded Special				
Separation Allowance	389,067	84,227	-	-
Total governmental activities	<u>\$ 27,112,380</u>	<u>\$ 1,155,093</u>	<u>\$ (3,239,107)</u>	<u>\$ 2,632,306</u>
Business-Type Activities:				
Solid Waste:				
Accrued landfill closure and post-closure care costs	\$ 2,494,480	\$ 5,940	\$ -	\$ 82,514
Other post-employment benefits	9,727	5,596	(1,710)	-
Compensated absences	21,931	27,107	(25,543)	8,928
Total solid waste activities	<u>2,526,138</u>	<u>38,643</u>	<u>(27,253)</u>	<u>91,442</u>
Water:				
General obligation debt	21,061,500	1,916,000	(348,500)	439,500
Other post-employment benefits	15,850	9,427	(4,060)	-
Compensated absences	42,343	27,107	(25,401)	16,739
Total water activities	<u>21,119,693</u>	<u>1,952,534</u>	<u>(377,961)</u>	<u>456,239</u>
Total business-type activities	<u>\$ 23,645,831</u>	<u>\$ 1,991,177</u>	<u>\$ (405,214)</u>	<u>\$ 547,681</u>

Compensated absences, other post-employment benefits, and Law Enforcement Officers' Special Separation Allowance typically have been liquidated in the General Fund and are accounted for on a FIFO basis. The current portion of compensated absences at June 30, 2011 is \$565,818.

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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, 2011 consist of the following:

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
General Fund	\$ 1,663,265		
Capital Project Fund:			
Littleton Building Project		\$ 70,120	Project funding
Alliance Drive Relocation		3,145	Project funding
Industrial Building		1,590,000	Project funding
Special Revenue Fund			
Emergency Telephone System			
Fund	38,007		Transfer excess
Capital Project Fund			
Halifax County Sewer Upgrade			
Project	50,000		Project refund
Internal Service Fund	225,000		Insurance reimbursement
General Fund		313,007	
Enterprise Fund - Solid Waste	192,754		Debt forgiveness
Enterprise Fund - Water		192,754	Debt forgiveness
Enterprise Fund - Water	92,870		Project funding
Capital Project Fund			
Halifax County Sewer Upgrade			
Project		92,870	Project funding
Daniel Street Sewer Expansion	4,077		Project funding
Enterprise Fund - Water		4,077	Project funding
Total	<u>\$ 2,265,973</u>	<u>\$ 2,265,973</u>	

The composition of interfund balances as of June 30, 2011 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Capital Project Funds	<u>\$ 2,799,016</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

4. Related Organizations

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

5. Joint Ventures

The County, in conjunction with the State of North Carolina and the Halifax County Board of Education, participates in a joint venture to operate Halifax Community College (Community College). Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,012,549 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2011. 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, 2011. 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 (Transportation Authority). The County appoints three members to the Transportation Authority Board. Bertie, Hertford, and Northampton counties appoint two members each. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority because it and the other three governmental entities are legally obligated under the intergovernmental agreement that created the Transportation Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The County contributed \$493,147 to the Transportation Authority during the fiscal year ended June 30, 2011. 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, 2011. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

6. Jointly Governed Organization

The County, in conjunction with three other counties and thirty-two municipalities, established the Region L Council of Governments (Council). The participating governments established the Council to coordinate funding received from various federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and professional service fees of \$22,337 to the Council during the fiscal year ended June 30, 2011.

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.

	<u>Federal</u>	<u>State</u>
Energy Assistance Payment	\$ 829,309	\$ -
AFDC Payments and Penalties	(687)	(188)
TANF Payments and Penalties	726,128	(69)
SC/SA Domiciliary Care Payment	-	893,278
State Foster Home	-	15,264
IV-E Adopt Subsidy and Vendor	299,055	80,059
IV-E Foster Care	56,232	15,053
IV-E Foster Care in Excess	49,795	-
CWS Adopt Subsidy and Vendor	-	109,997
Title XIX - Medicaid	69,141,112	28,444,757
Food Stamp Program	23,556,474	-
Total	<u>\$ 94,657,418</u>	<u>\$ 29,558,151</u>

8. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Grants

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

9. Subsequent Event

On September 21, 2011, the County issued \$2,552,967 in Qualified School Construction Bonds at 5% with a reimbursable rate of 4.55 for a net interest rate of .45% maturing in September, 2026.



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REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- **Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance**
- **Schedule of Employer Contributions for the Law Enforcement Officer's Special Separation Allowance**
- **Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance**
- **Required Supplementary Information – Other Post-Employment Benefits – Retiree Health Plan**



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HALIFAX COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2011

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
12/31/2010	\$ 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%
12/31/2001	78,996	370,349	291,353	21.33%	1,595,008	18.27%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
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	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.5 - 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, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)			Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
		Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)				
12/31/2006	\$ -	\$ 5,675,908	\$ 5,675,908	0.00%	\$ 17,464,576	32.50%	
12/31/2009	-	4,221,342	4,221,342	0.00%	19,065,825	22.10%	

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%

Notes to the Required Schedules:

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

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

* Includes inflation of 3.75%

THE GENERAL FUND

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



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HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-ACTUAL-GENERAL FUND CONSOLIDATED FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Reassessment Fund</u>	<u>Total Consolidated General Fund</u>
Revenues:			
Ad valorem taxes	\$ 24,034,165	\$ -	\$ 24,034,165
Other taxes and licenses	6,133,210	-	6,133,210
Unrestricted intergovernmental revenues	446,890	-	446,890
Restricted intergovernmental revenues	17,468,525	-	17,468,525
Permits and fees	1,148,751	-	1,148,751
Sales and services	4,328,128	-	4,328,128
Investment earnings	87,629	1,582	89,211
Miscellaneous	206,482	-	206,482
Total revenues	<u>53,853,780</u>	<u>1,582</u>	<u>53,855,362</u>
Expenditures:			
General government	6,603,840	-	6,603,840
Public safety	10,801,322	-	10,801,322
Economic and physical development	1,097,678	-	1,097,678
Human services	22,419,491	-	22,419,491
Cultural and recreational	596,275	-	596,275
Education	8,392,716	-	8,392,716
Debt service:			
Principal	2,460,612	-	2,460,612
Interest	396,649	-	396,649
Total expenditures	<u>52,768,583</u>	<u>-</u>	<u>52,768,583</u>
Revenues over (under) expenditures	<u>1,085,197</u>	<u>1,582</u>	<u>1,086,779</u>
Other Financing Sources (Uses):			
Transfers in:			
Internal Service Fund	225,000	-	225,000
Capital projects funds	50,000	-	50,000
Special revenue funds	38,007	-	38,007
Transfers out:			
Capital projects funds	(1,663,265)	-	(1,663,265)
Total other financing sources (uses)	<u>(1,350,258)</u>	<u>-</u>	<u>(1,350,258)</u>
Net change in fund balance	(265,061)	1,582	(263,479)
Fund Balance:			
Beginning of year - July 1	<u>31,852,211</u>	<u>985,931</u>	<u>32,838,142</u>
End of year - June 30	<u>\$ 31,587,150</u>	<u>\$ 987,513</u>	<u>\$ 32,574,663</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, 2011**

	General Fund	Public Health Fund	Social Services Fund	Emergency Management Services Fund	Total
Revenues:					
Ad valorem taxes	\$ 24,034,165	\$ -	\$ -	\$ -	\$ 24,034,165
Other taxes and licenses	6,132,524	-	-	686	6,133,210
Unrestricted intergovernmental revenues	446,890	-	-	-	446,890
Restricted intergovernmental revenues	2,824,120	4,316,710	10,103,816	223,879	17,468,525
Permits and fees	1,147,970	-	781	-	1,148,751
Sales and services	1,233,545	11,004	-	3,083,579	4,328,128
Investment earnings	86,985	644	-	-	87,629
Miscellaneous	197,612	5,487	1,093	2,290	206,482
Total revenues	<u>36,103,811</u>	<u>4,333,845</u>	<u>10,105,690</u>	<u>3,310,434</u>	<u>53,853,780</u>
Expenditures:					
General government	6,603,840	-	-	-	6,603,840
Public safety	7,294,584	-	-	3,506,738	10,801,322
Economic and physical development	1,097,678	-	-	-	1,097,678
Human services	1,898,674	6,081,777	14,439,040	-	22,419,491
Cultural and recreational	596,275	-	-	-	596,275
Education	8,392,716	-	-	-	8,392,716
Debt service:					
Principal	2,302,386	-	-	158,226	2,460,612
Interest	375,447	-	-	21,202	396,649
Total expenditures	<u>28,561,600</u>	<u>6,081,777</u>	<u>14,439,040</u>	<u>3,686,166</u>	<u>52,768,583</u>
Revenues over (under) expenditures	<u>7,542,211</u>	<u>(1,747,932)</u>	<u>(4,333,350)</u>	<u>(375,732)</u>	<u>1,085,197</u>
Other Financing Sources (Uses):					
Intrafund transfers in (out)	(4,941,510)	2,300,826	4,500,883	(1,860,199)	-
Transfers in:					
Internal Service Fund	225,000	-	-	-	225,000
Capital projects funds	50,000	-	-	-	50,000
Special revenue funds	38,007	-	-	-	38,007
Transfers out:					
Capital projects funds	(1,663,265)	-	-	-	(1,663,265)
Total other financing sources (uses)	<u>(6,291,768)</u>	<u>2,300,826</u>	<u>4,500,883</u>	<u>(1,860,199)</u>	<u>(1,350,258)</u>
Net change in fund balance	1,250,443	552,894	167,533	(2,235,931)	(265,061)
Fund Balance:					
Beginning of year - July 1	<u>26,091,309</u>	<u>1,518,326</u>	<u>397,940</u>	<u>3,844,636</u>	<u>31,852,211</u>
End of year - June 30	<u>\$ 27,341,752</u>	<u>\$ 2,071,220</u>	<u>\$ 565,473</u>	<u>\$ 1,608,705</u>	<u>\$ 31,587,150</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, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 23,210,168	\$ 23,856,221	\$ 646,053	\$ 24,029,483
Penalties and interest	175,000	177,944	2,944	233,178
Total	23,385,168	24,034,165	648,997	24,262,661
Other Taxes and Licenses:				
Local option sales taxes	5,185,000	6,008,928	823,928	6,204,438
Cable franchise tax	132,000	123,596	(8,404)	130,646
Total	5,317,000	6,132,524	815,524	6,335,084
Unrestricted Intergovernmental:				
Fines and forfeitures	460,000	309,785	(150,215)	423,150
Beer and wine	-	137,105	137,105	44,382
Total	460,000	446,890	(13,110)	467,532
Restricted Intergovernmental:				
Federal and State grants	4,847,213	1,863,760	(2,983,453)	1,643,654
North Carolina ADM allocation	-	-	-	131,396
Lottery proceeds	815,205	426,902	(388,303)	468,731
Halifax ABC revenue	128,928	127,287	(1,641)	113,811
USDA commodity food	406,171	406,171	-	546,677
Total	6,197,517	2,824,120	(3,373,397)	2,904,269
Permits and Fees:				
Facility fees	124,000	94,942	(29,058)	116,024
Building inspection fees	99,000	106,469	7,469	112,930
Register of Deeds' fees	254,536	264,406	9,870	271,657
Other fees and rents	659,691	682,153	22,462	737,437
Total	1,137,227	1,147,970	10,743	1,238,048
Sales and Services:				
Occupancy tax administration	609,657	612,986	3,329	589,876
Jail fees	77,000	49,220	(27,780)	106,330
Central communications	210,221	210,221	-	246,208
Other sales and services	316,465	361,118	44,653	573,955
Total	1,213,343	1,233,545	20,202	1,516,369
Investment Earnings	95,900	86,985	(8,915)	79,421
Miscellaneous	321,279	197,612	(123,667)	173,351
Total revenues	38,127,434	36,103,811	(2,023,623)	36,976,735

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	91,496	87,200		90,991
Operating expenditures	<u>67,101</u>	<u>67,910</u>		<u>56,040</u>
Total	<u>158,597</u>	<u>155,110</u>	3,487	<u>147,031</u>
Administration:				
Salaries and employee benefits	476,822	464,872		462,976
Operating expenditures	30,154	26,721		20,509
Capital outlay	<u>11,125</u>	<u>-</u>		<u>-</u>
Total	<u>518,101</u>	<u>491,593</u>	26,508	<u>483,485</u>
Human resources:				
Salaries and employee benefits	281,804	270,459		214,227
Operating expenditures	<u>6,782</u>	<u>6,501</u>		<u>7,302</u>
Total	<u>288,586</u>	<u>276,960</u>	11,626	<u>221,529</u>
Non-departmental expenditures:				
Operating expenditures	<u>2,031,183</u>	<u>1,452,312</u>		<u>1,516,723</u>
Total	<u>2,031,183</u>	<u>1,452,312</u>	578,871	<u>1,516,723</u>
Finance:				
Salaries and employee benefits	360,765	353,368		358,047
Operating expenditures	24,339	23,699		19,820
Capital outlay	<u>8,119</u>	<u>8,119</u>		<u>-</u>
Total	<u>393,223</u>	<u>385,186</u>	8,037	<u>377,867</u>
Tax administration:				
Salaries and employee benefits	934,162	908,490		913,749
Operating expenditures	<u>233,498</u>	<u>189,646</u>		<u>179,825</u>
Total	<u>1,167,660</u>	<u>1,098,136</u>	69,524	<u>1,093,574</u>
Revaluation:				
Operating expenditures	<u>2,900</u>	<u>1,975</u>		<u>1,827</u>
Total	<u>2,900</u>	<u>1,975</u>	925	<u>1,827</u>
Legal:				
Salaries and employee benefits	168,115	137,132		163,256
Operating expenditures	<u>72,604</u>	<u>51,161</u>		<u>53,232</u>
Total	<u>240,719</u>	<u>188,293</u>	52,426	<u>216,488</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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Elections:				
Salaries and employee benefits	122,040	110,482		115,723
Operating expenditures	55,672	54,988		64,608
Total	177,712	165,470	12,242	180,331
Register of Deeds:				
Salaries and employee benefits	300,677	299,630		291,829
Operating expenditures	52,381	51,474		54,619
Capital outlay	60,162	60,162		3,777
Total	413,220	411,266	1,954	350,225
Information technology services:				
Salaries and employee benefits	189,413	188,648		186,117
Operating expenditures	180,175	169,452		127,596
Total	369,588	358,100	11,488	313,713
Maintenance and repairs - public buildings:				
Operating expenditures	50,908	17,134		19,020
Capital outlay	130,044	122,945		22,600
Total	180,952	140,079	40,873	41,620
Operations:				
Salaries and employee benefits	739,980	720,262		721,846
Operating expenditures	336,385	292,622		268,599
Capital outlay	-	-		1,050
Total	1,076,365	1,012,884	63,481	991,495
Other general government:				
Fuel center	1,358	1,255	103	1,285
Tornado Grant	7,445	7,445	-	-
Judicial services	16,280	12,872	3,408	11,522
Magistrates	18,740	18,740	-	18,740
Public buildings	34,471	33,665	806	23,044
Historic courthouse	127,789	114,729	13,060	121,548
Criminal justice building	9,717	9,443	274	9,425
Court service	211,584	210,691	893	218,504
Agriculture complex	36,273	36,273	-	36,840
Shell building	690	213	477	209
CADA	21,150	21,150	-	23,500
Total	485,497	466,476	19,021	464,617
Total general government	7,504,303	6,603,840	900,463	6,400,525

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Public Safety:				
Sheriff's department:				
Salaries and employee benefits	3,144,362	3,144,362		3,033,638
Operating expenditures	647,463	620,880		493,904
Capital outlay	111,830	111,830		8,300
Total	3,903,655	3,877,072	26,583	3,535,842
Jail:				
Salaries and employee benefits	1,041,093	1,041,093		974,960
Operating expenditures	667,788	666,692		643,337
Total	1,708,881	1,707,785	1,096	1,618,297
Emergency management:				
Salaries and employee benefits	59,996	59,935		59,165
Operating expenditures	9,339	6,873		81,312
Total	69,335	66,808	2,527	140,477
Central communications:				
Salaries and employee benefits	909,032	909,032		838,648
Operating expenditures	7,929	7,929		12,078
Total	916,961	916,961	-	850,726
Donations:				
Fire departments and rescue squads	68,850	68,850		76,500
Total	68,850	68,850	-	76,500
Planning and inspections:				
Salaries and employee benefits	370,222	362,573		358,936
Operating expenditures	29,841	27,732		24,670
Capital outlay	31,213	31,213		-
Total	431,276	421,518	9,758	383,606
Other public safety:				
Coroner	35,800	35,800	-	22,100
Other donations	-	-	-	5,000
Controlled substance tax expenditures	155,300	2,211	153,089	840
Drug task force expenditures	16,020	-	16,020	-
DTF - federal asset forfeiture	87,260	23,417	63,843	37,643
Emergency Management supplement	28,468	11,156	17,312	13,859
Sheriff Bulletproof Vest Grant	136	-	136	-
Roanoke Rapids probation and parole	420	348	72	15,222
ARRA - School Resource Officer	219,524	129,427	90,097	55,136

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
JAG Grant	1,323	1,323	-	13,115
Sheriff Law Enforcement Block Grant	3,600	1,000	2,600	-
ARRA - JAG Grant	22,470	2,350	20,120	36,456
ARRA - Halifax County gang assessment	28,558	28,558	-	21,442
Total	598,879	235,590	363,289	220,813
Total public safety	7,697,837	7,294,584	403,253	6,826,261
Economic and Physical Development:				
Halifax Developmental Commission:				
Salaries and employee benefits	159,002	158,993		157,045
Operating expenditures	76,119	64,071		65,861
Total	235,121	223,064	12,057	222,906
Tourism:				
Salaries and employee benefits	-	-		265,177
Travel	-	-		6,000
Total	-	-	-	271,177
Cooperative extension office:				
Salaries and employee benefits	239,310	194,280		233,115
Operating expenditures	41,663	33,821		39,956
Total	280,973	228,101	52,872	273,071
Rural life education:				
Salaries and employee benefits	41,931	39,038		38,591
Operating expenditures	28,496	28,031		19,226
Total	70,427	67,069	3,358	57,817
Natural resource conservation:				
Salaries and employee benefits	133,258	133,194		131,176
Operating expenditures	10,100	8,427		19,259
Total	143,358	141,621	1,737	150,435
Other economic and physical development:				
4-H clubs	20,145	14,298	5,847	5,887
County Council	18,951	2,619	16,332	6,867
Agri-Craft Co-Op	21,263	8,626	12,637	6,750
Boards and Commissions	3,348	2,136	1,212	1,973
Industrial Park Project	30,000	30,000	-	-
Forestry protection	90,479	90,478	1	78,966
Economic Development incentive	1,296,770	289,666	1,007,104	22,780

HALIFAX COUNTY, NORTH CAROLINA

GENERAL FUND - GENERAL DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Natural Resource Equipment Grant	59,219	-	59,219	-
Project management	15,780	-	15,780	-
Total	1,555,955	437,823	1,118,132	123,223
Total economic and physical development	2,285,834	1,097,678	1,188,156	1,098,629
Human Services:				
Elderly transportation:				
Operating expenses	203,200	189,497	13,703	182,821
EFAP Administration:				
Salaries and employee benefits	39,906	23,223		41,793
Operating expenditures	169,962	159,606		297,837
Total	209,868	182,829	27,039	339,630
Supplemental foods:				
Salaries and employee benefits	150,846	150,808		155,046
Operating expenditures	27,503	25,377		24,545
USDA commodity foods	266,764	266,764		269,860
Total	445,113	442,949	2,164	449,451
Veterans service:				
Salaries and employee benefits	-	-		25,126
Operating expenditures	-	-		635
Total	-	-	-	25,761
Aging program coordinator:				
Salaries and employee benefits	-	-		15,326
Operating expenditures	-	-		914
Total	-	-	-	16,240
Other human services:				
Riverstone administration	26,303	26,026	277	24,266
Operation Restart	141,651	140,849	802	146,984
JCPC Advisory Board	10,350	10,350	-	536
JCPC Grant	55,000	55,000	-	60,000
Pesticide recycling	6,709	-	6,709	-
Home and Community Block Grant	332,963	329,180	3,783	331,606
Council On Aging	20,430	20,430	-	19,078
Aging-SHIIP Mini Grant	993	993	-	2,730
Aging Division Grant	2,252	2,001	251	-
Senior Health insurance program	3,253	3,129	124	-
CJPP/Day reporting	94,332	93,215	1,117	91,144
Duke Endowment Grant	1,282	-	1,282	-

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Service contracts	17,900	-	17,900	-
Multi-Jurisdictional Hazardous Mitigation Plan	1,263	798	465	23,988
School Age Care Grant	35,793	17,440	18,353	17,164
Operation Purple Camp	30,000	29,886	114	28,501
ARRA - Nutrition services programs	-	-	-	33,542
ARRA - Methodist Home Children programs	75,119	42,073	33,046	28,681
ARRA - Methodist Home United Services Youth	33,756	33,755	1	-
ARRA - Methodist Home Jobs	80,000	50,585	29,415	-
ARRA - Methodist Home Relocation	92,700	91,630	1,070	-
ARRA - Methodist Home Transitional Re-entry	63,000	60,154	2,846	-
Halifax Helps Grant	2,723	1,376	1,347	-
Co-op student incentive	74,529	74,529	-	67,664
Total other human services	<u>1,202,301</u>	<u>1,083,399</u>	<u>118,902</u>	<u>875,884</u>
Total human services	<u>2,060,482</u>	<u>1,898,674</u>	<u>161,808</u>	<u>1,889,787</u>
Cultural and Recreational:				
Library:				
Salaries and employee benefits	456,313	451,759		470,211
Operating expenditures	147,423	123,780		95,632
Total	<u>603,736</u>	<u>575,539</u>	<u>28,197</u>	<u>565,843</u>
Other cultural and recreational:				
Library/Gates Foundation	7,416	480		18,355
LSTA	47,176	19,332		-
NC Library Stars	1,400	924		-
Total	<u>55,992</u>	<u>20,736</u>	<u>35,256</u>	<u>18,355</u>
Total cultural and recreational	<u>659,728</u>	<u>596,275</u>	<u>63,453</u>	<u>584,198</u>
Education:				
Public schools - current expenses	5,554,392	5,403,446		5,602,644
Public schools - capital outlay	2,785,353	1,563,555		1,533,976
Community colleges - current expenses	943,522	943,522		943,522
Community colleges - capital outlay	69,027	69,027		76,697
ADM - Public School Building Fund	837,445	413,166		446,491
Total education	<u>10,189,739</u>	<u>8,392,716</u>	<u>1,797,023</u>	<u>8,603,330</u>
Debt Service:				
Principal	2,391,889	2,302,386		2,324,591
Interest	375,445	375,447		428,801
Total debt service	<u>2,767,334</u>	<u>2,677,833</u>	<u>89,501</u>	<u>2,753,392</u>
Total expenditures	<u>33,165,257</u>	<u>28,561,600</u>	<u>4,603,657</u>	<u>28,156,122</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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Revenues over (under) expenditures	<u>4,962,177</u>	<u>7,542,211</u>	<u>2,580,034</u>	<u>8,820,613</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(4,931,382)	(4,941,510)	(10,128)	(8,198,347)
Transfers in:				
Internal Service Fund	225,000	225,000	-	225,000
Capital Project Fund	-	50,000	50,000	14,905
Special Revenue Fund	38,007	38,007	-	-
Transfers out:				
Special Revenue Fund	-	-	-	(200,000)
Capital Projects Fund	(1,656,135)	(1,663,265)	(7,130)	(220,760)
Enterprise Fund	-	-	-	(9,201)
Appropriated fund balance	<u>1,362,333</u>	<u>-</u>	<u>(1,362,333)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,962,177)</u>	<u>(6,291,768)</u>	<u>(1,329,591)</u>	<u>(8,388,403)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,250,443</u>	<u>\$ 1,250,443</u>	<u>432,210</u>
Fund Balance:				
Beginning of year - July 1		<u>26,091,309</u>		<u>25,659,099</u>
End of year - June 30		<u>\$ 27,341,752</u>		<u>\$ 26,091,309</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, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/(Under)	2010
	Budget	Actual		Actual
Revenues:				
Restricted intergovernmental	\$ 4,288,421	\$ 4,316,710	\$ 28,289	\$ 4,592,140
Sales and services	153,933	11,004	(142,929)	10,847
Miscellaneous revenue	2,434	5,487	3,053	28,055
Investment earnings	4,500	644	(3,856)	719
Total revenues	<u>4,449,288</u>	<u>4,333,845</u>	<u>(115,443)</u>	<u>4,631,761</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	348,908	255,417		176,998
Operating expenditures	161,708	78,374		136,420
Total	<u>510,616</u>	<u>333,791</u>	<u>176,825</u>	<u>313,418</u>
Animal control:				
Salaries and employee benefits	176,687	149,783		155,073
Operating expenditures	46,764	46,764		36,607
Total	<u>223,451</u>	<u>196,547</u>	<u>26,904</u>	<u>191,680</u>
AIDS control:				
Salaries and employee benefits	244,425	239,637		224,191
Operating expenditures	981	981		866
Total	<u>245,406</u>	<u>240,618</u>	<u>4,788</u>	<u>225,057</u>
Tuberculosis control:				
Salaries and employee benefits	69,978	66,256		97,824
Operating expenditures	102,760	10,224		10,489
Total	<u>172,738</u>	<u>76,480</u>	<u>96,258</u>	<u>108,313</u>
CDC Tuberculosis:				
Salaries and employee benefits	35,992	35,992		32,202
Total	<u>35,992</u>	<u>35,992</u>	<u>-</u>	<u>32,202</u>
Communicable disease:				
Salaries and employee benefits	10,480	10,480		19,925
Operating expenditures	65,454	4,784		4,979
Total	<u>75,934</u>	<u>15,264</u>	<u>60,670</u>	<u>24,904</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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/(Under)	2010
	Budget	Actual		Actual
Council On Aging:				
Salaries and employee benefits	162,707	162,707		147,749
Operating expenditures	71,818	31,185		32,748
Total	234,525	193,892	40,633	180,497
Home health:				
Salaries and employee benefits	884,410	611,028		712,759
Operating expenditures	1,006,057	688,562		702,280
Total	1,890,467	1,299,590	590,877	1,415,039
Hospice:				
Salaries and employee benefits	196,339	120,928		205,669
Operating expenditures	87,035	84,999		84,383
Total	283,374	205,927	77,447	290,052
Adult health/diabetes:				
Salaries and employee benefits	186,496	110,866		110,317
Operating expenditures	76,662	55,420		65,265
Total	263,158	166,286	96,872	175,582
Maternity:				
Salaries and employee benefits	334,245	334,184		320,371
Operating expenditures	212,686	45,434		44,483
Total	546,931	379,618	167,313	364,854
Family planning:				
Salaries and employee benefits	544,649	525,302		492,601
Operating expenditures	233,601	93,758		98,556
Total	778,250	619,060	159,190	591,157
Child services coordinator:				
Salaries and employee benefits	199,401	169,145		219,612
Operating expenditures	205,510	41,755		11,027
Total	404,911	210,900	194,011	230,639

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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011		Variance Over/(Under)	2010
	Budget	Actual		Actual
Child health:				
Salaries and employee benefits	444,576	394,446		398,901
Operating expenditures	187,093	65,417		65,239
Total	631,669	459,863	171,806	464,140
Environmental health:				
Salaries and employee benefits	488,779	488,779		502,386
Operating expenditures	18,986	18,986		16,070
Total	507,765	507,765	-	518,456
Other human services:				
Bioterrorism	60,365	60,365	-	53,587
H1N1 Wave 1	16,909	16,909	-	54,201
H1N1 Wave 2	-	-	-	5,800
H1N1 Wave 3	64,000	64,000	-	78,678
Carolina Behavioral	95,306	95,306	-	-
Health promotion expenditures	51,174	35,061	16,113	41,594
Primary care	31,700	1,003	30,697	25,017
Diabetes	25,300	23,338	1,962	-
BCCCP	19,695	19,695	-	19,656
CVD/Breast Cancer	12,669	12,669	-	8,200
Healthy Carolinian	20,000	20,000	-	9,996
Folic Acid Grant	188,631	144,534	44,097	175,237
Immunization Action Plan	85,788	68,945	16,843	68,287
Health Check Project	-	-	-	39,073
Baby Love Plus	98,226	98,226	-	93,257
Health working and wellness	80,637	63,516	17,121	79,168
Jail Health	422,458	416,125	6,333	421,124
Improving Immunization Capacity	-	-	-	7,000
Closing the Gap Grant	500	492	8	478
Total other human services	1,273,358	1,140,184	133,174	1,180,353
Total human services	8,078,545	6,081,777	1,996,768	6,306,343
Debt Service:				
Principal	-	-		7,594
Interest	-	-		260
Total debt service	-	-		7,854

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, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/(Under)	2010
	Budget	Actual		Actual
Revenues over (under) expenditures	<u>(3,629,257)</u>	<u>(1,747,932)</u>	<u>1,881,325</u>	<u>(1,682,436)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,290,698	2,300,826	10,128	2,258,348
Interfund transfer out	-	-	-	(60,685)
Appropriated fund balance	<u>1,338,559</u>	<u>-</u>	<u>(1,338,559)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,629,257</u>	<u>2,300,826</u>	<u>(1,328,431)</u>	<u>2,197,663</u>
Net change in fund balance	<u>\$ -</u>	<u>552,894</u>	<u>\$ 552,894</u>	<u>515,227</u>
Fund Balance:				
Beginning of year - July 1		<u>1,518,326</u>		<u>1,003,099</u>
End of year - June 30		<u>\$ 2,071,220</u>		<u>\$ 1,518,326</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, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Revenues:				
Restricted intergovernmental	\$ 10,846,262	\$ 10,103,816	\$ (742,446)	\$ 10,151,585
Permits and fees	174	781	607	1,791
Miscellaneous revenue	-	1,093	1,093	1,202
Total revenues	<u>10,846,436</u>	<u>10,105,690</u>	<u>(740,746)</u>	<u>10,154,578</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	7,966,208	7,854,747		7,746,588
Operating expenditures	1,006,599	658,721		673,821
Capital outlay	<u>36,435</u>	<u>36,435</u>		-
Total	<u>9,009,242</u>	<u>8,549,903</u>	<u>459,339</u>	<u>8,420,409</u>
Other human services:				
Fees and refunds	52,201	10,333	41,868	17,049
TANF job boost	127,050	13,007	114,043	-
Family planning	10,000	6,121	3,879	8,520
Chore services	180,753	167,534	13,219	153,946
Daycare	2,748,403	2,669,774	78,629	2,852,678
Work First	336,165	255,636	80,529	280,683
Purchased services	70,000	43,510	26,490	31,926
4D-Purchase	-	-	-	2,119
Medicaid	864,164	855,292	8,872	732,307
Social Services to the Aged	900,886	894,579	6,307	878,455
CBA Foster Care	341,484	234,019	107,465	296,884
Adoptive assistance	110,000	109,997	3	108,867
Crisis intervention	601,440	600,906	534	569,926
CP&L energy	10,076	5,245	4,831	2,715
Special foster care	25,000	14,973	10,027	8,765
CPS Staff Grant	34,780	1,657	33,123	2,006
Aid to the Blind	12,112	6,554	5,558	7,693
Total other human services	<u>6,424,514</u>	<u>5,889,137</u>	<u>535,377</u>	<u>5,954,539</u>
Total human services	<u>15,433,756</u>	<u>14,439,040</u>	<u>994,716</u>	<u>14,374,948</u>
Debt Service:				
Principal	-	-	-	5,775
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,775</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, 2011
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	<u>2011</u>		<u>Variance</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Actual</u>
Revenues over (under) expenditures	(4,587,320)	(4,333,350)	253,970	(4,226,145)
Other Financing Sources (Uses):				
Intrafund transfers in (out)	4,500,883	4,500,883	-	4,284,969
Appropriated fund balance	86,437	-	(86,437)	-
Total other financing sources (uses)	<u>4,587,320</u>	<u>4,500,883</u>	<u>(86,437)</u>	<u>4,284,969</u>
Net change in fund balance	<u>\$ -</u>	167,533	<u>\$ 167,533</u>	58,824
Fund Balance:				
Beginning of year - July 1		<u>397,940</u>		<u>339,116</u>
End of year - June 30		<u>\$ 565,473</u>		<u>\$ 397,940</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, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Revenues:				
Other taxes and licenses	\$ 3,000	\$ 686	\$ (2,314)	\$ 838
Restricted intergovernmental revenues	156,716	223,879	67,163	488,209
Sales and services	1,804,414	3,083,579	1,279,165	2,110,149
Miscellaneous revenue	4,783	2,290	(2,493)	23,020
Total revenues	<u>1,968,913</u>	<u>3,310,434</u>	<u>1,341,521</u>	<u>2,622,216</u>
Expenditures:				
Public Safety:				
General:				
Salaries and employee benefits	2,880,920	2,741,350		2,586,012
Operating expenditures	838,112	765,388		679,728
Capital outlay	-	-		26,025
Total	<u>3,719,032</u>	<u>3,506,738</u>	<u>212,294</u>	<u>3,291,765</u>
Debt Service:				
Principal	158,226	158,226		204,313
Interest	21,202	21,202		28,080
Total debt service	<u>179,428</u>	<u>179,428</u>	<u>-</u>	<u>232,393</u>
Total expenditures	<u>3,898,460</u>	<u>3,686,166</u>	<u>212,294</u>	<u>3,524,158</u>
Revenues over (under) expenditures	<u>(1,929,547)</u>	<u>(375,732)</u>	<u>(1,553,815)</u>	<u>(901,942)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(1,860,199)	(1,860,199)	-	1,715,715
Appropriated fund balance	3,789,746	-	(3,789,746)	-
Total other financing sources (uses)	<u>1,929,547</u>	<u>(1,860,199)</u>	<u>(3,789,746)</u>	<u>1,715,715</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,235,931)</u>	<u>\$ (2,235,931)</u>	813,773
Fund Balance:				
Beginning of year - July 1		<u>3,844,636</u>		<u>3,030,863</u>
End of year - June 30		<u>\$ 1,608,705</u>		<u>\$ 3,844,636</u>

HALIFAX COUNTY, NORTH CAROLINA

REASSESSMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 1,500	\$ 1,582	\$ 82	\$ 2,381
Expenditures:				
Current:				
General government:				
Operating expenditures	986,500	-	986,500	-
Total expenditures	986,500	-	986,500	-
Revenues over (under) expenditures	(985,000)	1,582	986,582	2,381
Other Financing Sources (Uses):				
Transfer in - General Fund	-	-	-	200,000
Appropriated fund balance	985,000	-	(985,000)	-
Total other financing sources (uses)	985,000	-	(985,000)	200,000
Net change in fund balance	\$ -	1,582	\$ 1,582	202,381
Fund Balance:				
Beginning of year - July 1		985,931		783,550
End of year - June 30		\$ 987,513		\$ 985,931

COMBINING STATEMENTS FOR NONMAJOR FUNDS



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HALIFAX COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011**

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 450,866	\$ 2,072,259	\$ 2,523,125
Accounts receivable	173,386	632,251	805,637
Due from other governments	10,086	2,081	12,167
Taxes receivable, net	395,584	-	395,584
	<u>1,029,922</u>	<u>2,706,591</u>	<u>3,736,513</u>
Total assets	<u>\$ 1,029,922</u>	<u>\$ 2,706,591</u>	<u>\$ 3,736,513</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 212,237	\$ 294,102	\$ 506,339
Due to other funds	-	2,799,016	2,799,016
Deferred revenues	395,584	-	395,584
Total liabilities	<u>607,821</u>	<u>3,093,118</u>	<u>3,700,939</u>
Fund Balances:			
Reserved:			
Stabilization by State statute	183,472	634,332	817,804
Other	373,599	1,866	375,465
Assigned	-	1,534,350	1,534,350
Unassigned	(134,970)	(2,557,075)	(2,692,045)
Total fund balances	<u>422,101</u>	<u>(386,527)</u>	<u>35,574</u>
Total liabilities and fund balances	<u>\$ 1,029,922</u>	<u>\$ 2,706,591</u>	<u>\$ 3,736,513</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2011

	Nonmajor		Total
	Special Revenue Funds	Capital Project Funds	
Revenues:			
Ad valorem taxes	\$ 4,753,498	\$ -	\$ 4,753,498
Other taxes and licenses	535,555	-	535,555
Unrestricted intergovernmental	281,090	-	281,090
Restricted intergovernmental revenues	460,993	1,048,375	1,509,368
Investment earnings	7,399	-	7,399
Total revenues	<u>6,038,535</u>	<u>1,048,375</u>	<u>7,086,910</u>
Expenditures:			
Current:			
Public safety	1,898,555	13,460	1,912,015
Education	3,303,558	-	3,303,558
Economic and physical development	281,090	1,076,682	1,357,772
Human services	429,780	-	429,780
Total expenditures	<u>5,912,983</u>	<u>1,090,142</u>	<u>7,003,125</u>
Revenues over (under) expenditures	<u>125,552</u>	<u>(41,767)</u>	<u>83,785</u>
Other Financing Sources (Uses):			
Transfers in	-	1,756,135	1,756,135
Transfers out	(42,084)	(50,000)	(92,084)
Total other financing sources (uses)	<u>(42,084)</u>	<u>1,706,135</u>	<u>1,664,051</u>
Net change in fund balances	83,468	1,664,368	1,747,836
Fund Balances:			
Beginning of year - July 1	<u>338,633</u>	<u>(2,050,895)</u>	<u>(1,712,262)</u>
End of year - June 30	<u>\$ 422,101</u>	<u>\$ (386,527)</u>	<u>\$ 35,574</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 Daniel Street Sewer Expansion Fund - accounts for grant revenues that are specifically restricted for the sewer expansion project.

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

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

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2011

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Assets:				
Cash and cash equivalents	\$ 389,788	\$ 6,736	\$ 16,264	\$ 17,111
Accounts receivable	38,416	10,289	36,749	39,331
Due from other governments	10,086	-	-	-
Taxes receivable, net	-	48,155	123,030	122,308
Total assets	<u>\$ 438,290</u>	<u>\$ 65,180</u>	<u>\$ 176,043</u>	<u>\$ 178,750</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 17,495	\$ 17,025	\$ 53,013	\$ 56,442
Deferred revenues	-	48,155	123,030	122,308
Total liabilities	<u>17,495</u>	<u>65,180</u>	<u>176,043</u>	<u>178,750</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	48,502	10,289	36,749	39,331
Other	372,293	-	-	-
Unassigned	-	(10,289)	(36,749)	(39,331)
Total fund balances	<u>420,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 438,290</u>	<u>\$ 65,180</u>	<u>\$ 176,043</u>	<u>\$ 178,750</u>

Schedule D-1

Roanoke Rapids	<u>Project Budget</u>	
School Assessment Fund	United Salvage Fund	Total
\$ 19,661	\$ 1,306	\$ 450,866
48,601	-	173,386
-	-	10,086
<u>102,091</u>	<u>-</u>	<u>395,584</u>
<u>\$ 170,353</u>	<u>\$ 1,306</u>	<u>\$ 1,029,922</u>
\$ 68,262	\$ -	\$ 212,237
<u>102,091</u>	<u>-</u>	<u>395,584</u>
<u>170,353</u>	<u>-</u>	<u>607,821</u>
48,601	-	183,472
-	1,306	373,599
<u>(48,601)</u>	<u>-</u>	<u>(134,970)</u>
<u>-</u>	<u>1,306</u>	<u>422,101</u>
<u>\$ 170,353</u>	<u>\$ 1,306</u>	<u>\$ 1,029,922</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, 2011

	<u>Emergency Telephone System Fund</u>	<u>Our Community Hospital Center Fund</u>	<u>Weldon School District Fund</u>	<u>Fire District Fund</u>
Revenues:				
Ad valorem taxes	\$ -	\$ 364,511	\$ 1,318,659	\$ 1,325,394
Other taxes and licenses	-	65,269	233,131	237,155
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	460,993	-	-	-
Investment earnings	565	-	-	-
Total revenues	<u>461,558</u>	<u>429,780</u>	<u>1,551,790</u>	<u>1,562,549</u>
Expenditures:				
Public safety	336,006	-	-	1,562,549
Economic and physical development	-	-	-	-
Human services	-	429,780	-	-
Education	-	-	1,551,790	-
Total expenditures	<u>336,006</u>	<u>429,780</u>	<u>1,551,790</u>	<u>1,562,549</u>
Revenues over (under) expenditures	<u>125,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers to General Fund	(38,007)	-	-	-
Transfers to Enterprise Fund	-	-	-	-
Total other financing sources (uses)	<u>(38,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	87,545	-	-	-
Fund Balances:				
Beginning of year - July 1	<u>333,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 420,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule D-2

Roanoke Rapids School Assessment Fund	<i>Project Budget</i>			Total
	Daniel Street Sewer Expansion Fund	CDBG Scattered Site Rehab 2008	United Salvage Fund	
\$ 1,744,934	\$ -	\$ -	\$ -	\$ 4,753,498
-	-	-	-	535,555
-	-	281,090	-	281,090
-	-	-	-	460,993
6,834	-	-	-	7,399
<u>1,751,768</u>	<u>-</u>	<u>281,090</u>	<u>-</u>	<u>6,038,535</u>
-	-	-	-	1,898,555
-	-	281,090	-	281,090
-	-	-	-	429,780
<u>1,751,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,303,558</u>
<u>1,751,768</u>	<u>-</u>	<u>281,090</u>	<u>-</u>	<u>5,912,983</u>
-	-	-	-	125,552
-	-	-	-	(38,007)
-	(4,077)	-	-	(4,077)
-	(4,077)	-	-	(42,084)
-	(4,077)	-	-	83,468
-	4,077	-	1,306	338,633
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$ 422,101</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, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Wireless funding	\$ 421,000	\$ 460,993	\$ 39,993	\$ 460,993
Investment earnings	1,000	565	(435)	1,027
Total revenues	<u>422,000</u>	<u>461,558</u>	<u>39,558</u>	<u>462,020</u>
Expenditures:				
Public safety:				
Operating expenses	383,993	336,006	47,987	301,470
Capital outlay	-	-	-	95,825
Debt service:				
Principal	-	-	-	127,177
Interest	-	-	-	3,027
Total expenditures	<u>383,993</u>	<u>336,006</u>	<u>47,987</u>	<u>527,499</u>
Revenues over (under) expenditures	<u>38,007</u>	<u>125,552</u>	<u>87,545</u>	<u>(65,479)</u>
Other Financing Sources (Uses):				
Transfer (to) from Special Revenue Fund	<u>(38,007)</u>	<u>(38,007)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,007)</u>	<u>(38,007)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>87,545</u>	<u>\$ 87,545</u>	<u>(65,479)</u>
Fund Balance:				
Beginning of year - July 1		<u>333,250</u>		<u>398,729</u>
End of year - June 30		<u>\$ 420,795</u>		<u>\$ 333,250</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, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 368,424	\$ 364,511	\$ (3,913)	\$ 370,731
Local option sales tax	65,269	65,269	-	69,518
Total revenues	<u>433,693</u>	<u>429,780</u>	<u>(3,913)</u>	<u>440,249</u>
Expenditures:				
Human services:				
Our Community Hospital	<u>433,693</u>	<u>429,780</u>	<u>3,913</u>	<u>440,249</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, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,318,659	\$ 1,318,659	\$ -	\$ 1,277,771
Local option sales tax	233,131	233,131	-	244,474
Total revenues	<u>1,551,790</u>	<u>1,551,790</u>	<u>-</u>	<u>1,522,245</u>
Expenditures:				
Education:				
Payments to school district	<u>1,551,790</u>	<u>1,551,790</u>	<u>-</u>	<u>1,522,245</u>
Total expenditures	<u>1,551,790</u>	<u>1,551,790</u>	<u>-</u>	<u>1,522,245</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,338,759	\$ 1,325,394	\$ (13,365)	\$ 1,339,610
Local option sales tax	238,296	237,155	(1,141)	246,952
Total revenues	<u>1,577,055</u>	<u>1,562,549</u>	<u>(14,506)</u>	<u>1,586,562</u>
Expenditures:				
Current:				
Public safety:				
Payments to fire districts	<u>1,577,055</u>	<u>1,562,549</u>	<u>14,506</u>	<u>1,586,562</u>
Total expenditures	<u>1,577,055</u>	<u>1,562,549</u>	<u>14,506</u>	<u>1,586,562</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 ASSESSMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,726,768	\$ 1,744,934	\$ 18,166	\$ 1,774,522
Interest	25,000	6,834	(18,166)	20,823
Total revenues	<u>1,751,768</u>	<u>1,751,768</u>	<u>-</u>	<u>1,795,345</u>
Expenditures:				
Education:				
Payments to school district	<u>1,751,768</u>	<u>1,751,768</u>	<u>-</u>	<u>1,795,345</u>
Total expenditures	<u>1,751,768</u>	<u>1,751,768</u>	<u>-</u>	<u>1,795,345</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

DANIEL STREET SEWER EXPANSION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

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

HALIFAX COUNTY, NORTH CAROLINA

CDBG SCATTERED SITE REHAB 2008 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
CDBG	\$ 400,000	\$ 15,809	\$ 281,090	\$ 296,899	\$ (103,101)
Total revenues	<u>400,000</u>	<u>15,809</u>	<u>281,090</u>	<u>296,899</u>	<u>(103,101)</u>
Expenditures:					
Economic and physical development:					
Administration	47,000	15,809	25,372	41,181	5,819
Rehabilitation	68,900	-	42,799	42,799	26,101
Relocation	284,100	-	212,919	212,919	71,181
Total expenditures	<u>400,000</u>	<u>15,809</u>	<u>281,090</u>	<u>296,899</u>	<u>103,101</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

**UNITED SALVAGE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

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



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NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

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

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

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2011

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Littleton Building Project</u>	<u>Piezotronics Project</u>	<u>Alliance Drive Relocation Project</u>
Assets:				
Cash and cash equivalents	\$ 24,635	\$ 73,058	\$ -	\$ 213,216
Accounts receivable	57,825	-	-	55,866
Due from other governments	-	258	-	1,233
Total assets	<u>\$ 82,460</u>	<u>\$ 73,316</u>	<u>\$ -</u>	<u>\$ 270,315</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 22,769	\$ -	\$ -	\$ -
Due to other funds	-	748,653	1,373,036	266,507
Total liabilities	<u>22,769</u>	<u>748,653</u>	<u>1,373,036</u>	<u>266,507</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	57,825	258	-	57,099
Other	1,866	-	-	-
Committed:				
Economic development	-	-	-	-
Unassigned	-	(675,595)	(1,373,036)	(53,291)
Total fund balances	<u>59,691</u>	<u>(675,337)</u>	<u>(1,373,036)</u>	<u>3,808</u>
Total liabilities and fund balances	<u>\$ 82,460</u>	<u>\$ 73,316</u>	<u>\$ -</u>	<u>\$ 270,315</u>

Schedule E-1

Halifax County Sewer Upgrade Project	Community Corrections Project	Industrial Building	QCSB Roanoke Rapids	QCSB Weldon	Total
\$ -	\$ -	\$ 1,534,350	\$ 124,500	\$ 102,500	\$ 2,072,259
518,560	-	-	-	-	632,251
-	590	-	-	-	2,081
<u>\$ 518,560</u>	<u>\$ 590</u>	<u>\$ 1,534,350</u>	<u>\$ 124,500</u>	<u>\$ 102,500</u>	<u>\$ 2,706,591</u>
\$ 271,333	\$ -	\$ -	\$ -	\$ -	\$ 294,102
183,259	561	-	124,500	102,500	2,799,016
<u>454,592</u>	<u>561</u>	<u>-</u>	<u>124,500</u>	<u>102,500</u>	<u>3,093,118</u>
518,560	590	-	-	-	634,332
-	-	-	-	-	1,866
-	-	1,534,350	-	-	1,534,350
(454,592)	(561)	-	-	-	(2,557,075)
<u>63,968</u>	<u>29</u>	<u>1,534,350</u>	<u>-</u>	<u>-</u>	<u>(386,527)</u>
<u>\$ 518,560</u>	<u>\$ 590</u>	<u>\$ 1,534,350</u>	<u>\$ 124,500</u>	<u>\$ 102,500</u>	<u>\$ 2,706,591</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, 2011

	<u>Annual Budget</u>			
	<u>RPO Peanut Belt Capital Project</u>	<u>Littleton Building Project</u>	<u>Piezotronics Project</u>	<u>Alliance Drive Relocation Project</u>
Revenues:				
Restricted intergovernmental	\$ 100,307	\$ -	\$ -	\$ 89,842
Total revenues	<u>100,307</u>	<u>-</u>	<u>-</u>	<u>89,842</u>
Expenditures:				
Public safety	-	-	-	-
Economic and physical development	<u>95,279</u>	<u>10,437</u>	<u>-</u>	<u>58,819</u>
Total expenditures	<u>95,279</u>	<u>10,437</u>	<u>-</u>	<u>58,819</u>
Revenues over (under) expenditures	<u>5,028</u>	<u>(10,437)</u>	<u>-</u>	<u>31,023</u>
Other Financing Sources (Uses):				
Transfers in:				
General Fund	-	70,120	-	3,145
Enterprise Fund	-	-	-	-
Transfers out:				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>70,120</u>	<u>-</u>	<u>3,145</u>
Net change in fund balances	5,028	59,683	-	34,168
Fund Balances:				
Beginning of year - July 1	<u>54,663</u>	<u>(735,020)</u>	<u>(1,373,036)</u>	<u>(30,360)</u>
End of year - June 30	<u>\$ 59,691</u>	<u>\$ (675,337)</u>	<u>\$ (1,373,036)</u>	<u>\$ 3,808</u>

Schedule E-2

<u>Halifax County Sewer Upgrade Project</u>	<u>Community Corrections Project</u>	<u>Reser's East Coast Expansion Project</u>	<u>Industrial Building</u>	<u>QCSB Roanoke Rapids</u>	<u>QCSB Weldon</u>	<u>Total</u>
\$ 568,560	\$ -	\$ 289,666	\$ -	\$ -	\$ -	\$ 1,048,375
<u>568,560</u>	<u>-</u>	<u>289,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,048,375</u>
-	13,460	-	-	-	-	13,460
<u>566,831</u>	<u>-</u>	<u>289,666</u>	<u>55,650</u>	<u>-</u>	<u>-</u>	<u>1,076,682</u>
<u>566,831</u>	<u>13,460</u>	<u>289,666</u>	<u>55,650</u>	<u>-</u>	<u>-</u>	<u>1,090,142</u>
<u>1,729</u>	<u>(13,460)</u>	<u>-</u>	<u>(55,650)</u>	<u>-</u>	<u>-</u>	<u>(41,767)</u>
-	-	-	1,590,000	-	-	1,663,265
92,870	-	-	-	-	-	92,870
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
<u>42,870</u>	<u>-</u>	<u>-</u>	<u>1,590,000</u>	<u>-</u>	<u>-</u>	<u>1,706,135</u>
44,599	(13,460)	-	1,534,350	-	-	1,664,368
<u>19,369</u>	<u>13,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,050,895)</u>
<u>\$ 63,968</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 1,534,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (386,527)</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, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 104,625	\$ 100,307	\$ (4,318)	\$ 101,483
Expenditures:				
Economic development	104,625	95,279	9,346	98,477
Total expenditures	104,625	95,279	9,346	98,477
Net change in fund balance	\$ -	5,028	\$ 5,028	3,006
Fund Balance:				
Beginning of year - July 1		54,663		51,657
End of year - June 30		\$ 59,691		\$ 54,663

HALIFAX COUNTY, NORTH CAROLINA

LITTLETON BUILDING PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<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	\$ 1,089,279	\$ 513,129	\$ -	\$ 513,129	\$ (576,150)
Miscellaneous revenue	6,425	56,425	-	56,425	50,000
Total revenues	<u>1,095,704</u>	<u>569,554</u>	<u>-</u>	<u>569,554</u>	<u>(526,150)</u>
Expenditures:					
Economic and physical development:					
Construction	<u>1,400,327</u>	<u>1,386,694</u>	<u>10,437</u>	<u>1,397,131</u>	<u>3,196</u>
Total expenditures	<u>1,400,327</u>	<u>1,386,694</u>	<u>10,437</u>	<u>1,397,131</u>	<u>3,196</u>
Other Financing Sources (Uses):					
Transfer from General Fund	82,120	82,120	70,120	152,240	70,120
Appropriated fund balance	<u>222,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,503)</u>
Total other financing sources (uses)	<u>304,623</u>	<u>82,120</u>	<u>70,120</u>	<u>152,240</u>	<u>(152,383)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (735,020)</u>	<u>\$ 59,683</u>	<u>\$ (675,337)</u>	<u>\$ (675,337)</u>

HALIFAX COUNTY, NORTH CAROLINA

QZAB SCHOOL BUILDING PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

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

HALIFAX COUNTY, NORTH CAROLINA

PIEZOTRONICS PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

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

HALIFAX COUNTY, NORTH CAROLINA

ALLIANCE DRIVE RELOCATION PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<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	\$ 303,164	\$ 229,987	\$ 89,842	319,829	\$ 16,665
Total revenues	<u>303,164</u>	<u>229,987</u>	<u>89,842</u>	<u>319,829</u>	<u>16,665</u>
Expenditures:					
Economic and physical development:					
Engineering	-	-	9,598	9,598	(9,598)
Construction	<u>386,924</u>	<u>344,107</u>	<u>49,221</u>	<u>393,328</u>	<u>(6,404)</u>
Total expenditures	<u>386,924</u>	<u>344,107</u>	<u>58,819</u>	<u>402,926</u>	<u>(16,002)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>83,760</u>	<u>83,760</u>	<u>3,145</u>	<u>86,905</u>	<u>3,145</u>
Total other financing sources (uses)	<u>83,760</u>	<u>83,760</u>	<u>3,145</u>	<u>86,905</u>	<u>3,145</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (30,360)</u>	<u>\$ 34,168</u>	<u>\$ 3,808</u>	<u>\$ 3,808</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, 2011

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -
NC Department of Commerce	2,208,344	-	418,239	418,239	(1,790,105)
NC Rural Education	1,814,530	-	100,321	100,321	(1,714,209)
Golden Leaf	400,000	-	-	-	(400,000)
Total revenues	<u>4,472,874</u>	<u>-</u>	<u>568,560</u>	<u>568,560</u>	<u>(3,904,314)</u>
Expenditures:					
Economic and physical development:					
Professional	207,900	-	82,795	82,795	125,105
Engineering	257,170	-	242,232	242,232	14,938
Land	22,500	30,631	-	30,631	(8,131)
Construction	3,843,182	-	226,940	226,940	3,616,242
Administration	69,600	-	14,864	14,864	54,736
Contingency	165,392	-	-	-	165,392
Total expenditures	<u>4,565,744</u>	<u>30,631</u>	<u>566,831</u>	<u>597,462</u>	<u>3,968,282</u>
Other Financing Sources (Uses):					
Transfer to General Fund	-	50,000	(50,000)	-	-
Transfer from Water Fund	92,870	-	92,870	92,870	-
Total other financing sources (uses)	<u>92,870</u>	<u>50,000</u>	<u>42,870</u>	<u>92,870</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,369</u>	<u>\$ 44,599</u>	<u>\$ 63,968</u>	<u>\$ 63,968</u>

HALIFAX COUNTY, NORTH CAROLINA

COMMUNITY CORRECTIONS PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public safety:					
Construction	\$ 87,000	\$ 73,511	\$ 13,460	\$ 86,971	\$ 29
Total expenditures	<u>87,000</u>	<u>73,511</u>	<u>13,460</u>	<u>86,971</u>	<u>29</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>87,000</u>	<u>-</u>
Total other financing sources (uses)	<u>87,000</u>	<u>87,000</u>	<u>-</u>	<u>87,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,489</u>	<u>\$ (13,460)</u>	<u>\$ 29</u>	<u>\$ 29</u>

HALIFAX COUNTY, NORTH CAROLINA

**RESER'S EAST COAST EXPANSION PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Actual</u>				
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>to Date</u>	<u>Over/(Under)</u>
Revenues:					
Restricted intergovernmental	\$ 2,288,770	\$ -	\$ 289,666	\$ 289,666	\$ (1,999,104)
Total revenues	<u>2,288,770</u>	<u>-</u>	<u>289,666</u>	<u>289,666</u>	<u>(1,999,104)</u>
Expenditures:					
Economic and physical development:					
Administration	2,288,770	-	289,666	289,666	1,999,104
Total expenditures	<u>2,288,770</u>	<u>-</u>	<u>289,666</u>	<u>289,666</u>	<u>1,999,104</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

INDUSTRIAL BUILDING PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	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	400	-	-	-	400
Professional services	90,000	-	55,000	55,000	35,000
Equipment	600,000	-	-	-	600,000
Construction	<u>1,499,600</u>	<u>-</u>	<u>650</u>	<u>650</u>	<u>1,498,950</u>
Total expenditures	<u>2,190,000</u>	<u>-</u>	<u>55,650</u>	<u>55,650</u>	<u>2,134,350</u>
Other Financing Sources (Uses):					
Transfers in	<u>1,590,000</u>	<u>-</u>	<u>1,590,000</u>	<u>1,590,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,590,000</u>	<u>-</u>	<u>1,590,000</u>	<u>1,590,000</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,534,350</u>	\$ <u>1,534,350</u>	\$ <u>1,534,350</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, 2011**

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Expenditures:					
Education:					
Professional services	\$ 124,500	\$ -	\$ -	\$ -	\$ 124,500
Total expenditures	<u>124,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,500</u>
Other Financing Sources (Uses):					
Long-term debt issued	124,500	-	-	-	(124,500)
Total other financing sources (uses)	<u>124,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

QCSB WELDON SCHOOL SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Education:					
Professional services	\$ 102,500	\$ -	\$ -	\$ -	\$ 102,500
Total expenditures	<u>102,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,500</u>
Other Financing Sources (Uses):					
Long-term debt issued	<u>102,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,500)</u>
Total other financing sources (uses)	<u>102,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUND

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



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HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011		Variance Over/Under	2010
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Solid waste fees	\$ 3,896,233	\$ 3,351,057	\$ (545,176)	\$ 3,372,410
Electronics management	21,647	21,648	1	-
Other taxes and licenses	77,000	81,674	4,674	78,893
Total operating revenues	<u>3,994,880</u>	<u>3,454,379</u>	<u>(540,501)</u>	<u>3,451,303</u>
Non-operating revenues:				
Interest earned on investments	56,998	8,798	(48,200)	15,399
Total revenues	<u>4,051,878</u>	<u>3,463,177</u>	<u>(588,701)</u>	<u>3,466,702</u>
Expenditures:				
Landfill operations:				
Salaries and benefits	357,548	364,062		342,033
Operating expenses	3,430,972	3,168,339		2,749,957
Repairs and maintenance	83,099	66,310		66,899
Capital outlay	152,761	130,278		109,844
Total landfill operations	<u>4,024,380</u>	<u>3,728,989</u>	<u>295,391</u>	<u>3,268,733</u>
Ash monofill cell:				
Salaries and benefits	43,372	44,138		43,130
Operating expenses	76,279	70,195		33,009
Total Ash monofill cell	<u>119,651</u>	<u>114,333</u>	<u>5,318</u>	<u>76,139</u>
Landfill closure:				
Repairs and maintenance	25,000	-		-
Landfill closure expenditures	156,200	45,360		29,876
Total landfill closure	<u>181,200</u>	<u>45,360</u>	<u>135,840</u>	<u>29,876</u>
Electronics management:				
Operating expenses	16,240	-		-
Capital outlay	5,407	-		-
Total electronics management	<u>21,647</u>	<u>-</u>	<u>21,647</u>	<u>-</u>
Total expenditures	<u>4,346,878</u>	<u>3,888,682</u>	<u>458,196</u>	<u>3,374,748</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, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(295,000)	(425,505)	(130,505)	91,954
Other Financing Sources (Uses):				
General Fund - transfer in	-	-	-	879
Water Fund - transfer out	(192,754)	(192,754)	-	(3,557)
Capital Project Fund - transfer in	-	-	-	750
Appropriated retained earnings	487,754	-	(487,754)	-
Total other financing sources (uses)	295,000	(192,754)	(487,754)	(1,928)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (618,259)	\$ (618,259)	\$ 90,026
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (618,259)		\$ 90,026
Depreciation		(142,186)		(152,104)
Gain (loss) on sale of capital assets		-		(90,686)
Capital outlay		130,278		109,844
Capital contribution from project		-		3,650
Change in post-closure liability estimate		(5,940)		5,575
Change in net assets		\$ (636,107)		\$ (33,695)

HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,076,630	\$ 4,206,006	\$ 129,376	\$ 4,114,599
Sewer sales	176,085	189,139	13,054	175,694
Industrial Center sales	-	-	-	168,641
Tap fees	63,000	54,200	(8,800)	48,973
Penalties and other charges	237,000	213,535	(23,465)	220,653
Miscellaneous	1,782	1,787	5	97,419
Total operating revenues	4,554,497	4,664,667	110,170	4,825,979
Non-operating revenues:				
Interest earned on investments	46,974	6,523	(40,451)	10,509
Total non-operating revenues	46,974	6,523	(40,451)	10,509
Total revenues	4,601,471	4,671,190	69,719	4,836,488
Expenditures:				
Water Department:				
Salaries and employee benefits	673,125	616,970		630,827
Water purchases	1,602,108	1,595,547		1,566,099
Repairs and maintenance	159,782	122,699		85,610
Other operating expenditures	1,183,322	864,200		928,729
Capital outlay	76,000	71,030		22,336
Total water operations	3,694,337	3,270,446	423,891	3,233,601
Treatment plant:				
Salaries and employee benefits	-	-		34,083
Other operating expenditures	-	-		119,150
Total treatment plant operations	-	-	-	153,233
Debt service:				
Debt service principal	348,500	348,500		471,386
Debt service interest	901,625	901,624		724,061
Total debt service	1,250,125	1,250,124	1	1,195,447
Total expenditures	4,944,462	4,520,570	423,892	4,582,281

HALIFAX COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(342,991)	150,620	493,611	254,207
Other Financing Sources (Uses):				
General Fund - transfer in	-	-	-	7,572
General Fund - transfer out	-	-	-	(11,348)
Special Revenue Fund - transfer in	-	4,077	4,077	-
Capital Project Fund - transfer out	(100,000)	(92,870)	7,130	(31,800)
Solid Waste Fund -transfer in	192,754	192,754	-	-
Intrafund transfers	(109,304)	(109,304)	-	(139,927)
Appropriated fund balance	359,541	-	(359,541)	-
Total other financing sources (uses)	342,991	(5,343)	(348,334)	(175,503)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 145,277	\$ 145,277	\$ 78,704
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 145,277		\$ 78,704
Debt principal		348,500		471,386
Capital outlay		71,030		22,336
Interfund transfer out		-		23,450
Intrafund transfer		109,304		139,927
Interest income from water capital projects		952		64,761
Project expense not capitalized		(62)		-
Capital contributions from water capital projects		224,763		335,348
Depreciation		(970,253)		(976,252)
Change in net assets		\$ (70,489)		\$ 159,660

HALIFAX COUNTY, NORTH CAROLINA

WASTEWATER TREATMENT EXPANSION PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental	\$ 900,000	\$ 878,418	\$ 17,683	\$ 896,101
N.C. Rural Economic Development	600,000	499,504	81,233	580,737
Contributions	47,500	47,500	-	47,500
Total revenues	<u>1,547,500</u>	<u>1,425,422</u>	<u>98,916</u>	<u>1,524,338</u>
Expenditures:				
Economic and physical development:				
Administration and professional	44,154	32,550	9,000	41,550
Planning	5,000	5,000	-	5,000
Construction	<u>1,531,696</u>	<u>1,398,763</u>	<u>66,545</u>	<u>1,465,308</u>
Total expenditures	<u>1,580,850</u>	<u>1,436,313</u>	<u>75,545</u>	<u>1,511,858</u>
Other Financing Sources (Uses):				
Intrafund transfer in - General Fund	<u>33,350</u>	<u>33,350</u>	-	<u>33,350</u>
Total other financing sources (uses)	<u>33,350</u>	<u>33,350</u>	-	<u>33,350</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 22,459</u>	<u>\$ 23,371</u>	<u>\$ 45,830</u>

HALIFAX COUNTY, NORTH CAROLINA

PHASE IX WATER CAPITAL PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental	\$ 310,761	\$ 310,761	\$ -	\$ 310,761
NC Rural Economic Development	483,064	351,726	104,422	456,148
Interest earned	2,595	175,178	-	175,178
Total revenues	<u>796,420</u>	<u>837,665</u>	<u>104,422</u>	<u>942,087</u>
Expenditures:				
Economic and physical development:				
Administration and professional	416,339	398,460	-	398,460
Site prep	649,485	327,495	-	327,495
Construction	<u>4,658,012</u>	<u>4,446,756</u>	-	<u>4,446,756</u>
Total expenditures	<u>5,723,836</u>	<u>5,172,711</u>	-	<u>5,172,711</u>
Economic and physical development: Phase IX - A				
Administration and professional	425,783	416,710	-	416,710
Land and right-of-way	20,000	20,000	-	20,000
Construction	2,336,375	2,271,101	-	2,271,101
Contingency	9,560	-	-	-
Debt service:				
Debt service interest	<u>100,000</u>	<u>100,000</u>	-	<u>100,000</u>
Total expenditures	<u>2,891,718</u>	<u>2,807,811</u>	-	<u>2,807,811</u>
Other Financing Sources (Uses):				
Intrafund transfer in - Water Fund	138,075	138,075	-	138,075
Long-term debt issued	5,275,000	5,275,000	-	5,275,000
Long-term debt issued - A	1,525,000	1,525,000	-	1,525,000
Appropriated fund balance	881,059	-	-	-
Total other financing sources (uses)	<u>7,819,134</u>	<u>6,938,075</u>	-	<u>6,938,075</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (204,782)</u>	<u>\$ 104,422</u>	<u>\$ (100,360)</u>

HALIFAX COUNTY, NORTH CAROLINA

**PHASE X WATER CAPITAL PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ -	\$ 952	\$ 952
Total revenues	-	-	952	952
Expenditures:				
Economic and physical development:				
Construction	1,562,208	-	1,413,789	1,413,789
Professional services	35,000	-	4,981	4,981
Engineering	309,683	-	248,284	248,284
Administration	17,560	-	4,258	4,258
Contingency	15,853	-	-	-
Total expenditures	1,940,304	-	1,671,312	1,671,312
Debt service:				
Debt service interest	85,000	-	8,027	8,027
Total debt service	85,000	-	8,027	8,027
Total expenses	2,025,304	-	1,679,339	1,679,339
Other Financing Sources (Uses):				
Intrafund transfer in	109,304	-	109,304	109,304
Long-term debt issued	1,916,000	-	1,916,000	1,916,000
Total other financing sources (uses)	2,025,304	-	2,025,304	2,025,304
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 346,917	\$ 346,917

HALIFAX COUNTY, NORTH CAROLINA

**MEADOWS WASTE WATER
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

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

HALIFAX COUNTY, NORTH CAROLINA

**ENFIELD CONVENIENCE SITE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures:				
Economic and physical development:				
Construction	\$ 197,128	\$ -	\$ 82,852	\$ 82,852
Land	34,391	-	22,000	22,000
Administration	331	-	185	185
Engineering	19,538	-	16,011	16,011
Contingency	5,462	-	-	-
Total expenditures	<u>256,850</u>	<u>-</u>	<u>121,048</u>	<u>121,048</u>
Other Financing Sources (Uses):				
Intrafund transfer - Solid Waste Disposal	<u>256,850</u>	<u>256,850</u>	<u>-</u>	<u>256,850</u>
Total other financing sources (uses)	<u>256,850</u>	<u>256,850</u>	<u>-</u>	<u>256,850</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 256,850</u>	<u>\$ (121,048)</u>	<u>\$ 135,802</u>



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INTERNAL SERVICE FUNDS

Internal Service Funds:

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

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



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HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2011

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 970,265	\$ 364,926	\$ 1,335,191
Accounts receivable, net	<u>1,564</u>	<u>-</u>	<u>1,564</u>
Total assets	<u>971,829</u>	<u>364,926</u>	<u>1,336,755</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	<u>606,055</u>	<u>-</u>	<u>606,055</u>
Net Assets:			
Unrestricted	<u>\$ 365,774</u>	<u>\$ 364,926</u>	<u>\$ 730,700</u>

HALIFAX COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Operating Revenues:				
Charges for services	\$ 3,322,840	\$ 252,667	\$ 3,575,507	\$ 3,604,675
Operating Expenses:				
Unemployment claims	-	40,318	40,318	40,345
Health insurance premiums and administration	3,654,731	-	3,654,731	3,544,412
Total operating expenses	3,654,731	40,318	3,695,049	3,584,757
Operating income (loss)	(331,891)	212,349	(119,542)	19,918
Non-Operating Revenues:				
Investment earnings	1,833	929	2,762	5,120
Income (loss) before operating transfers	(330,058)	213,278	(116,780)	25,038
Transfer in (out) - General Fund	-	(225,000)	(225,000)	(225,000)
Net income (loss)	(330,058)	(11,722)	(341,780)	(199,962)
Net Assets:				
Beginning of year - July 1	695,832	376,648	1,072,480	1,272,442
End of year - June 30	\$ 365,774	\$ 364,926	\$ 730,700	\$ 1,072,480

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2010

	2011			2010
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,322,512	\$ 252,666	\$ 3,575,178	\$ 3,605,373
Cash paid for goods and services	(3,761,485)	(40,318)	(3,801,803)	(3,542,008)
Net cash provided (used) by operating activities	(438,973)	212,348	(226,625)	63,365
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	-	(225,000)	(225,000)	(225,000)
Cash Flows from Investing Activities:				
Interest on investments	1,833	929	2,762	5,120
Net cash provided (used) by investing activities	1,833	929	2,762	5,120
Net increase (decrease) in cash, cash equivalents, and investments	(437,140)	(11,723)	(448,863)	(156,515)
Cash, Cash Equivalents, and Investments:				
Beginning of year - July 1	1,407,405	376,649	1,784,054	1,940,569
End of year - June 30	\$ 970,265	\$ 364,926	\$ 1,335,191	\$ 1,784,054
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (331,891)	\$ 212,349	\$ (119,542)	\$ 19,918
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(328)	(1)	(329)	698
Increase (decrease) in accounts payable	(106,754)	-	(106,754)	42,749
Net cash provided (used) by operating activities	\$ (438,973)	\$ 212,348	\$ (226,625)	\$ 63,365

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, 2011

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 4,050,000	\$ 3,322,840	\$ (727,160)
Operating Expenses:			
Health insurance premiums and administration	4,054,300	3,654,731	399,569
Total operating expenses	<u>4,054,300</u>	<u>3,654,731</u>	<u>399,569</u>
Operating income (loss)	(4,300)	(331,891)	(327,591)
Non-Operating Revenues:			
Investment earnings	<u>4,300</u>	<u>1,833</u>	<u>(2,467)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(330,058)</u>	<u>\$ (330,058)</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net assets		<u>\$ (330,058)</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, 2011

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 596,000	\$ 252,667	\$ (343,333)
Operating Expenses:			
Unemployment claims	372,000	40,318	331,682
Total operating expenses	<u>372,000</u>	<u>40,318</u>	<u>331,682</u>
Operating income (loss)	224,000	212,349	(11,651)
Non-Operating Revenues:			
Investment earnings	<u>1,000</u>	<u>929</u>	<u>(71)</u>
Income (loss) before operating transfers	225,000	213,278	(11,722)
Transfer (in) out - General Fund	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(11,722)</u>	<u>\$ (11,722)</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net assets		<u>\$ (11,722)</u>	



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AGENCY FUNDS

(Fiduciary Fund Types)

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

Agency Funds:

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

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

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

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



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HALIFAX COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 46,798	\$ 42,129	\$ 46,798	\$ 42,129
Liabilities:				
Miscellaneous liabilities	\$ 46,798	\$ 42,129	\$ 46,798	\$ 42,129
Tax Collection Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 242,027	\$ 10,024,587	\$ 10,133,079	\$ 133,534
Taxes receivable, net	783,874	10,114,589	10,070,469	827,994
Total assets	<u>\$ 1,025,901</u>	<u>\$ 20,139,176</u>	<u>\$ 20,203,548</u>	<u>\$ 961,528</u>
Liabilities:				
Miscellaneous liabilities	\$ 242,028	\$ 9,847,781	\$ 9,956,274	\$ 133,534
Intergovernmental payable	783,874	10,113,422	10,069,302	827,994
Total liabilities	<u>\$ 1,025,902</u>	<u>\$ 19,961,203</u>	<u>\$ 20,025,576</u>	<u>\$ 961,528</u>
DMV Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 33,275	\$ 33,275	\$ -
Total assets	<u>\$ -</u>	<u>\$ 33,275</u>	<u>\$ 33,275</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ -	\$ 33,275	\$ 33,275	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 33,275</u>	<u>\$ 33,275</u>	<u>\$ -</u>
ROD Trust Fee:				
Assets:				
Cash and cash equivalents	\$ -	\$ 6,599	\$ 6,154	\$ 445
Total assets	<u>\$ -</u>	<u>\$ 6,599</u>	<u>\$ 6,154</u>	<u>\$ 445</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ -	\$ 6,599	\$ 6,154	\$ 445
Total liabilities	<u>\$ -</u>	<u>\$ 6,599</u>	<u>\$ 6,154</u>	<u>\$ 445</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 288,825	\$ 10,106,590	\$ 10,219,306	\$ 176,108
Taxes receivable, net	783,874	10,114,589	10,070,469	827,994
Total assets	<u>\$ 1,072,699</u>	<u>\$ 20,221,179</u>	<u>\$ 20,289,775</u>	<u>\$ 1,004,102</u>
Liabilities and Fund Balance:				
Liabilities:				
Miscellaneous liabilities	\$ 288,826	\$ 9,889,910	\$ 10,003,072	\$ 175,663
Intergovernmental payable	783,874	10,153,296	10,108,731	828,439
Total liabilities	<u>\$ 1,072,700</u>	<u>\$ 20,043,206</u>	<u>\$ 20,111,803</u>	<u>\$ 1,004,102</u>



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OTHER SCHEDULES

This section contains additional information on property taxes

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



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HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2011

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2009-2010	\$ -	\$ 24,198,486	\$ 23,425,324	\$ 773,162
2008-2009	917,679	-	512,324	405,355
2007-2008	256,251	-	64,266	191,985
2006-2007	192,986	-	26,339	166,647
2005-2006	180,818	-	16,203	164,615
2004-2005	161,739	-	10,339	151,400
2003-2004	140,967	-	7,069	133,898
2002-2003	148,449	-	5,897	142,552
2001-2002	130,885	-	3,916	126,969
2000-2001	107,894	-	4,485	103,410
1999-2000	86,750	-	86,750	-
Total	<u>\$ 2,324,418</u>	<u>\$ 24,198,486</u>	<u>\$ 24,162,912</u>	2,359,993
Motor vehicle taxes receivable for 2011				133,872
Less: allowance for uncollectible ad valorem taxes receivable				<u>(658,228)</u>
Ad valorem taxes, net				<u>\$ 1,835,637</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 24,034,165
Reconciling items:				
Gross receipts tax				(19,033)
Penalties collected on ad valorem taxes - Agency Fund				(177,944)
Amounts written off for tax years per Statute of Limitations				86,750
Abatements and releases				136,518
Refunds				(111,852)
Writeoffs/discounts				218,324
Tax bill adjustments				(8,959)
Miscellaneous adjustments				<u>4,943</u>
Total collections and credits				<u>\$ 24,162,912</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2011

	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	\$ 3,257,762,353	\$ 0.6800	\$ 22,152,784	\$ 22,152,784	\$ -
Motor vehicles taxed at current year's rate	301,715,444	0.6800	2,051,655	-	2,051,655
Penalties	-		25,212	25,212	-
Total original levy	<u>3,559,477,797</u>		<u>24,229,651</u>	<u>22,177,996</u>	<u>2,051,655</u>
Discoveries	<u>4,672,647</u>	0.6800	<u>31,774</u>	<u>31,774</u>	<u>-</u>
Abatements	<u>(9,255,766)</u>	0.6800	<u>(62,939)</u>	<u>(22,757)</u>	<u>(40,182)</u>
Total property valuation	<u>\$ 3,554,894,678</u>				
Net Levy			24,198,486	22,187,013	2,011,473
Uncollected taxes at June 30, 2011			<u>773,162</u>	<u>573,827</u>	<u>199,335</u>
Current Year's Taxes Collected			<u>\$ 23,425,324</u>	<u>\$ 21,613,186</u>	<u>\$ 1,812,138</u>
Current Levy Collection Percentage			<u>96.80%</u>	<u>97.41%</u>	<u>90.09%</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY FOR THE YEAR ENDED JUNE 30, 2011

Secondary Market Disclosure:

Assessed Valuation:

Assessment ratio		96%
Real property	\$	2,659,342,572
Personal property		729,288,429
Public service companies		166,430,768
Total assessed valuation	\$	<u>3,555,061,769</u>
Tax rate per \$100		0.68
Levy (included discoveries, releases and abatements)	\$	<u>24,174,420</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	\$	3,106,614
Fire protection districts		1,331,977
Community hospital		<u>341,483</u>
Total	\$	<u>4,780,074</u>



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STATISTICAL SECTION

(unaudited)

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

Contents

	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	130
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	138
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.	142
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.	145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the County's financial information relates to the services provided and the activities it performs.	147

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,509,024	\$ 15,987,959	\$ 16,324,481	\$ 15,903,882
Restricted	11,130,798	58,992	58,192	89,618
Unrestricted	<u>6,009,922</u>	<u>14,562,807</u>	<u>10,725,835</u>	<u>11,984,749</u>
Total governmental activities net assets	<u>\$ 32,649,744</u>	<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<u>\$ 27,978,249</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 13,581,258	\$ 13,947,296	\$ 12,725,129	\$ 13,264,059
Unrestricted	<u>7,257,654</u>	<u>7,598,212</u>	<u>8,209,572</u>	<u>7,633,787</u>
Total business-type activities net assets	<u>\$ 20,838,912</u>	<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<u>\$ 20,897,846</u>
Primary government				
Invested in capital assets, net of related debt	\$ 29,090,282	\$ 29,935,255	\$ 29,049,610	\$ 29,167,941
Restricted	11,130,798	58,992	58,192	89,618
Unrestricted	<u>13,267,576</u>	<u>22,161,019</u>	<u>18,935,407</u>	<u>19,618,536</u>
Total primary government net assets	<u>\$ 53,488,656</u>	<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>	<u>\$ 48,876,095</u>

Fiscal Year					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 16,542,906	\$ 12,700,784	\$ 12,337,967	\$ 11,821,605	\$ 11,047,317	N/A
89,618	57,658	1,195,232	69,412	62,160	
<u>12,708,171</u>	<u>24,037,834</u>	<u>17,409,976</u>	<u>18,630,429</u>	<u>11,766,246</u>	
<u>\$ 29,340,695</u>	<u>\$ 36,796,276</u>	<u>\$ 30,943,175</u>	<u>\$ 30,521,446</u>	<u>\$ 22,875,723</u>	
\$ 14,421,955	\$ 14,537,104	\$ 14,805,053	\$ 15,256,490	\$ 14,514,682	
5,758,236	3,648,978	2,516,250	3,103,225	3,104,712	
<u>\$ 20,180,191</u>	<u>\$ 18,186,082</u>	<u>\$ 17,321,303</u>	<u>\$ 18,359,715</u>	<u>\$ 17,619,394</u>	
\$ 30,964,861	\$ 27,237,888	\$ 27,143,020	\$ 27,078,095	\$ 25,561,999	
89,618	57,658	1,195,232	69,412	62,160	
<u>18,466,407</u>	<u>27,686,812</u>	<u>19,926,226</u>	<u>21,733,654</u>	<u>14,870,958</u>	
<u>\$ 49,520,886</u>	<u>\$ 54,982,358</u>	<u>\$ 48,264,478</u>	<u>\$ 48,881,161</u>	<u>\$ 40,495,117</u>	

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses				
Governmental activities:				
General government	\$ 10,435,130	\$ 9,781,235	\$ 11,094,199	\$ 8,844,192
Public safety	12,274,234	11,872,036	12,291,389	12,153,355
Economic & physical development	1,757,528	1,648,548	1,156,054	780,355
Human Services	22,082,009	21,431,637	25,268,365	25,764,084
Cultural & Recreational	539,435	528,298	578,152	554,833
Education	11,696,274	11,920,920	12,159,112	16,571,006
Interest & Fees	396,649	460,169	532,773	579,473
Total governmental activities expenses	<u>\$ 59,181,259</u>	<u>\$ 57,642,843</u>	<u>\$ 63,080,044</u>	<u>\$ 65,247,298</u>
Business-type activities:				
Water & Sewer	\$ 5,071,355	\$ 5,064,811	\$ 5,787,146	\$ 6,486,493
Landfill/Solid Waste	3,906,530	3,465,856	3,210,966	2,445,520
Total business-type activities	<u>\$ 8,977,885</u>	<u>\$ 8,530,667</u>	<u>\$ 8,998,112</u>	<u>\$ 8,932,013</u>
Total primary governmental expenses	<u>\$ 68,159,144</u>	<u>\$ 66,173,510</u>	<u>\$ 72,078,156</u>	<u>\$ 74,179,311</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,787,711	\$ 2,695,952	\$ 2,301,996	\$ 2,412,155
Public Safety	3,584,112	2,413,056	3,152,842	2,407,032
Economic and physical development	-	-	-	7,144
Human Services	143,102	40,693	19,664	116,303
Cultural and recreation	26,895	5,992	4,514	-
Operating grants and contributions	17,744,622	18,458,663	19,390,471	18,592,406
Capital grants and contributions	1,018,199	1,371,293	640,654	930,192
Total governmental activities program revenues	<u>\$ 25,304,641</u>	<u>\$ 24,985,649</u>	<u>\$ 25,510,141</u>	<u>\$ 24,465,232</u>
Business-type activities:				
Charges of services:				
Water and sewer	\$ 4,664,667	\$ 4,825,979	\$ 5,389,856	\$ 5,868,898
Solid waste	3,372,705	3,194,215	3,129,176	3,059,677
Operating grants and contributions	-	-	-	-
Capital grants and contributions	224,763	1,021,862	252,287	358,948
Total business-type activities program revenues	<u>\$ 8,262,135</u>	<u>\$ 9,042,056</u>	<u>\$ 8,771,319</u>	<u>\$ 9,287,523</u>
Total primary governmental program revenues	<u>\$ 33,566,776</u>	<u>\$ 34,027,705</u>	<u>\$ 34,281,460</u>	<u>\$ 33,752,755</u>
Net (Expense)/Revenue				
Governmental activities	\$ (33,876,618)	\$ (32,657,194)	\$ (37,569,903)	\$ (40,782,066)
Business-type activities	(715,750)	511,389	(226,793)	355,510
Total primary government net expense	<u>\$ (34,592,368)</u>	<u>\$ (32,145,805)</u>	<u>\$ (37,796,696)</u>	<u>\$ (40,426,556)</u>

Fiscal Year					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 9,365,516	\$ 10,211,044	\$ 7,698,532	\$ 7,116,623	\$ 8,500,178	N/A
9,859,448	10,052,711	8,890,593	8,403,482	8,748,991	
1,671,471	1,147,987	453,428	1,184,197	1,550,913	
26,121,156	25,931,106	31,319,162	33,319,002	32,018,419	
442,423	401,453	466,682	462,043	497,013	
23,973,376	14,876,729	10,210,577	9,627,621	30,559,332	
637,840	338,167	371,056	437,614	499,731	
<u>\$ 72,071,230</u>	<u>\$ 62,959,197</u>	<u>\$ 59,410,030</u>	<u>\$ 60,550,582</u>	<u>\$ 82,374,577</u>	
\$ 4,990,957	\$ 5,322,080	\$ 6,428,356	\$ 4,982,173	\$ 4,270,730	
2,248,862	1,940,213	2,248,419	2,158,409	2,654,305	
<u>\$ 7,239,819</u>	<u>7,262,293</u>	<u>8,676,775</u>	<u>7,140,582</u>	<u>6,925,035</u>	
<u>\$ 79,311,049</u>	<u>\$ 70,221,490</u>	<u>\$ 68,086,805</u>	<u>\$ 67,691,164</u>	<u>\$ 89,299,612</u>	
\$ 2,991,008	\$ 1,549,543	\$ 964,228	\$ 919,984	\$ 1,674,934	
2,480,344	2,429,014	2,044,812	1,723,913	1,715,687	
14,992	463,496	128,997	396,142	99,088	
20,841	6,129	355,558	3,048,181	1,411,696	
-	36,043	37,480	36,703	8,615	
18,407,546	16,108,612	21,147,425	26,011,802	25,386,448	
-	1,388,553	250,321	2,178,862	22,119,207	
<u>\$ 23,914,731</u>	<u>\$ 21,981,390</u>	<u>\$ 24,928,821</u>	<u>\$ 34,315,587</u>	<u>\$ 52,415,675</u>	
\$ 5,230,740	\$ 4,944,059	\$ 4,937,390	\$ 4,406,902	\$ 4,180,452	
2,865,798	2,686,642	2,459,691	2,903,549	3,169,971	
18,502	18,502	18,502	521,662	332,987	
545,569	231,401	171,509	171,211	1,076,079	
<u>\$ 8,660,609</u>	<u>\$ 7,880,604</u>	<u>\$ 7,587,092</u>	<u>\$ 8,003,324</u>	<u>\$ 8,759,489</u>	
<u>\$ 32,575,340</u>	<u>\$ 29,861,994</u>	<u>\$ 32,515,913</u>	<u>\$ 42,318,911</u>	<u>\$ 61,175,164</u>	
\$(48,156,499)	\$(40,977,807)	\$(34,481,209)	\$(26,234,995)	\$(29,958,902)	
1,420,790	618,311	(1,089,683)	862,742	1,834,454	
<u>\$(46,735,709)</u>	<u>\$(40,359,496)</u>	<u>\$(35,570,892)</u>	<u>\$(25,372,253)</u>	<u>\$(28,124,448)</u>	

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Ad valorem taxes	\$ 28,853,192	\$ 29,073,973	\$ 27,031,921	\$ 26,283,349
Local option sales tax	6,544,483	6,765,382	9,017,316	11,147,940
Other taxes	124,282	131,484	138,512	489,499
Interest earned on investments	99,372	109,491	436,090	1,350,134
Miscellaneous	206,482	72,410	107,007	-
Transfers	88,793	5,704	(30,684)	148,698
Total governmental activities	<u>\$ 35,916,604</u>	<u>\$ 36,158,444</u>	<u>\$ 36,700,162</u>	<u>\$ 39,419,620</u>
Business-type activities:				
Other Taxes	\$ -	\$ -	\$ -	\$ 83,899
Privilege Tax	81,674	78,893	76,003	-
Interest	16,273	26,229	156,961	426,944
Miscellaneous	-	-	-	-
Transfers	(88,793)	(5,704)	30,684	(148,698)
Total business-type activities	<u>\$ 9,154</u>	<u>\$ 99,418</u>	<u>\$ 263,648</u>	<u>\$ 362,145</u>
Total primary government	<u>\$ 35,925,758</u>	<u>\$ 36,257,862</u>	<u>\$ 36,963,810</u>	<u>\$ 39,781,765</u>
Change in Net Assets				
Governmental activities	\$ 2,039,986	\$ 3,501,250	\$ (869,741)	\$ (1,362,446)
Business-type activities	(706,596)	610,807	36,855	717,655
Total primary government	<u>\$ 1,333,390</u>	<u>\$ 4,112,057</u>	<u>\$ (832,886)</u>	<u>\$ (644,791)</u>

Fiscal Year					
<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 26,892,818	\$ 33,794,125	\$ 24,190,324	\$ 24,978,410	\$ 24,245,261	
11,224,258	10,358,468	9,779,111	-	7,386,075	
162,525	168,945	148,923	8,245,592	698,397	
2,424,199	1,619,907	515,500	195,877	215,279	
-	773,508	91,582	279,117	350,425	
(2,882)	115,955	177,498	181,722	606,300	
<u>\$ 40,700,918</u>	<u>\$ 46,830,908</u>	<u>\$ 34,902,938</u>	<u>\$ 33,880,718</u>	<u>\$ 33,501,737</u>	
\$ 84,494	\$ 80,029	\$ 77,403	\$ -	\$ 75,854	
-	-	-	-	-	
485,943	282,394	151,366	59,301	-	
-	-	-	-	86,686	
2,882	(115,955)	(177,498)	(181,722)	(606,300)	
<u>\$ 573,319</u>	<u>\$ 246,468</u>	<u>\$ 51,271</u>	<u>\$ (122,421)</u>	<u>\$ (443,760)</u>	
<u>\$ 41,274,237</u>	<u>\$ 47,077,376</u>	<u>\$ 34,954,209</u>	<u>\$ 33,758,297</u>	<u>\$ 33,057,977</u>	
\$ (7,455,581)	\$ 5,853,101	\$ 421,729	\$ 7,645,723	\$ 3,542,835	
1,994,109	864,779	(1,038,412)	740,321	1,390,694	
<u>\$ (5,461,472)</u>	<u>\$ 6,717,880</u>	<u>\$ (616,683)</u>	<u>\$ 8,386,044</u>	<u>\$ 4,933,529</u>	

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Reserved	N/A	\$ 7,830,230	\$ 7,092,581	\$ 6,680,731	\$ 6,724,983	\$ 5,974,150	\$ 6,243,358	\$ 5,132,647	\$ 4,707,492	\$ 3,696,639
Unreserved	N/A	24,021,981	22,939,596	24,385,840	25,854,498	26,288,682	17,161,395	17,054,721	11,903,256	9,169,376
Nonspendable	\$ 118,618	-	-	-	-	-	-	-	-	-
Restricted	9,937,529	-	-	-	-	-	-	-	-	-
Committed	987,513	-	-	-	-	-	-	-	-	-
Assigned	3,941,401	-	-	-	-	-	-	-	-	-
Unassigned	17,589,602	-	-	-	-	-	-	-	-	-
Total General Fund	\$32,574,663	\$31,852,211	\$30,032,177	\$31,066,571	\$32,579,481	\$32,262,832	\$23,404,753	\$22,187,368	\$16,610,748	\$12,866,015
All other governmental funds										
Reserved	N/A	\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178	\$ 141,383	\$ 1,237,302	\$ 105,133	\$ 191,849	\$ 64,064
Unreserved, reported in:										
Undesignated	N/A	-	-	-	-	-	-	-	1,049,043	-
Special revenue funds	N/A	1,281,807	1,136,906	1,102,165	1,253,991	889,988	747,510	604,959	-	616,573
Capital projects funds	N/A	(2,081,881)	(2,514,505)	(1,731,444)	281,507	17,303,300	(2,046,725)	(367,556)	-	356,155
Permanent funds	N/A	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	\$ 1,193,269	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,534,350	-	-	-	-	-	-	-	-	-
Unassigned	(2,692,045)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 35,574	\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676	\$ 18,334,671	\$ (61,913)	\$ 342,536	\$ 1,240,892	\$ 1,036,792

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Ad valorem taxes	\$ 28,787,663	\$ 29,025,295	\$ 26,929,709	\$ 26,645,328	\$ 26,716,334	\$ 36,241,776	\$ 24,620,028	\$ 24,712,501	\$ 23,128,184	\$ 22,623,891
Other taxes and licenses	6,668,765	6,896,866	9,155,828	11,637,439	11,386,783	10,527,413	9,928,034	9,025,985	8,085,268	7,330,520
Unrestricted intergovernmental revenues	727,980	483,341	567,941	561,175	630,484	601,198	599,277	736,658	598,729	1,463,745
Restricted intergovernmental revenues	18,977,893	19,473,535	18,847,756	19,029,117	18,336,126	17,118,271	20,933,170	27,418,069	48,613,883	48,582,627
Permits and fees	1,148,751	1,239,839	1,089,818	1,132,806	1,416,031	1,135,397	978,380	928,470	904,132	1,068,491
Sales and services	4,328,128	3,063,410	3,968,594	3,043,037	3,060,770	2,653,994	2,088,402	2,212,529	1,886,638	1,456,930
Investment earnings	96,610	104,371	407,156	1,284,516	2,339,579	1,539,551	473,766	180,274	196,359	259,724
Miscellaneous	206,482	799,583	742,245	649,621	457,060	1,152,402	280,069	279,118	141,712	80,129
Total revenues	\$ 60,942,272	\$ 61,086,240	\$ 61,709,047	\$ 63,983,039	\$ 64,343,167	\$ 70,970,002	\$ 59,901,126	\$ 65,493,604	\$ 83,554,905	\$ 82,886,057
Expenditures										
General government	\$ 6,603,840	\$ 6,400,525	\$ 7,749,605	\$ 6,571,683	\$ 6,619,523	\$ 10,390,233	\$ 5,563,541	\$ 4,806,691	\$ 4,250,654	\$ 2,844,471
Public safety	12,713,337	12,175,394	13,164,754	12,574,099	10,710,355	10,749,615	9,503,518	9,179,172	8,462,156	8,338,349
Economic and physical development	2,455,450	1,711,764	1,435,942	853,024	4,636,172	2,445,266	2,700,184	1,228,992	1,541,645	4,119,589
Human services	22,849,271	23,011,327	25,982,318	27,133,595	31,258,022	28,144,753	31,390,826	34,381,379	32,945,803	31,493,242
Cultural and recreational	596,275	584,198	612,437	595,436	543,258	492,024	537,581	591,072	475,916	474,241
Education	11,696,274	11,920,920	11,744,244	16,571,006	23,973,376	14,876,729	10,210,577	9,627,621	30,559,332	31,165,031
Capital outlay	-	-	-	1,822,427	-	-	-	-	459,511	589,976
Debt service										
Principal	2,460,612	2,669,450	2,624,133	2,689,537	2,522,662	1,413,080	1,309,238	1,232,459	1,117,624	1,061,924
Interest	396,649	460,168	532,773	579,473	637,841	338,167	370,845	437,614	499,731	589,898
Total expenditures	\$ 59,771,708	\$ 58,933,746	\$ 63,846,206	\$ 69,390,280	\$ 80,901,209	\$ 68,849,867	\$ 61,586,310	\$ 61,485,000	\$ 80,312,372	\$ 80,676,721
Excess of revenues over (under) expenditures	\$ 1,170,564	\$ 2,152,494	\$ (2,137,159)	\$ (5,407,241)	\$ (16,558,042)	\$ 2,120,135	\$ (1,685,184)	\$ 4,008,604	\$ 3,242,533	\$ 2,209,336
Other financing sources (uses)										
Intrafund transfers in (out)										
Transfers in-	2,069,142	660,665	887,783	\$ 1,016,154	\$ 1,029,132	\$ 986,216	\$ 1,324,865	\$ 1,049,883	\$ 1,619,874	\$ 2,036,779
Transfers out-	(1,755,349)	(429,961)	(693,467)	(642,456)	(807,014)	(645,261)	(1,047,367)	(768,161)	(913,574)	(201,481)
Sale of capital assets	-	-	-	-	-	20,310	-	20,310	-	-
Installment purchase obligations issued	-	-	-	950,796	506,692	24,793,574	2,220,622	466,362	-	-
Advance refunding payment	-	-	-	-	-	(98,734)	-	-	-	-
Operating transfers (to) from component unit	-	-	-	-	-	-	-	-	-	(147,209)
Origination fees	-	-	-	-	-	-	-	-	-	(47,550)
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	47,550
Total other financing sources (uses)	\$ 313,793	\$ 230,704	\$ 194,316	\$ 1,324,494	\$ 728,810	\$ 25,134,529	\$ 2,498,120	\$ 669,660	\$ 706,300	\$ 1,688,089
Net change in fund balances	\$ 1,484,357	\$ 2,383,198	\$ (1,942,843)	\$ (4,082,747)	\$ (15,829,232)	\$ 27,254,664	\$ 812,936	\$ 4,678,264.00	\$ 3,948,833	\$ 3,897,425
Debt services as a percentage of noncapital expenditures	4.78%	5.31%	4.91%	4.71%	3.91%	2.54%	2.73%	2.72%	2.03%	2.06%

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				
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
2003	\$ 1,767,573,095	\$ 117,756,245	\$	760,589,347	\$2,645,918,687	\$ 0.8650
2002	\$ 1,737,632,028	\$ 122,231,783	\$	762,292,369	\$2,622,156,180	\$ 0.7850

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
County Direct Rates										
Halifax	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.8650	\$ 0.7850
City Rates										
Roanoke Rapids	0.6240	0.6240	0.6240	0.5790	0.5790	0.4990	0.4990	0.4990	0.5090	0.5090
Enfield	0.7500	0.7500	0.7500	0.7500	0.7500	0.7000	0.7000	0.7000	0.6500	0.6000
Halifax	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000
Scotland Neck	0.6400	0.6400	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Hobgood	0.5700	0.5700	0.5700	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
Littleton	0.6500	0.6500	0.6100	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
Weldon	0.6600	0.6800	0.7500	0.7500	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	-	-	-	-	-	-	-
Fire Districts										
Rheasville	0.0700	0.0700	0.0700	0.0563	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600
Davie	0.0900	0.0900	0.0900	0.0720	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Darlington	0.0900	0.0900	0.0900	0.0672	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Thelma	-	-	-	-	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Littleton	0.0460	0.0460	0.0460	0.3300	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Brinkleyville	-	-	-	-	-	-	-	-	0.0700	0.0700
Arcola	0.0700	0.0700	0.0700	0.5520	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Enfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600
Halifax	0.0726	0.0726	0.0726	0.0626	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Hobgood	0.0719	0.0719	0.0719	0.0719	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Scotland Neck	0.0700	0.0649	0.0649	0.0649	0.0600	0.0600	0.0600	0.0600	0.0500	0.0500
Weldon	0.0845	0.0845	0.0845	0.0845	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Tillery	0.0500	0.0500	0.0500	0.0488	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Hospital District										
Our Community Hospital	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Emergency Medical Services District										
Halifax Emergency Medical Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: State Department of Revenue, Bureau of Property Tax

Schedule 7
Halifax County, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago

		<u>2011</u>		<u>2002</u>		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Westmoreland LG & E	\$ 132,773,608	1	27.71%	\$ 144,480,742	1	31.13%
Kapstone Kraft Paper Corp	115,607,113	2	24.13%	102,086,111	2	22.00%
Dominion-Virginia Power	89,917,223	3	18.77%	58,680,622	3	12.64%
Reser's Fine Food, Inc	32,924,777	4	6.87%	49,451,987	4	10.66%
CSX Transportation	23,509,637	5	4.91%	30,141,450	5	6.49%
Carolina Tel & Tel Company	20,109,678	6	4.20%	17,030,292	6	3.67%
Halifax EMC	18,637,360	7	3.89%	19,374,333	7	4.17%
Kennametal Inc	17,235,234	8	3.60%	14,768,141	8	3.18%
Safelite Glass Corp	14,944,424	9	3.12%	15,788,182	9	3.40%
RAE-ME North Carolina LLC	13,462,313	10	2.81%	12,301,453	10	2.65%
Totals	\$ 479,121,367		100.00%	\$ 464,103,313		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	Adjustments	Total	Collected within the		Collections in	Total Collections to Date	
				Fiscal Year of the Levy	Percentage of			Subsequent Years
	(Original Levy)		Adjusted Levy	Amount	Original Levy	Subsequent Years	Amount	Adjusted Levy
2011	24,229,651	(31,165.00)	24,198,486	23,425,324	96.68%	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%
2003	24,381,740	864,028	25,245,768	20,176,923	82.75%	920,512	21,085,163	83.52%
2002	20,195,072	472,592	20,667,664	19,852,494	98.30%	815,170	20,565,091	99.50%

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	Less: Amounts Restricted to Repaying Principal					
			Principal	Total				
2011	22,629,000	(22,629,000)	-	-	2.3%	0.64%	416.85	
2010	21,061,500	(21,061,500)	-	-	2.2%	0.59%	381.74	
2009	14,595,000	(14,595,000)	-	-	1.5%	0.42%	266.90	
2008	14,918,000	(14,918,000)	-	-	1.2%	0.42%	269.51	
2007	15,230,500	(15,230,500)	-	-	1.2%	0.54%	264.76	
2006	15,532,000	(15,532,000)	-	-	N/A	0.57%	N/A	
2005	15,824,000	(15,824,000)	-	-	1.4%	0.59%	280.85	
2004	15,975,000	(15,975,000)	-	-	1.4%	0.61%	280.52	
2003	8,818,000	(8,818,000)	-	-	1.1%	0.33%	153.70	
2002	8,939,000	(8,939,000)	-	-	0.8%	0.34%	155.21	

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, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Halifax County	\$ 22,629,000	100%	\$ -
Underlying:			
Enfield	2,246,000	100	-
Halifax	-	100	-
Littleton	285,500	100	-
Roanoke Rapids	-	100	-
Scotland Neck	370,000	100	-
Weldon	453,000	100	-
Total	\$ 25,983,500		\$ -

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

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

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Assessed Value of Property	\$ 3,555,062	\$ 3,560,881	\$ 3,516,016	\$ 3,516,148	\$ 2,821,568	\$ 2,794,125	\$ 2,698,170	\$ 2,635,976	\$ 3,216,021	
Debt limit, 8% of Assessed Value (Statutory Limitation)	\$ 284,405	\$ 284,870	\$ 281,281	\$ 281,292	\$ 225,725	\$ 223,530	\$ 215,854	\$ 210,878	\$ 257,282	
Amount of Debt Applicable to Limit	<u>284,405</u>	<u>284,870</u>	<u>281,281</u>	<u>281,292</u>	<u>225,725</u>	<u>223,530</u>	<u>215,854</u>	<u>210,878</u>	<u>257,282</u>	
General Obligation Bonds	22,629	21,062	14,595	14,918	15,230	15,532	15,824	15,975	8,818	
Less: Resources Restricted to Paying Principal	(22,629)	(21,062)	(14,595)	(14,918)	(15,230)	(15,532)	(15,824)	(15,975)	(8,818)	
Installment purchase contracts**	21,906	24,324	26,943	29,683	31,558	34,244	11,034	9,464	10,309	
Total net debt applicable to limit	<u>21,906</u>	<u>24,324</u>	<u>26,943</u>	<u>29,683</u>	<u>31,558</u>	<u>34,244</u>	<u>11,034</u>	<u>9,464</u>	<u>10,309</u>	
Legal debt margin	<u>\$ 262,499</u>	<u>\$ 260,546</u>	<u>\$ 254,338</u>	<u>\$ 251,609</u>	<u>\$ 194,167</u>	<u>\$ 189,286</u>	<u>\$ 204,820</u>	<u>\$ 201,414</u>	<u>\$ 246,973</u>	
Total net debt applicable to the limit as a percentage of debt limit	7.70%	8.54%	9.58%	10.55%	13.98%	15.32%	5.11%	4.49%	4.01%	

**Installment Debt includes COPS, QZAB and
Installment Purchases

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

Schedule 12
 Halifax County, North Carolina
 Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2011	54,286	970,959	17,886	8,455	13.7%
2010	55,173	969,555	17,573	7,807	12.6%
2009	54,684	977,641	17,878	8,161	14.6%
2008	55,352	1,290,477	23,314	10,800	8.6%
2007	57,523	1,341,091	23,314	8,476	7.3%
2006	56,172	N/A	N/A	8,718	7.0%
2005	56,344	1,144,515	20,313	9,585	8.4%
2004	56,947	1,150,158	20,197	9,585	9.9%
2003	57,370	792,279	13,810	9,895	0.1%
2002	57,594	1,115,998	19,377	10,062	11.3%

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

Employer	<u>2011</u>			<u>2002</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	859	1	15.03%	880	2	15.08%
Halifax County Schools	700	2	12.24%	900	1	15.42%
County of Halifax	535	3	9.36%	776	3	13.30%
KapStone	485	4	8.48%	554	4	9.49%
Roanoke Rapids City Schools	389	5	6.80%	453	5	7.76%
Walmart	300	6	5.25%	198	9	3.39%
Safelite (Belron USA)	291	8	5.09%	300	6	5.14%
AAA Carolinas	298	7	5.21%	120	16	2.06%
Halifax Community College	250	9	4.37%	160	12	2.74%
New Dixie Oil	244	11	4.27%	150	14	2.57%
Reser's Fine Foods	250	10	4.37%	110	18	1.89%
Weldon City Schools	199	12	3.48%	200	8	3.43%
Patch Rubber	175	13	3.06%	185	10	3.17%
Halifax Linen Service	155	15	2.71%	120	17	2.06%
Kennametal	130	18	2.27%	150	15	2.57%
Coastal Lumber Company	0	19	0.00%	172	11	2.95%
City of Roanoke Rapids	133	17	2.33%	157	13	2.69%
PCB Piezotronics	174	14	3.04%	0	19	0.00%
Flambeau Airmold	150	16	2.62%	250	7	4.28%
			0.00%			
Total	<u>5,717</u>		<u>100.00%</u>	<u>5,835</u>		<u>100.00%</u>

Source: State Department of Commerce.

Schedule 14
 Halifax County, North Carolina
 Full-time-Equivalent County Government Employees by Function
 Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Justice and law enforcement	91	88	88	73	75	74	72	72	65	69
Health and human services	263	263	283	288	300	287	300	324	388	493
Environment, parks, and education	5	6	12	3	5	5	4	4	4	4
Public works	20	20	24	24	26	24	24	24	22	22
General government	152	162	163	168	174	167	150	183	170	145
Total	531	539	570	556	580	557	550	607	649	733

Source: County Budget Office.

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

Function	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Sheriff										
Volume of calls	38,489	28,006	38,257	38,620	35,010	32,749	35,028	31,026	25,873	27,826
Incident reports filed	2,706	2,069	3,188	2,835	2,229	2,630	2,750	N/A	N/A	N/A
EMS										
Volume of calls	12,553	12,339	12,076	11,290	11,041	10,262	10,086	9,866	9,598	9,098
Response time (in minutes)	2.1	8	8.43	8.63	8.31	8.40	8.39	8.60	8.00	8.30
Transports	9,100	9,030	8,917	8,422	8,006	10,224	9,428	9,298	8,961	N/A
Water										
New connections	111	85	191	233	168	171	158	195	284	734
Water mains breaks	2	21	10	9	10	N/A	N/A	N/A	N/A	N/A
Average daily consumption (thousands of gallons)	2,136,173	2,565,640	1,938,500	2,034,000	2,223,725	2,500,000	N/A	N/A	N/A	N/A

Sources: Various government departments.

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

N/A-NOT AVAILABLE

*N/A-EMS BECAME A COUNTY ENTITY ON 11/1/00

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

Function	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</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	20	20	19	19	19	19	19	19	19	19
Water										
Water mains (miles)	565.60	540.50	520.50	506.54	449.84	443.84	N/A	N/A	N/A	N/A
Fire hydrants	1,615	1,550	1,502	1,452	1,338	1,332	N/A	N/A	N/A	N/A
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	4,050,000	2,825,000	2,825,000	N/A	N/A	N/A	N/A
Sewer										
Sanitary sewers (miles)	10	10	10	10	10	10	N/A	N/A	N/A	N/A

Sources: Various county departments.

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

N/A-NOT AVAILABLE



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HALIFAX COUNTY NORTH CAROLINA



COMPLIANCE LETTERS

**For the Fiscal Year Ended
June 30, 2011**

**HALIFAX COUNTY
NORTH CAROLINA**

COMPLIANCE LETTERS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

HALIFAX COUNTY, NORTH CAROLINA

COMPLIANCE LETTERS FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

To the Board of Commissioners
Halifax County, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2011, not presented here, which collectively comprise Halifax County's basic financial statements, and have issued our report thereon dated November 4, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Halifax County ABC Board were not audited in accordance with *Government Auditing Standards*. Another auditor audited the financial statements of Halifax County ABC Board, as described in our report on Halifax County's financial statements.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Halifax County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2011-1.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Halifax County's response and accordingly, we express no opinion on it.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 4, 2011

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

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

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

To the Board of Commissioners
Halifax County, North Carolina

Compliance

We have audited the compliance of Halifax County, North Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Halifax County's major federal programs for the year ended June 30, 2011. Halifax County's major Federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Halifax County's management. Our responsibility is to express an opinion on Halifax County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Halifax County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Halifax County's compliance with those requirements.

In our opinion, Halifax County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Halifax County's internal control over compliance with requirements that could have a direct and material effect on a major Federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County as of and for the year ended June 30, 2011, which collectively comprise Halifax County's basic financial statements and have issued our report thereon dated November 4, 2011 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of Halifax County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Halifax County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Halifax County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 4, 2011

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

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

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

To the Board of Commissioners
Halifax County, North Carolina

Compliance

We have audited Halifax County, North Carolina's compliance with the types of compliance requirements described in applicable sections of the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Halifax County's major State programs for the year ended June 30, 2011. Halifax County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Halifax County's management. Our responsibility is to express an opinion on Halifax County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Halifax County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Halifax County's compliance with those requirements.

In our opinion, Halifax County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Halifax County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Halifax County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County as of and for the year ended June 30, 2011, which collectively comprise Halifax County's basic financial statements and have issued our report thereon dated November 4, 2011 which contained an unqualified opinion on those financial statements. We did not audit the financial statements of Halifax County ABC Board. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Halifax County ABC Board, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Halifax County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
November 4, 2011

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted Yes

Federal Awards

Internal control over major federal programs:

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

Non-compliance material to federal awards No

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

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

Identification of major federal programs:

<u>Federal Program/Cluster Name</u>	<u>CFDA#</u>
Medicaid Cluster	93.778
Childcare Development Fund Cluster	93.575, 93.596, 93.713
Foster Care	93.658
IV-E Adopt Subsidy & Vendor-Direct Benefit payments	93.659

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

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

Dollar threshold used to distinguish between
Type A and Type B Programs \$2,466,462

Auditee qualified as low-risk auditee? No

State Awards

Internal control over major State programs:

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

Non-compliance material to State awards No

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

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act No

Identification of major State programs:

Program Name:

Medical Assistance Program
Foster Care and Adoption Cluster
Subsidized Childcare Cluster
Industrial Development Fund-Halifax
County Corporate Park

HALIFAX COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Section II - Financial Statements Findings

Finding 2011-01 Deficit Fund Equity

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

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

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

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

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

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

Views of Responsible Officials and Planned Corrective Actions: The County will re-evaluate the current recording of the projects in question. The General Fund loaned funds to the respective economic development projects anticipating reimbursement from grant funding. The appropriate action will be taken during fiscal year 2012 to address any deficit revenues. These are grants authorized from State funding-sources, building rent and job creation which have not been received to-date.

Section III - Federal Award Findings and Questioned Costs

N/A

Section IV - State Award Findings and Questioned Costs

N/A

HALIFAX COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

None reported

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2011**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
FEDERAL ASSISTANCE			
<u>U. S. Dept. of Health and Human Services</u>			
Passed through the NC Department of Health and Human Services:			
Division of Social Services:			
Administration:			
Low-Income Home Energy Assistance Block Grant			
Administration	93.568	\$ 79,848	\$ -
Crisis Intervention Program	93.568	599,731	-
Crisis Intervention PY Refunds	93.568	173	-
Child Welfare Services - State Grant			
Permanency Planning - Special	93.645	14,510	-
Child Support Enforcement - Incentive Recovery			
IV-D Administration	93.563	41,540	-
Links	93.563	712,414	-
Links	93.674	10,304	2,576
Links Transitional Funds	93.674	15,936	-
Temporary Assistance for Needy Families Cluster			
TANF Domestic Violence	93.558	8,865	-
Work First Administration	93.558	52,711	-
Work First Service	93.558	420,916	-
TANF Payments & Penalties	93.558	725,547	(69)
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families State Programs	93.714	<u>133,361</u>	<u>-</u>
Total TANF Cluster		<u>1,341,400</u>	<u>(69)</u>
Job Boost	93.563	9,465	-
Family Preservation	93.556	2,151	-
Family Violence Preservation	93.671	471	-
CPS Expansion State	N/A	-	143,151
DCD Smart Start	N/A	-	29,768
Energy Assist Private Grants	N/A	-	5,241
IV-D Offset Fees - Esc	93.563	448	26
IV-D Offset Fees - Federal	93.563	3,486	-
AFDC Incent/Prog Integrity	N/A	-	165
TANF Incent/Prog Integrity	N/A	-	2,200

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Direct Benefit Payments:			
Energy Assistance Payment	93.568	828,525	-
AFDC Payments & Penalties	93.560	(687)	(188)
SC/SA Domiciliary Care Payment	N/A	-	890,409
State Foster Home	N/A	-	15,252
Administration for Child and Families			
Child Welfare Services			
Foster Care and Adoption Cluster:			
Adoption/Foster Care	93.658	395,193	-
IV-E CPS	93.658	389,520	83,009
IV-E Adopt Subsidy & Vendor-Direct Benefit payments	93.659	319,018	70,626
IV-E Foster Care in Excess-Direct Benefit payments	93.658	52,357	12,019
IV-E Admin County Paid to CCI	93.658	748	374
IV-E Family Foster Max	93.658	1,648	-
IV-E Foster Care	93.658	59,782	13,244
IV-E Foster Care/Off Trn	93.658	199,423	-
IV-E Max Level III	93.658	3,446	-
Child and Family Teams	93.658	4,208	4,208
CWS Adopt Subsidy & Vendor-Direct Benefit payments	N/A	-	153,941
Total Foster Care and Adoption Cluster		<u>1,425,343</u>	<u>337,421</u>
Division of Child Development:			
Child Care Development Fund Cluster			
Division of Social Services:			
Child Care Development Fund - Administration	93.596	115,914	-
Division of Child Development:			
Child Care Development Fund - Discretionary	93.575	770,327	-
Child Care Development Fund - Mandatory	93.596	324,490	-
Child Care Development Fund - Match	93.596	505,421	274,997
ARRA - Child Care Development Block Grant	93.713	<u>5,883</u>	-
Total Child Care Development Fund Cluster		<u>1,722,035</u>	<u>274,997</u>
Social Services Block Grant	93.667	1,888	-
Temporary Assistance for Needy Families	93.558	252,681	-
Smart Start		-	40,030
State Appropriations		-	48,172
TANF-MOE		-	214,145
Total Subsidized Child Care Cluster		<u>1,976,604</u>	<u>577,344</u>
Centers for Medicare and Medicaid Services			
Passed-through the NC Dept of Health and Human Services			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	69,141,113	28,428,009

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Division of Social Services:			
Administration:			
Adt Cr Hm Cs Mgt/Spec	93.778	28,462	11,860
Medical Assistance Expansion	93.778	28,957	28,957
Medical Assist Admin	93.778	920,916	-
Medical Transp Admin	93.778	9,783	-
Total Medicaid Cluster		<u>70,129,231</u>	<u>28,468,826</u>
NC Health Choice	93.767	50,397	2,468
Total Centers for Medicare and Medicaid Services		<u>70,179,628</u>	<u>28,471,294</u>
Division of Public Health:			
Tuberculosis Control	93.116	32,202	-
Family Planning Services	93.218	76,658	-
Immunization Program	93.268	24,454	-
Temporary Assistance for Needy Families	93.558	12,684	-
Centers for Disease Control & Prevention			
Investigations and Technical Assistance	93.283	131,203	-
HHS-Healthy Start Initiative-Northeastern Region	93.927	90,545	-
Statewide Health Promotion Program	93.991	19,427	-
Maternal and Child Health	93.994	356,067	-
Total Division of Public Health		<u>743,240</u>	<u>-</u>
Administration on Aging:			
Division of Aging and Adult Services:			
Upper Coastal Plain Council of Government			
Aging Cluster			
Access Services - Title III-B	93.044	35,011	2,059
In Home III-B	93.044	131,500	7,735
Congregate Nutrition, Title III-C1	93.045	57,654	3,392
Home Delivered Meals, Title III-C2	93.045	53,150	3,126
Total Aging Cluster		<u>277,315</u>	<u>16,312</u>
In-Home SSBG	93.667	73,735	2,107
Family Caregiver, Title III-E	93.052	16,471	1,098
Total Upper Coastal Plain Council of Government		<u>367,521</u>	<u>19,517</u>
SSBG-Adult Day Care	93.667	32,169	-
SSBG-Adult Day Care over 60	93.667	-	25,939
In-Home Services	93.667	7,420	-
In-Home Services over 60	93.667	5,602	-
Social Services Block Grant	93.667	422,176	45,554
Total U.S. Dept. of Health and Human Services		<u>78,819,418</u>	<u>30,565,600</u>

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
<u>U. S. Department of Agriculture</u>			
Passed through NC Department of Health and Human Services Division of Public Health Direct Benefit Payments: Special Supplemental Nutrition Program for Women, Infants & Children	10.557	1,694,627	-
AGRI-SFP Food Program Meal	10.559	347	-
Total Child Nutrition Cluster		347	-
Supplemental Nutrition Assistance Program Cluster:			
Supplemental Nutrition Assistance Program-Administration	10.561	732,487	-
Supplemental Nutrition Assistance Program-Fraud Administration	10.561	30,898	-
Total Supplemental Nutrition Assistance Program Cluster		763,385	-
Passed through Upper Coastal Plain Council of Govt. USDA Supplement	10.570	20,438	-
Passed through NC Department of Agriculture TEFAP Program	10.569	108,499	-
Total Emergency Food Assistance Cluster		108,499	-
Commodity Supplemental Food Program	10.565	290,958	-
Total U.S. Dept. of Agriculture		2,878,254	-
<u>U.S. National Foundation on the Arts and the Humanities</u>			
Passed through NC Department of Cultural Resources: LSTA Planning Grant	45.310	18,996	-
Total U.S. National Foundation on the Arts		18,996	-
<u>U. S. Dept. of Housing and Urban Development</u>			
Passed through NC Department of Commerce Division of Economic and Community Development 2010 CDBG Scattered Site Rehab Project	14.228	274,870	-
CDBG Wastewater Treatment Plant Expansion Project	14.228	17,683	-
Total CDBG - State-Administered CDBG Cluster		292,553	-
Total U.S. Dept. of Housing and Urban Development		292,553	-
<u>U.S. Department of Justice</u>			
Passed through the NC Department of Crime Control and Public Safety Juvenile Justice and Delinquency Prevention	16.540	206,199	-

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Bulletproof Vest Program	16.607	-	1,500
Total U.S. Department of Justice		206,199	1,500
TOTAL FEDERAL AWARDS		82,215,420	30,567,100
STATE AWARDS			
<u>North Carolina Department of Health and Human Services</u>			
Division of Aging:			
Passed through Upper Coastal Plain Council of Governments			
Access Services		-	48,184
Home-Delivered Meals		-	22,275
In-Home Services		-	166,084
Caregiver Match		-	9,904
Total Upper Coastal Plain Council of Governments		-	246,447
Division of Public Health:			
General Health		-	141,135
Minority Health		-	44,188
Healthy Carolinas Partnership Support		-	20,000
Breast and Cervical Cancer Control		-	4,561
Tuberculosis		-	68,870
Woman's Preventative Health		-	11,954
Communicable Disease		-	2,293
Arthritis		-	7,811
Wisewoman		-	11,750
Preparedness and Response		-	17,058
AIDS		-	500
Total Division of Public Health		-	330,120
Total NC Dept of Health and Human Services		-	576,567
<u>North Carolina Department of Transportation</u>			
Rural General Public Transportation		-	48,285
Elderly and Handicapped Transportation		-	54,399
Work First Transportation		-	3,963
Rural General Public Transportation Supplement		-	42,781
Elderly and Handicapped Transportation Supplement		-	31,503
Work First Transportation Supplement		-	8,566
Peanut Belt Rural Transportation Planning Organization		-	79,382
Total NC Department of Transportation		-	268,879
<u>North Carolina Department of Correction</u>			
Criminal Justice		-	167,745

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Direct and Pass Through Expenditures</u>	<u>State Expenditures</u>
Total NC Department of Correction		-	<u>167,745</u>
<u>North Carolina Department of Crime Control & Public Safety</u>			
Emergency Management - Performance Grant		-	7,600
Emergency Management - Supplement Award		-	<u>20,492</u>
Total NC Dept of Crime Control & Public Safety		-	<u>28,092</u>
<u>North Carolina Department of Commerce</u>			
Fiscal Management Division			
Industrial Development Fund-			
Halifax County Corporate Park, Grant U-395		-	518,560
CDBG - Scattered Site Housing Project		-	290,679
Passed through The Rural Center			
Water Construction Ph IXA		-	<u>104,423</u>
Total NC Dept of Commerce		-	<u>913,662</u>
<u>North Carolina Department of Cultural Resources</u>			
State Aid to Libraries		-	109,953
NC Library STARS Grant		-	<u>924</u>
Total NC Dept of Cultural Resources		-	<u>110,877</u>
<u>North Carolina Department of Environment and Natural Resources</u>			
Division of Natural Resources:			
Economic & Physical Development State Grant		-	3,960
State Cost Share		-	<u>20,834</u>
Division of Waste Management:			
Scrap Tires Grant		-	<u>30,478</u>
Total NCDENR		-	<u>55,272</u>
<u>North Carolina Department of Insurance</u>			
Division of Senior Health Insurance and Information Program:			
SHIIP Grant		-	<u>3,252</u>
Total NC Insurance		-	<u>3,252</u>