

**HALIFAX COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

HALIFAX COUNTY NORTH CAROLINA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2014**

**HALIFAX COUNTY
NORTH CAROLINA**

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2014

Prepared by the Halifax County Office of Budget and Finance

Mary W. Duncan, Finance Director



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



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State of North Carolina County of Halifax

TONY N. BROWN
COUNTY MANAGER

HISTORIC COURTHOUSE ~ PO BOX 38 ~ KING STREET ~ HALIFAX, NC 27839
252-583-1131 ~ FAX: 252-583-9921

November 13, 2014

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, 2014. 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.

Where the Spirit of Independence Was Born

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

Description of the County

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

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

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

The most recent census reports Halifax County’s population at 54,643. There are seven municipalities in Halifax County, the largest being Roanoke Rapids with a population of 15,754.

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

Economic Conditions and Outlook

A prime location and pro-business climate make Halifax County a community of choice for both homeowners and businesses. The Halifax County Board of Commissioners has a demonstrated commitment to improving the quality-of-life for its citizens, which requires a commitment to long term strategies for economic development. These strategies include a continued focus on infrastructure and service development at the Halifax Corporate Park, specifically extension of rail and designation as a Foreign Trade Zone. These projects will

help Halifax County attract significant investments in manufacturing and distribution that will create new jobs and diversify the County's tax base.

Halifax County's location along Interstate 95 continues to be a driver for commerce and tourism. Visitor spending in Halifax County increased 2.9% over the previous year to \$84 million. In 2013, retail sales exceeded \$410 million for the second consecutive calendar year. Unemployment levels are declining, reaching single digit levels for the first time since 2008. In 2014, the value of building permits from January through June was up 83% compared to the same period in 2013.

Recent Initiatives

Klausner Lumber, an Austrian softwood lumber manufacturer, has begun construction of a \$110 million lumber processing facility near Enfield that will create 350 new jobs. The company plans to begin operations at the facility in the first quarter of 2015.

Virginia-based Meherrin River Forest Products has completed the acquisition and upfit of the former Coastal Lumber facility near Weldon, adding 41 new jobs.

Geenex, a Charlotte-based solar power developer, and partner, ET Solar, have begun construction of a 20 MW solar power generation facility at the former Halifax County Airport site. The facility will be completed in November and construction of a renewable energy education and research center, the "Solar Center of Excellence" will commence in October.

After a slow start, LSA America has ramped up production of light sport aircraft at their manufacturing facility in Littleton. The company currently employs 15 people with plans to grow to 34 employees by early 2015.

In January, Flambeau announced the closing of its blow molding operations at the Becker Industrial Park as of June 30th. The Halifax County Economic Development Commission (HCEDC) is working with Flambeau corporate officials to market the 127,000+ SF building for new job creation opportunities.

Halifax County Business Horizons, HCEDC, and the City of Roanoke Rapids have entered into a marketing agreement with the owner of the former WestPoint Stevens manufacturing facility near downtown Roanoke Rapids. This agreement will allow HCEDC to actively recruit new industrial development opportunities to take advantage of this idle 50+ acre manufacturing site with rail, large water and sewer capacities, and over 700,000 square feet of buildings.

The Halifax-Northampton Regional Airport continues to increase in use and revenues. The airport is busy year round, and in addition to general aviation activities, is the site of local and state training activities, group tours, and an annual fly-in.

Small and commercial business development continues an upward swing with new business development opportunities in each of Halifax County's municipalities. Commercial revitalization in the town of Halifax is underway that will be a springboard to new development for this historic town, including renovation of the Amphitheater.

A new \$3.5 million Honda & Nissan showroom and service facility opened in 2014 along with sporting goods retail giant, Dunham Sports. Sheetz has begun construction of a new

service center at the intersection of Julian Allsbrook Highway and Old Farm Road. The Roanoke Rapids Main Street Initiative continues with the City of Roanoke Rapids providing administrative support to the effort.

The Phase XI water project and associated change order designed to add service locations and improve water quality was 89% complete by June 30th, 2014. This project was coordinated through USDA Rural Development with a \$1,513,000 grant and \$2,687,000 loan for a period of 40 years with a 2% interest rate. Halifax County provided \$526,800 for the project from the Water Division fund balance. The Phase XI project is estimated to cost approximately \$4,726,800 and will include 18 roads and 175 customers. 90% of Halifax County's Rural Residents are receiving water supplied by Halifax County.

In June of 2014 the Commissioners approved a bid to rehabilitate approximately 23,000 feet of gravity sewer mains and 96 manholes in the Weldon area of the County. This project is designed to reduce the entry of rainwater into the sewer system which must be treated as sewage at a cost to the County. The project budget is \$1,015,754.89 which is funded by a \$995,439.79 NCDENR, Clean Water State Revolving Fund Loan at 0% interest for twenty years and \$20,315.10 from the Water Division budget. Engineer estimated reduction in sewer flow could approach a savings of \$30,000 per year to the County.

The new Transfer Station on Liles Road in Littleton opened on July 1, 2014. The residents received two roll-out carts in place of the single cart. The black topped cart is for household use with the second orange lidded cart designated for recycleable items. The transition between waste carriers was fairly smooth and resulted in a net savings to the County.

The County provided the three public school systems with \$5,486,725 in current expense and \$2,576,721 in capital outlay funds. Halifax Community College received \$963,522 in operating funds and \$434,318 in capital outlay funds. In addition, debt service payments were made on QSCB projects for the Roanoke Rapids Graded School District and the Weldon City School District.

Future Initiatives

Several major employers are expanding their operations that will create new jobs and investment. KapStone Paper is adding a log yard and distribution facility. Airboss Rubber Compounding and Weldon Steel also plan new equipment investments and new job creation. Halifax Regional Medical Center (HRMC) is completing due diligence for a merger with Novant Health, which will result in over \$35 million in new capital projects at HRMC over the next five years.

Small and commercial business development continues an upward swing with new business development opportunities in each of Halifax County's municipalities. Commercial revitalization in the town of Halifax is underway that will be a springboard to new development for this historic town, including renovation of the Amphitheater.

Development of the 700-acre Halifax Corporate Park on NC Highway 561 adjacent to the Halifax-Northampton Regional Airport was completed in the fall of 2012, with the construction of a \$6.1 million "mega" sewer line and industrial access road. In 2013, the Halifax Corporate Park was recertified by the state Department of Commerce as a "North

Carolina Certified Industrial Park.” This designation provided added marketing appeal for new and expanding business and industry projects looking for a shovel-ready location. Preliminary design and feasibility for extension of the CSX rail line into the Halifax Corporate Park and development of a rail transloading facility has been completed. This additional transportation option will add even greater logistical appeal for the Halifax Corporate Park, not just for businesses locating in the Park, but for industry throughout Halifax County that need access to raw materials and supplies via rail. Additionally, Roanoke Electric is constructing a new electric substation at the Park, which will substantially increase electrical capacity to meet the short and long-term needs of the Park, as well as enhanced reliability for future customers.

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

The Board of Commissioners has adopted a School Improvement Plan which is a five year plan that addresses both short term and long term needs of each of the school systems. Weldon City School system will make their final loan payment for Weldon Middle School in April 2015.

The Board of Commissioners has elected to fund the Jail Expansion Project by seeking installment financing. Plans are underway to break ground in the Winter of 2015.

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, 2014, provided no instances of material weaknesses in internal control structure or significant violations of applicable laws and regulations.

Enterprise Operations

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

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

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

OTHER INFORMATION

Independent Audit

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

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

Comprehensive Annual Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Halifax County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

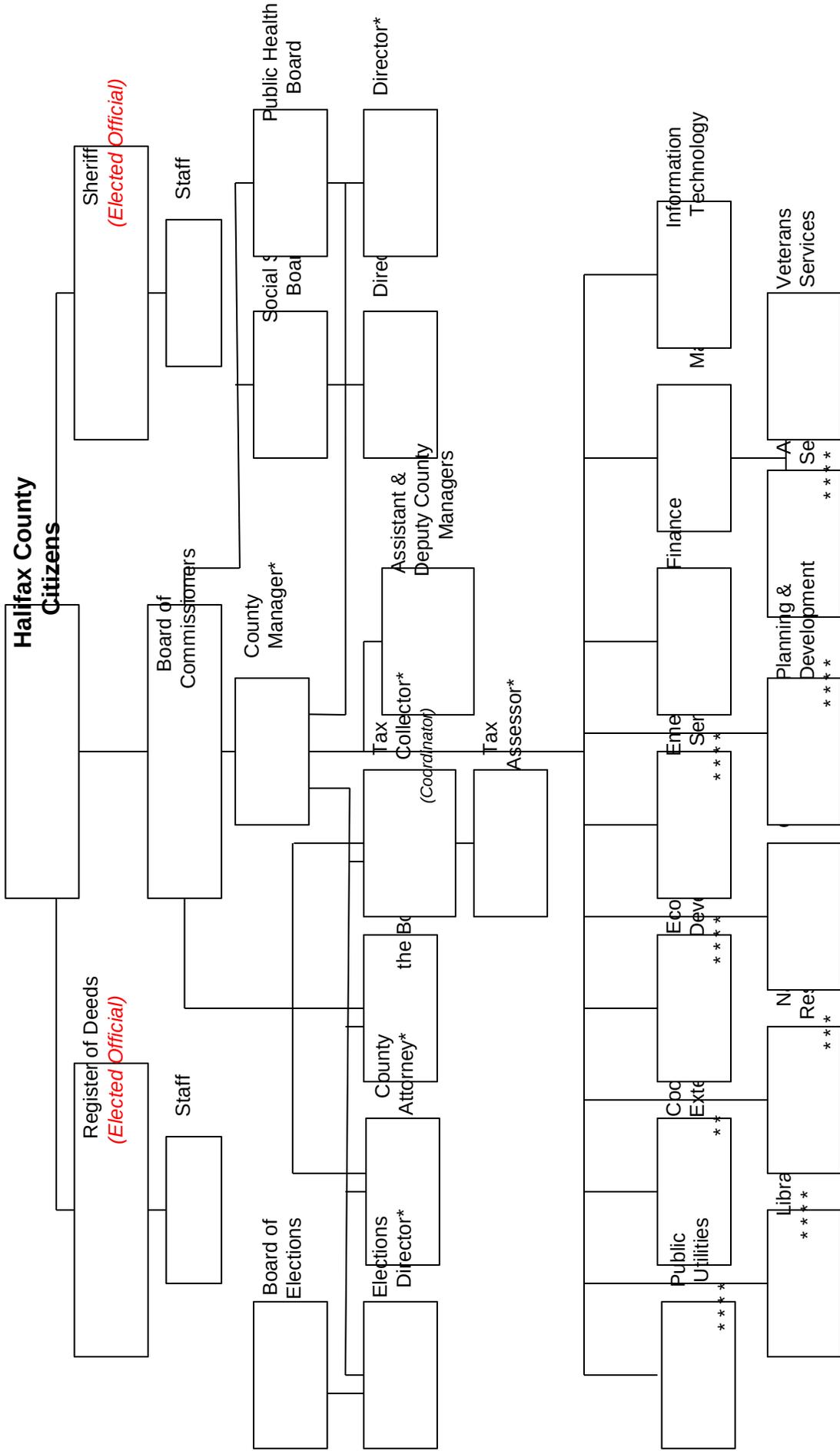


Tony N. Brown
County Manager



Mary W. Duncan
Finance Director

Organizational Chart ~ Halifax County North Carolina



*Reports to a Governing Board
 **Director is a State Employee
 ***Director is a Federal Employee
 ****Coordinates with an Advisory Board



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Halifax County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Halifax County, North Carolina

LIST OF PRINCIPAL OFFICIALS

June 30, 2014

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
Dia H. Denton, Deputy County Manager
Erris Dunston, Assistant County Manager
Mary W. Duncan, Finance Director
Judy Evans-Barbee, Register of Deeds
S. Wesley Tripp, Jr, Sheriff
Dr. Cardra Burns, Director of Health Services
Norma Merriman, Director of Social Services
Virginia N. Orvedahl, Director of Library



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FINANCIAL SECTION



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

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

Independent Auditor's Report

Board of County Commissioners
Halifax County
Halifax, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of June 30, 2014, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Halifax County, North Carolina's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2014, on our consideration of Halifax County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Halifax County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 13, 2014



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MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis is designed to provide an objective and easy to read analysis of Halifax County, North Carolina’s (the “County”) financial activities for the fiscal year ended June 30, 2014. 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.

FINANCIAL HIGHLIGHTS

The assets of Halifax County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$47,911,270. The County’s net position of governmental activities exhibited a decrease of \$3,008,598 with the business-type activities showing a decrease in the amount of \$216,727 resulting in the government’s total net position decreasing by \$3,225,325. One factor in the decrease in business-type net position is from Transfer Station beginning operations. The governmental activities decrease can be attributed to site preparation costs related to economic development.

As of the close of the current fiscal year, Halifax County’s governmental funds reported combined ending fund balances of \$27,533,088 after a net decrease of \$3,354,205. Approximately 49.6% of this total amount, or \$13,648,155, is restricted or non-spendable.

The County’s unassigned fund balance for the General Fund was \$11,643,265, or 19.8%, of net general fund expenditures and transfers at the close of the current fiscal year.

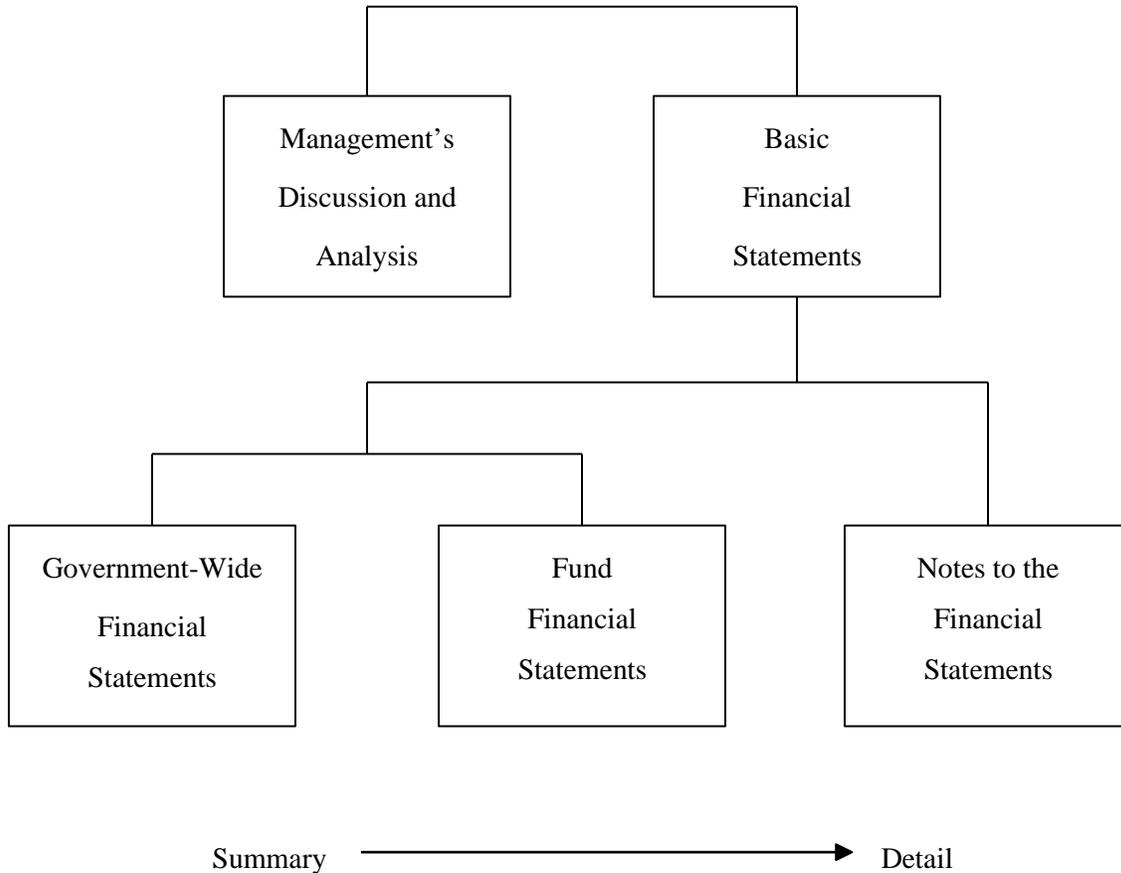
The County holds an A+ bond rating from Standard and Poor’s effective as of June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management’s Discussion and Analysis is intended to serve as an introduction to the County’s Comprehensive Annual Financial Report (CAFR). The CAFR contains the basic financial statements, which include three components: government-wide financial statements, fund financial statements, and notes to the financial statements. The report also contains the statistical section, single audit, and other supplementary information in addition to the basic financial statements; these will assist the reader’s understanding of the fiscal condition of the County.

Required Components of Annual Financial Report

Figure 1



BASIC FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements include not only the County itself (primary government), but also the ABC Board and the 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 28 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 70 and 71 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Halifax County's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:						
Current assets	\$ 30,891,453	\$ 34,983,544	\$ 8,695,938	\$ 11,221,461	\$ 39,587,391	\$ 46,205,005
Restricted assets	1,833,864	1,690,300	4,360,583	6,070,088	6,194,447	7,760,388
Capital assets	<u>23,795,154</u>	<u>23,878,726</u>	<u>37,919,726</u>	<u>35,168,217</u>	<u>61,714,880</u>	<u>59,046,943</u>
Total assets	<u>56,520,471</u>	<u>60,552,570</u>	<u>50,976,247</u>	<u>52,459,766</u>	<u>107,496,718</u>	<u>113,012,336</u>
Liabilities:						
Current liabilities	4,974,507	4,579,107	1,870,495	5,462,121	6,845,002	10,041,228
Non-current liabilities	<u>20,763,924</u>	<u>21,899,284</u>	<u>31,888,751</u>	<u>28,797,402</u>	<u>52,652,675</u>	<u>50,696,686</u>
Total liabilities	<u>25,738,431</u>	<u>26,478,391</u>	<u>33,759,246</u>	<u>34,259,523</u>	<u>59,497,677</u>	<u>60,737,914</u>
Deferred inflows of resources:						
Prepaid taxes	<u>87,771</u>	<u>157,981</u>	<u>-</u>	<u>-</u>	<u>87,771</u>	<u>157,981</u>
Net Position:						
Net investment in capital						
assets	18,794,168	18,632,877	11,986,758	11,368,747	30,780,926	30,001,624
Restricted	13,604,008	16,312,505	-	-	13,604,008	16,312,505
Unrestricted	<u>(1,703,907)</u>	<u>(1,029,184)</u>	<u>5,230,243</u>	<u>6,831,496</u>	<u>3,526,336</u>	<u>5,802,312</u>
Total net position	<u>\$ 30,694,269</u>	<u>\$ 33,916,198</u>	<u>\$ 17,217,001</u>	<u>\$ 18,200,243</u>	<u>\$ 47,911,270</u>	<u>\$ 52,116,441</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$47,911,270 at fiscal year-end. Net position decreased in the current fiscal year due to investment in economic development projects, reclassification of prior year revenues and a full year of operations at the Transfer Station. \$30,780,926 (64.2%) 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-eight percent of total net position represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, 7.4% may be used to meet the ongoing obligations to citizens and creditors. Furthermore, 30.6% in unrestricted net position of the business-type activities is earmarked for use only within the respective enterprise fund, therefore, unavailable to fund general operations of the County. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position for the government as a whole, as well as its business-type activities.

Halifax County's Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,846,184	\$ 5,407,526	\$ 8,802,939	\$ 8,709,098	\$ 14,649,123	\$ 14,116,624
Operating grants and contributions	16,704,854	17,435,430	-	-	16,704,854	17,435,430
Capital grants and contributions	1,349,798	1,257,897	642,755	766,515	1,992,553	2,024,412
General revenue:						
Property taxes	29,938,070	29,176,862	-	-	29,938,070	29,176,862
Local option sales tax	7,211,131	7,462,883	-	-	7,211,131	7,462,883
Other taxes	118,989	144,424	74,366	83,280	193,355	227,704
Interest	67,661	39,775	5,556	7,036	73,217	46,811
Miscellaneous	<u>1,567,406</u>	<u>312,523</u>	<u>-</u>	<u>-</u>	<u>1,567,406</u>	<u>312,523</u>
Total revenues	<u>62,804,093</u>	<u>61,237,320</u>	<u>9,525,616</u>	<u>9,565,929</u>	<u>72,329,709</u>	<u>70,803,249</u>
Expenses:						
General government	11,521,305	11,421,727	-	-	11,521,305	11,421,727
Public safety	13,761,938	14,124,871	-	-	13,761,938	14,124,871
Economic and physical development	7,185,719	1,418,100	-	-	7,185,719	1,418,100
Human services	20,392,320	20,918,807	-	-	20,392,320	20,918,807
Cultural and Recreational	651,086	617,701	-	-	651,086	617,701
Education	11,257,890	12,758,774	-	-	11,257,890	12,758,774
Interest and fees	1,042,433	921,100	-	-	1,042,433	921,100
Water and sewer	-	-	5,759,890	5,730,039	5,759,890	5,730,039
Landfill/solid waste	<u>-</u>	<u>-</u>	<u>3,982,453</u>	<u>3,703,772</u>	<u>3,982,453</u>	<u>3,703,772</u>
Total expenses	<u>65,812,691</u>	<u>62,181,080</u>	<u>9,742,343</u>	<u>9,433,811</u>	<u>75,555,034</u>	<u>71,614,891</u>
Revenues over (under) expenses	(3,008,598)	(943,760)	(216,727)	132,118	(3,225,325)	(811,642)
Transfers	<u>-</u>	<u>(18,296)</u>	<u>-</u>	<u>18,296</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(3,008,598)</u>	<u>(962,056)</u>	<u>(216,727)</u>	<u>150,414</u>	<u>(3,225,325)</u>	<u>(811,642)</u>
Net Position:						
Beginning of year - July	33,916,198	34,878,254	18,200,243	18,049,829	52,116,441	52,928,083
Prior period adjustment	<u>(213,331)</u>	<u>-</u>	<u>(766,515)</u>	<u>-</u>	<u>(979,846)</u>	<u>-</u>
Beginning of year - restated	<u>33,702,867</u>	<u>34,878,254</u>	<u>17,433,728</u>	<u>18,049,829</u>	<u>51,136,595</u>	<u>52,928,083</u>
End of year - June 30	<u>\$ 30,694,269</u>	<u>\$ 33,916,198</u>	<u>\$ 17,217,001</u>	<u>\$ 18,200,243</u>	<u>\$ 47,911,270</u>	<u>\$ 52,116,441</u>

Governmental Activities

Of total net position, governmental activities accounted for \$30,694,269, with operating grants and contributions funding \$16,704,854 of the County's governmental activities. Only property taxes provided a higher source of income. During fiscal year 2014, interest revenues remained low with interest rates around .012% to .25%. Alternative methods were researched and we found that using the Interest Earnings Credit as an off-set of bank charges/administrative fees was a better savings tool. The County remained fairly constant with fees from construction, which had taken a downturn in the previous fiscal years. In hopes of boosting the County's economy and decrease unemployment, the Commissioners have been aggressive in pursuing businesses through economic development incentives of site preparation and other infrastructure needs which have temporarily caused a decrease in the overall governmental position.

Business-Type Activities

Business-type activities decreased the County's net position by \$216,727. Solid waste revenues increased slightly during 2014 with a reduction in expenses due to the transition from contracting out garbage handling with the opening of our own Transfer Station. Debt service increased in the Water Fund due to the issuance of Revenue Bonds to construct several line extension projects. Capital projects were completed with up-front expenditures being reimbursed to the Water and Sewer Fund in the amount of \$642,755.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

The focus of Halifax County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Halifax County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Halifax County. At the end of the current fiscal year, fund balance available in the General Fund was \$19,894,705, while total fund balance reached \$27,111,500. The County currently has an available fund balance of 33.8% of General Fund expenditures, while total fund balance represents 46.1% of that same amount.

At June 30, 2014, the governmental funds of Halifax County reported a combined fund balance of \$27,533,088, a 10.9% decrease over last year. This can be primarily attributed to expenditures of site preparation costs related to Economic Development. Some of the site preparations included, but not limited to, land clearing, access road construction and additional lime to assist in compacting due to the extremely wet winter.

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, 2014, the net change in fund balances per the governmental funds totaled a decrease of \$3,354,205, while the governmental activities column of the government-wide financial statements indicated a decrease of \$3,008,598 change in net position. A major contributing factor to this difference is due to the reporting of capital outlays as expenditures in the governmental funds, but as balance sheet/capital items (i.e., not expenses immediately, but rather over the life of the assets) on the government-wide statements.

Fund balance may serve as a useful measure of a government's net resources available for spending. Approximately \$13,601,058 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 \$501,722 at year-end. All the fund balances for special revenue funds are considered restricted.

Capital project funds reported expenditures of \$6,543,644 for the current fiscal year. Projects, which become assets of the County, have their yearly expenses added to the County's construction in progress until the project is completed and then depreciated over their useful lives.

Proprietary Funds

Proprietary funds provide the same type of information found in the government-wide finance statements, but in more detail. Net position of solid waste at year-end totaled \$3,695,952 and the Water Fund totaled \$13,521,049 for a cumulative total of \$17,217,001. 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, 2014, total net position amounted to \$904,578, which is a decrease of \$48,146 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 decrease in the General Fund's fund balance by \$2,461,125.

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, 2014, amounts to \$61,714,880 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, water lines, and solid waste convenience sites. The increase in the County's capital assets for the current fiscal year was approximately 4.5%.

Halifax County's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 3,700,690	\$ 3,500,690	\$ 463,850	\$ 463,850	\$ 4,164,540	\$ 3,964,540
Buildings	31,327,279	26,205,632	51,587,886	48,633,294	82,915,165	74,838,926
Equipment	5,080,329	4,908,655	3,647,956	3,636,269	8,728,285	8,544,924
Vehicles	4,071,607	3,647,281	1,035,852	992,329	5,107,459	4,639,610
Construction in progress	<u>3,006,261</u>	<u>7,642,404</u>	<u>3,757,062</u>	<u>2,416,222</u>	<u>6,763,323</u>	<u>10,058,626</u>
Subtotal	47,186,166	45,904,662	60,492,606	56,141,964	107,678,772	102,046,626
Less: Accumulated depreciation	<u>(23,391,012)</u>	<u>(22,025,936)</u>	<u>(22,572,880)</u>	<u>(20,973,747)</u>	<u>(45,963,892)</u>	<u>(42,999,683)</u>
Total	<u>\$ 23,795,154</u>	<u>\$ 23,878,726</u>	<u>\$ 37,919,726</u>	<u>\$ 35,168,217</u>	<u>\$ 61,714,880</u>	<u>\$ 59,046,943</u>

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

Prior to implementation of GASB No. 34, accumulated depreciation and depreciation expenses were required to be reported only in the enterprise funds and internal service funds. With the implementation of GASB, accumulated depreciation was reported in the Statement of Net Position for capital assets, which were not held by the enterprise or internal service funds. In addition, the corresponding depreciation expenses were reported in the Statement of Activities. Please refer to the notes to financial statements on page 44 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 \$20,575,596, 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 \$256,001,014. 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 fund expenditures is 5.1%.

Halifax County's Outstanding Debt General Obligation and Revenue Bonds

	<u>Business-Type Activities</u>	
	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$ 20,575,596	\$ 21,362,314

The County has a rating of A+ by Standard & Poor's (S&P). The County's general obligation debt per capita is \$376.55 as of June 30, 2014, while the County's gross debt per capita is \$829.72.

Additional information of the County's long-term debt can be found beginning on page 58 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Local and national economic factors influence the County's revenues in a variety of ways. Positive economic growth is correlated with increased revenues from property taxes, sales tax, fuel taxes, charges for services, as well as federal and State grants. Economic growth may be measured by such indicators as employment growth, unemployment, increases in new construction and assessed values, diversification of the property tax base, enterprise fund revenue, and net asset growth. Economic factors considered in preparing the County's budget for the 2015 fiscal year included, but were not limited to, the following:

- The County labor force equals approximately 22,060 and has an unemployment rate of 10.0% as of June 30, 2014. This compares unfavorably to the State's unemployment rate of 6.4% and the United States' rate of 6.3% for the same period. The labor force, per Employment Security Commission charts, showed a decrease, and unemployment rate has decreased in comparison to the prior fiscal year.
- Inflationary trends in the region compare favorably to national indices.
- Population of 54,643 has increased by less than 0.01% from 2013 to 2014.

Additional information regarding economic factors is provided in the statistical section of the CAFR.

BUDGET HIGHLIGHTS FOR FISCAL YEAR 2014-2015

Governmental Activities

The County's last property revaluation was effective January 1, 2007. The new revaluation is in process and will be effective in 2015. The County has held the property tax rate steady at \$.68 per \$100. Our current property valuation is \$3.6 billion dollars. The estimated collection rate for Fiscal Year 2013 is 97.75%.

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

Economic development will continue to be emphasized during the 2014-2015 fiscal year. Development continues in the Halifax Corporate Park with infrastructure construction for Klausner Lumber. 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 \$4,424,386 which is a 3.77% increase as compared to last year. Public Utilities – Water Division's budgeted expenditures are \$5,576,400, which is an increase of .01% from the previous fiscal year.

Additional Phase XI water extension lines are planned to be completed in early January 2015. The South Weldon Sewer Rehab project is underway with an expected completion date of February 2015. Fiscal year 2014 was the first operating year for the new Transfer Station in the Solid Waste division; the transition from contracting out the collections to handling in house went smoothly.

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 POSITION
JUNE 30, 2014

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Halifax	Halifax
	Activities	Activities		Development	County
			Authority	ABC Board	
Assets:					
Cash and investments	\$ 23,930,974	\$ 7,304,345	\$ 31,235,319	\$ 354,215	\$ 787,099
Ad valorem taxes receivable, net	1,717,928	-	1,717,928	-	-
Accounts receivable, net	3,788,027	1,187,185	4,975,212	10,986	-
Due from other governments	1,407,427	157,781	1,565,208	-	-
Due from primary government	-	-	-	63,933	-
Inventories	31,472	46,627	78,099	-	562,869
Prepaid items	15,625	-	15,625	2,388	13,096
Restricted assets:					
Cash and investments	1,833,864	438,854	2,272,718	-	-
Long-term receivable	-	3,921,729	3,921,729	-	-
Capital assets:					
Non-depreciable assets	6,706,951	4,193,789	10,900,740	-	141,924
Other capital assets, net of depreciation	17,088,203	33,725,937	50,814,140	-	837,305
Total assets	<u>56,520,471</u>	<u>50,976,247</u>	<u>107,496,718</u>	<u>431,522</u>	<u>2,342,293</u>
Liabilities:					
Accounts payable and accrued liabilities	2,376,333	106,450	2,482,783	35,446	389,526
Liabilities payable from restricted assets	-	247,125	247,125	-	-
Accrued interest payable	188,211	134,302	322,513	-	-
Due to component unit	63,933	-	63,933	-	-
Unearned revenues	8,176	-	8,176	-	-
Due to other governments	-	-	-	-	2,179
Non-current liabilities:					
Due within one year	2,337,854	1,382,618	3,720,472	4,377	-
Due in more than one year	<u>20,763,924</u>	<u>31,888,751</u>	<u>52,652,675</u>	<u>22,286</u>	<u>39,148</u>
Total liabilities	<u>25,738,431</u>	<u>33,759,246</u>	<u>59,497,677</u>	<u>62,109</u>	<u>430,853</u>
Deferred Inflows of Resources:					
Prepaid taxes	<u>87,771</u>	<u>-</u>	<u>87,771</u>	<u>-</u>	<u>-</u>
Net Position:					
Net investment in capital assets	18,794,168	11,986,758	30,780,926	-	979,229
Restricted for:					
Stabilization by State statute	7,594,430	-	7,594,430	74,919	-
Public safety	451,114	-	451,114	-	-
Economic development	11,445	-	11,445	-	-
Human services	5,480,131	-	5,480,131	-	-
Education	66,888	-	66,888	-	-
Tourism	-	-	-	294,494	-
Other	-	-	-	-	134,648
Unrestricted	<u>(1,703,907)</u>	<u>5,230,243</u>	<u>3,526,336</u>	<u>-</u>	<u>797,563</u>
Total net position	<u>\$ 30,694,269</u>	<u>\$ 17,217,001</u>	<u>\$ 47,911,270</u>	<u>\$ 369,413</u>	<u>\$ 1,911,440</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, 2014

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 11,521,305	\$ 2,400,963	\$ 1,533,468	\$ -
Public safety	13,761,938	3,271,235	1,064,228	-
Economic and physical development	7,185,719	-	20,835	286,199
Human services	20,392,320	148,547	13,932,184	-
Cultural and recreation	651,086	25,439	154,139	-
Education	11,257,890	-	-	1,063,599
Interest and fees	<u>1,042,433</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>65,812,691</u>	<u>5,846,184</u>	<u>16,704,854</u>	<u>1,349,798</u>
Business-Type Activities:				
Water and sewer	5,759,890	4,987,948	-	642,755
Solid waste	<u>3,982,453</u>	<u>3,814,991</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>9,742,343</u>	<u>8,802,939</u>	<u>-</u>	<u>642,755</u>
Total primary government	<u>\$ 75,555,034</u>	<u>\$ 14,649,123</u>	<u>\$ 16,704,854</u>	<u>\$ 1,992,553</u>
Component Units:				
Tourism Development Authority	\$ 749,198	\$ 1,772	\$ -	\$ -
ABC Board	<u>4,471,642</u>	<u>4,544,973</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 5,220,840</u>	<u>\$ 4,546,745</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Ad valorem taxes

Local option sales taxes

Other taxes

Privilege tax

Occupancy tax

Interest earned on investments

Miscellaneous

Total general revenues

Change in Net Position

Net Position:

Beginning of year - July 1

Prior period adjustment

Beginning of year - July 1 - restated

End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Halifax Tourism Development Authority	Halifax County ABC Board
\$ (7,586,874)	\$ -	\$ (7,586,874)		
(9,426,475)	-	(9,426,475)		
(6,878,685)	-	(6,878,685)		
(6,311,589)	-	(6,311,589)		
(471,508)	-	(471,508)		
(10,194,291)	-	(10,194,291)		
<u>(1,042,433)</u>	<u>-</u>	<u>(1,042,433)</u>		
<u>(41,911,855)</u>	<u>-</u>	<u>(41,911,855)</u>		
	(129,187)	(129,187)		
	<u>(167,462)</u>	<u>(167,462)</u>		
	<u>(296,649)</u>	<u>(296,649)</u>		
<u>(41,911,855)</u>	<u>(296,649)</u>	<u>(42,208,504)</u>		
			\$ (747,426)	\$ -
			<u>-</u>	<u>73,331</u>
			<u>(747,426)</u>	<u>73,331</u>
29,938,070	-	29,938,070	-	-
7,211,131	-	7,211,131	-	-
118,989	-	118,989	-	-
-	74,366	74,366	-	-
-	-	-	808,044	-
67,661	5,556	73,217	101	632
<u>1,567,406</u>	<u>-</u>	<u>1,567,406</u>	<u>-</u>	<u>-</u>
38,903,257	79,922	38,983,179	808,145	632
<u>(3,008,598)</u>	<u>(216,727)</u>	<u>(3,225,325)</u>	<u>60,719</u>	<u>73,963</u>
33,916,198	18,200,243	52,116,441	308,694	1,837,477
<u>(213,331)</u>	<u>(766,515)</u>	<u>(979,846)</u>	<u>-</u>	<u>-</u>
<u>33,702,867</u>	<u>17,433,728</u>	<u>51,136,595</u>	<u>308,694</u>	<u>1,837,477</u>
<u>\$ 30,694,269</u>	<u>\$ 17,217,001</u>	<u>\$ 47,911,270</u>	<u>\$ 369,413</u>	<u>\$ 1,911,440</u>

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

HALIFAX COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Assets:			
Cash and investments	\$ 19,540,741	\$ 2,793,166	\$ 22,333,907
Taxes receivable, net	1,463,874	254,054	1,717,928
Accounts receivable, net	3,410,961	376,587	3,787,548
Due from other governments	1,359,282	48,145	1,407,427
Due from other funds	2,432,965	-	2,432,965
Inventories	31,472	-	31,472
Prepaid items	15,625	-	15,625
Restricted cash	<u>1,769,926</u>	<u>63,938</u>	<u>1,833,864</u>
Total assets	<u>\$ 30,024,846</u>	<u>\$ 3,535,890</u>	<u>\$ 33,560,736</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,320,015	\$ 427,283	\$ 1,747,298
Due to other funds	-	2,432,965	2,432,965
Unearned revenues	<u>8,176</u>	<u>-</u>	<u>8,176</u>
Total liabilities	<u>1,328,191</u>	<u>2,860,248</u>	<u>4,188,439</u>
Deferred Inflows of Resources:			
Prepaid taxes	87,771	-	87,771
Other receivables	33,510	-	33,510
Taxes receivable	<u>1,463,874</u>	<u>254,054</u>	<u>1,717,928</u>
Total deferred inflows of resources	<u>1,585,155</u>	<u>254,054</u>	<u>1,839,209</u>
Fund Balances:			
Non-spendable:			
Inventory	31,472	-	31,472
Prepaid items	15,625	-	15,625
Restricted:			
Stabilization by State statute	7,169,698	424,732	7,594,430
Public safety	-	451,114	451,114
Economic development	-	11,445	11,445
Human services	5,480,131	-	5,480,131
Education	-	130,826	130,826
Committed	888,375	629,102	1,517,477
Assigned	1,882,934	-	1,882,934
Unassigned	<u>11,643,265</u>	<u>(1,225,631)</u>	<u>10,417,634</u>
Total fund balances	<u>27,111,500</u>	<u>421,588</u>	<u>27,533,088</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,024,846</u>	<u>\$ 3,535,890</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 23,795,154

Long-term liabilities, accrued interest, other post-employment benefits, and compensated absences are not due and payable in the current period and, therefore, not reported in the funds. (23,289,989)

Internal service funds are used by management to charge the cost of health insurance and unemployment insurance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 904,578

Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position. 1,751,438

Net position of governmental activities \$ 30,694,269

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, 2014

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Revenues:			
Ad valorem taxes	\$ 25,467,769	\$ 4,918,681	\$ 30,386,450
Other taxes and licenses	6,857,795	472,325	7,330,120
Unrestricted intergovernmental revenues	347,751	-	347,751
Restricted intergovernmental revenues	16,450,460	1,536,882	17,987,342
Permits and fees	1,397,617	-	1,397,617
Sales and services	4,043,476	-	4,043,476
Interest earned on investments	56,469	10,200	66,669
Miscellaneous	329,311	1,238,095	1,567,406
Total revenues	<u>54,950,648</u>	<u>8,176,183</u>	<u>63,126,831</u>
Expenditures:			
Current:			
General government	8,032,471	-	8,032,471
Public safety	13,146,632	1,978,161	15,124,793
Economic and physical development	866,364	6,442,186	7,308,550
Human services	21,485,386	461,126	21,946,512
Cultural and recreation	711,853	-	711,853
Education	7,837,920	3,419,970	11,257,890
Debt service:			
Principal repayments	1,919,745	-	1,919,745
Interest	854,222	-	854,222
Total expenditures	<u>54,854,593</u>	<u>12,301,443</u>	<u>67,156,036</u>
Revenues over (under) expenditures	<u>96,055</u>	<u>(4,125,260)</u>	<u>(4,029,205)</u>
Other Financing Sources (Uses):			
Transfers in	1,292,222	4,474,827	5,767,049
Transfers out	(4,474,827)	(1,067,222)	(5,542,049)
Installment purchase obligations issued	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Total other financing sources (uses)	<u>(2,732,605)</u>	<u>3,407,605</u>	<u>675,000</u>
Net change in fund balances	<u>(2,636,550)</u>	<u>(717,655)</u>	<u>(3,354,205)</u>
Fund Balances:			
Beginning of year - July 1	29,748,050	1,352,574	31,100,624
Prior period adjustment	<u>-</u>	<u>(213,331)</u>	<u>(213,331)</u>
Beginning of year - July 1 - restated	<u>29,748,050</u>	<u>1,139,243</u>	<u>30,887,293</u>
End of year - June 30	<u>\$ 27,111,500</u>	<u>\$ 421,588</u>	<u>\$ 27,533,088</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, 2014

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	\$ (3,354,205)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(542,466)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	1,410,397
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,422,525)
Capital assets disposed of during the year not recognized on the modified accrual basis.	(71,444)
Accrual of interest expense for debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(188,211)
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.	(261,743)
Proceeds from issuance of debt are reported as revenues in the governmental funds statement. However, in the Statement of Activities, it is not a revenue but an increase in liabilities.	(450,000)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	1,919,745
The net revenue of the internal service funds are reported with governmental activities.	<u>(48,146)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (3,008,598)</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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 24,384,043	\$ 24,384,043	\$ 25,467,769	\$ 1,083,726
Other taxes and licenses	7,312,940	7,316,503	6,857,795	(458,708)
Unrestricted intergovernmental revenues	243,000	243,000	347,751	104,751
Restricted intergovernmental revenues	16,033,008	18,289,274	16,450,460	(1,838,814)
Permits and fees	1,352,354	1,360,212	1,397,617	37,405
Sales and services	3,819,774	3,835,529	4,043,476	207,947
Investment earnings	2,006	2,006	55,908	53,902
Miscellaneous	<u>146,301</u>	<u>313,886</u>	<u>329,311</u>	<u>15,425</u>
Total revenues	<u>53,293,426</u>	<u>55,744,453</u>	<u>54,950,087</u>	<u>(794,366)</u>
Expenditures:				
Current:				
General government	7,345,608	8,836,209	8,032,471	803,738
Public safety	13,075,313	13,512,369	13,146,632	365,737
Economic and physical development	895,206	2,762,197	866,364	1,895,833
Human services	23,662,944	26,839,028	21,485,386	5,353,642
Cultural and recreational	605,625	729,260	711,853	17,407
Education	8,168,884	9,743,406	7,837,920	1,905,486
Debt service:				
Principal retirement	1,922,575	2,017,487	1,919,745	97,742
Interest and fees	<u>853,674</u>	<u>854,224</u>	<u>854,222</u>	<u>2</u>
Total expenditures	<u>56,529,829</u>	<u>65,294,180</u>	<u>54,854,593</u>	<u>10,439,587</u>
Revenues over (under) expenditures	<u>(3,236,403)</u>	<u>(9,549,727)</u>	<u>95,494</u>	<u>9,645,221</u>
Other Financing Sources (Uses):				
Intrafund transfers	(448,823)	34,294	175,986	141,692
Transfers in	225,000	1,292,222	1,292,222	-
Transfers out	-	(4,474,827)	(4,474,827)	-
Installment purchase obligations issued	-	450,000	450,000	-
Appropriated fund balance	<u>3,460,226</u>	<u>12,248,038</u>	<u>-</u>	<u>(12,248,038)</u>
Total other financing sources (uses)	<u>3,236,403</u>	<u>9,549,727</u>	<u>(2,556,619)</u>	<u>(12,106,346)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,461,125)</u>	<u>\$ (2,461,125)</u>
Fund Balance:				
Beginning of year - July 1			<u>28,684,250</u>	
End of year - June 30			<u>\$ 26,223,125</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<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	\$ 4,915,979	\$ 2,388,366	\$ 7,304,345	\$ 1,597,067
Accounts receivable, net	538,487	648,698	1,187,185	479
Due from other governments	22,553	135,228	157,781	-
Long term receivables	3,921,729	-	3,921,729	-
Restricted cash	161,810	277,044	438,854	-
Inventories	-	46,627	46,627	-
Total current assets	<u>9,560,558</u>	<u>3,495,963</u>	<u>13,056,521</u>	<u>1,597,546</u>
Non-current assets:				
Non-depreciable assets	337,487	3,856,302	4,193,789	-
Other capital assets, net of depreciation	<u>2,501,538</u>	<u>31,224,399</u>	<u>33,725,937</u>	<u>-</u>
Total non-current assets	<u>2,839,025</u>	<u>35,080,701</u>	<u>37,919,726</u>	<u>-</u>
Total assets	<u>12,399,583</u>	<u>38,576,664</u>	<u>50,976,247</u>	<u>1,597,546</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	57,782	48,668	106,450	692,968
Accrued interest payable	13,148	121,154	134,302	-
Compensated absences payable	11,668	14,988	26,656	-
Accrued landfill post-closure care costs	228,128	-	228,128	-
Liabilities payable from restricted assets:				
Customer deposits	-	247,125	247,125	-
Notes payable	188,703	72,464	261,167	-
General obligation bonds payable	-	819,667	819,667	-
Revenue bonds payable	-	47,000	47,000	-
Total current liabilities	<u>499,429</u>	<u>1,371,066</u>	<u>1,870,495</u>	<u>692,968</u>
Non-current liabilities:				
Compensated absences payable	19,037	24,454	43,491	-
Accrued landfill post-closure care costs	6,788,543	-	6,788,543	-
Other post-employment benefits	27,583	32,271	59,854	-
Notes payable - non-current portion	1,369,039	1,231,895	2,600,934	-
General obligation bonds payable - non-current	-	19,755,929	19,755,929	-
Revenue bonds payable - non-current	-	2,640,000	2,640,000	-
Total non-current liabilities	<u>8,204,202</u>	<u>23,684,549</u>	<u>31,888,751</u>	<u>-</u>
Total liabilities	<u>8,703,631</u>	<u>25,055,615</u>	<u>33,759,246</u>	<u>692,968</u>
Net Position:				
Net invested in capital assets	1,443,093	10,543,665	11,986,758	-
Unrestricted	<u>2,252,859</u>	<u>2,977,384</u>	<u>5,230,243</u>	<u>904,578</u>
Total net position	<u>\$ 3,695,952</u>	<u>\$ 13,521,049</u>	<u>\$ 17,217,001</u>	<u>\$ 904,578</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities</u>
	<u>Solid Waste</u>	<u>Water</u>	<u>Total</u>	<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>		<u>Fund</u>
Operating Revenues:				
Water and sewer sales	\$ 3,814,991	\$ 4,934,123	\$ 8,749,114	\$ -
System tap and service fees	-	53,825	53,825	-
Other taxes and licenses	74,366	-	74,366	-
Charges for services	-	-	-	3,942,607
Total operating revenues	<u>3,889,357</u>	<u>4,987,948</u>	<u>8,877,305</u>	<u>3,942,607</u>
Operating Expenses:				
Administration	-	-	-	3,766,745
Water and sewer operations	-	3,402,980	3,402,980	-
Repairs and maintenance	-	114,509	114,509	-
Landfill operations	3,463,916	-	3,463,916	-
Landfill post-closure care costs	242,718	-	242,718	-
Depreciation	<u>226,658</u>	<u>1,372,475</u>	<u>1,599,133</u>	-
Total operating expenses	<u>3,933,292</u>	<u>4,889,964</u>	<u>8,823,256</u>	<u>3,766,745</u>
Operating income (loss)	<u>(43,935)</u>	<u>97,984</u>	<u>54,049</u>	<u>175,862</u>
Non-Operating Revenues (Expenses):				
Investment earnings	3,298	2,258	5,556	992
Interest and fees paid	<u>(49,161)</u>	<u>(869,926)</u>	<u>(919,087)</u>	-
Total non-operating revenues (expenses)	<u>(45,863)</u>	<u>(867,668)</u>	<u>(913,531)</u>	<u>992</u>
Income (loss) before transfers and capital contributions	<u>(89,798)</u>	<u>(769,684)</u>	<u>(859,482)</u>	<u>176,854</u>
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(225,000)
Capital contributions	<u>-</u>	<u>642,755</u>	<u>642,755</u>	-
Total transfers and capital contributions	<u>-</u>	<u>642,755</u>	<u>642,755</u>	<u>(225,000)</u>
Change in net position	<u>(89,798)</u>	<u>(126,929)</u>	<u>(216,727)</u>	<u>(48,146)</u>
Net Position:				
Beginning of year - July 1	3,785,750	14,414,493	18,200,243	952,724
Prior period adjustment	<u>-</u>	<u>(766,515)</u>	<u>(766,515)</u>	-
Beginning of year - July 1 - restated	<u>3,785,750</u>	<u>13,647,978</u>	<u>17,433,728</u>	<u>952,724</u>
End of year - June 30	<u>\$ 3,695,952</u>	<u>\$ 13,521,049</u>	<u>\$ 17,217,001</u>	<u>\$ 904,578</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, 2014**

	<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	\$ 3,884,848	\$ 5,414,610	\$ 9,299,458	\$ 3,942,215
Cash paid for goods and services	(3,772,381)	(3,376,721)	(7,149,102)	(3,706,037)
Cash paid to employees for services	(538,277)	(586,936)	(1,125,213)	-
Net cash provided (used) by operating activities	<u>(425,810)</u>	<u>1,450,953</u>	<u>1,025,143</u>	<u>236,178</u>
Cash Flows From Non-Capital Financing Activities:				
Transfers out	-	-	-	(225,000)
Net cash provided (used) by non-capital financing activities	-	-	-	<u>(225,000)</u>
Cash Flows From Capital And Related Financing Activities:				
Contributed capital received	-	642,755	642,755	-
Interest expense	(36,013)	(748,772)	(784,785)	-
Acquisition of capital assets	(365,261)	(3,985,381)	(4,350,642)	-
Long-term debt issued	-	3,297,308	3,297,308	-
Principal repayments on long-term debt	(184,861)	(3,546,182)	(3,731,043)	-
Net cash provided (used) by capital and related financing activities	<u>(586,135)</u>	<u>(4,340,272)</u>	<u>(4,926,407)</u>	<u>-</u>
Cash Flows From Investing Activities:				
Interest on investments	<u>3,298</u>	<u>2,258</u>	<u>5,556</u>	<u>992</u>
Net cash provided (used) by investing activities	<u>3,298</u>	<u>2,258</u>	<u>5,556</u>	<u>992</u>
Net increase (decrease) in cash and cash equivalents	(1,008,647)	(2,887,061)	(3,895,708)	12,170
Cash and Cash Equivalents:				
Beginning of year - July 1	<u>6,086,436</u>	<u>5,552,471</u>	<u>11,638,907</u>	<u>1,584,897</u>
End of year - June 30	<u>\$ 5,077,789</u>	<u>\$ 2,665,410</u>	<u>\$ 7,743,199</u>	<u>\$ 1,597,067</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, 2014**

	<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)	\$ (43,935)	\$ 97,984	\$ 54,049	\$ 175,862
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	226,658	1,372,475	1,599,133	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,403)	351,118	349,715	(392)
(Increase) decrease in inventories	-	29,615	29,615	-
Increase (decrease) in accounts payable and accrued liabilities	(833,058)	(422,109)	(1,255,167)	60,708
Increase (decrease) in customer deposits	-	21,870	21,870	-
Increase (decrease) in accrued landfill closure and post-closure costs	<u>225,928</u>	<u>-</u>	<u>225,928</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (425,810)</u>	<u>\$ 1,450,953</u>	<u>\$ 1,025,143</u>	<u>\$ 236,178</u>

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2014

	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 77,769	\$ 156,175
Taxes receivable, net	<u>-</u>	<u>857,259</u>
Total assets	<u>\$ 77,769</u>	<u>\$ 1,013,434</u>
Liabilities:		
Miscellaneous liabilities	\$ -	\$ 243,082
Intergovernmental payable	<u>-</u>	<u>770,352</u>
Total liabilities	<u>-</u>	<u>\$ 1,013,434</u>
Net Position:		
Assets held in trust for pension benefits	<u>\$ 77,769</u>	

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Pension Trust Fund</u>
Additions:	
Employer contributions	\$ 25,000
Investment income	<u>56</u>
Total additions	<u>25,056</u>
Deductions:	
Benefits	<u>58,030</u>
Change in net position	(32,974)
Net Position:	
Beginning of year - July 1	<u>110,743</u>
End of year - June 30	<u>\$ 77,769</u>

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



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HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, 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

The 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, 2014, 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, 2014

C. Basis of Presentation

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The County reports the following major enterprise funds:

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

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

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

General Fund. The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Reassessment Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains six special revenue funds: Emergency Telephone System Fund, Our Community Hospital Center Fund, Weldon School District Fund, Fire District Fund, Roanoke Rapids School Graded District Fund, CDBG Scattered Site Housing 2012, and CDBG 2014.

Capital Projects Funds. Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments, or trust funds). The County maintains seven capital projects funds within the governmental fund types: RPO Peanut Belt Capital Project, Piezotronics Project, Industrial Building, QCSB Roanoke Rapids, Jail Construction, Halifax County Sewer Upgrade Project and Klausner Lumber Two Project.

Proprietary Funds include the following fund types:

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

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

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, 2014

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:

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 Fund Fee, which accounts for \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

D. Measurement Focus and Basis of Accounting

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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, 2014

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

E. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (with the exception of CDBG Scattered Site Housing and CDBG 2014), the enterprise funds, and the internal service funds. All capital project funds with the exception of the RPO Peanut Belt Capital Project Fund adopt project budgets. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the enterprise capital project funds, which are consolidated with the enterprise operating funds for reporting purposes.

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

F. Deposits and Investments

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

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued based at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

G. Cash and Cash Equivalents

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

H. Restricted Assets

The sinking fund amount deposited for QZAB debt as of June 30, 2014, is restricted for the purpose of debt retirement. The unexpended proceeds of the County's financing for the QCSB Roanoke Rapids Capital Project and Water Capital Project are restricted for the purposes for which they were 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.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Governmental Activities:		
General Fund	QZAB sinking fund	\$ 881,551
General Fund	Reassessment	888,375
Other governmental funds	Unspent proceeds	<u>63,938</u>
		<u>1,833,864</u>
Business-type Activities:		
Solid Waste Fund	Unspent proceeds	161,810
Water Fund	Unspent proceeds	29,919
Water Fund	Customer deposits	<u>247,125</u>
		<u>438,854</u>
Total restricted cash		<u>\$ 2,272,718</u>

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, 2013. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

J. Allowances for Doubtful Accounts

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

K. Inventories and Prepaid Items

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

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

L. Capital Assets

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

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

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

M. Deferred Outflows/Inflows of Resources

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

N. Long-Term Obligation

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

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

O. 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. 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 County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

P. 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.

Q. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

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

Restricted for Education – portion of fund balance that can only be used for school capital per G.S. 159-18-22, and restricted by revenue source for school construction.

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

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

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Stabilization by State statute	\$ 7,169,698	\$ 424,732	\$ 7,594,430
Human services	5,480,131	-	5,480,131
Economic development	-	11,445	11,445
Education	-	130,826	130,826
Public safety	-	451,114	451,114
Total	<u>\$ 12,649,829</u>	<u>\$ 1,018,117</u>	<u>\$ 13,667,946</u>

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds of \$63,938 as of June 30, 2014.

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

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

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Tax revaluation	\$ 888,375	\$ -	\$ 888,375
Economic development	-	629,102	629,102
Total	<u>\$ 888,375</u>	<u>\$ 629,102</u>	<u>\$ 1,517,477</u>

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

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been budgeted by the Board for 2014-2015 expenditures.

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

<u>Purpose</u>	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Public safety	\$ 1,103,012	\$ -	\$ 1,103,012
Subsequent year's expenditures	779,922	-	779,922
Total	<u>\$ 1,882,934</u>	<u>\$ -</u>	<u>\$ 1,882,934</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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 27,111,500
Less:	
Inventories	31,472
Prepays	15,625
Stabilization by State statute	7,169,698
Restricted, human services	5,480,131
Committed, tax revaluation	888,375
Assigned, public safety	1,103,012
Appropriated fund balance - FY15	<u>779,922</u>
Remaining fund balance	<u>\$ 11,643,265</u>

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

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

Fund balance, ending - General Fund (Exhibit F)	\$ <u>26,223,125</u>
Reassessment Fund:	
Revenues:	
Investment earnings	561
Transfers in	150,000
Transfers out	(325,986)
Fund Balance:	
Beginning of year - July 1	<u>1,063,800</u>
End of year - June 30	<u>888,375</u>
Total ending fund balance (Exhibit D)	<u>\$ 27,111,500</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

2. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Net Position of Individual Funds:

For the fiscal year ended June 30, 2014, individual funds had deficit fund balances as follows:

Piezotronics Project	\$	600,001
Jail Construction		509,276

The General Fund funded the expenditures above with loans to the projects, which will be reimbursed through grants from job creation and rent of the building for an additional six-year period. The County is in negotiations to sell facility to PCB; this should be completed in 2015. The Jail Construction project will reimburse the General Fund when loan proceeds are received in November 2014.

3. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage (FDIC) are collateralized with securities held by the County's agent in the unit's name. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by their agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agents. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, the County's deposits had a carrying amount of \$22,688,668 and a bank balance of \$24,382,558. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$23,382,558 was covered by collateral held under the Pooling Method.

At June 30, 2014, the County had \$3,143 cash on hand.

Investments

At June 30, 2014, the County had \$11,050,170 invested with the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard & Poor's.

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

Credit Risk. The County has no formal policy regarding credit risk, but has internal management procedures that limit the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard and Poor's as of June 30, 2014.

Property Tax Use-Value Assessment On Certain Land

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

Year Ended				
June 30	Tax	Interest	Total	
2010	\$ 1,078,027	\$ -	\$ 1,078,027	
2011	1,099,600	-	1,099,600	
2012	1,125,875	-	1,125,875	
2013	<u>1,149,263</u>	<u>-</u>	<u>1,149,263</u>	
Total	<u>\$ 4,452,765</u>	<u>\$ -</u>	<u>\$ 4,452,765</u>	

HALIFAX COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Receivables

The receivables amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2014, are net of the following allowances:

	<u>Accounts</u>
Governmental Activities:	
General Fund	
Taxes receivable	\$ 636,421
Accounts receivable	<u>966,469</u>
Total governmental activities	<u>\$ 1,602,890</u>
Business-Type Activities:	
Solid Waste	\$ 184,349
Water Fund	<u>210,970</u>
Total business-type activities	<u>\$ 395,319</u>

Due from other governments consisted of the following:

	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
Local option sales tax and sales tax refunds	<u>\$ 1,407,427</u>	<u>\$ 157,781</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Capital Assets

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

	Balance		Balance
	<u>July 1, 2013</u>	<u>Additions</u>	<u>June 30, 2014</u>
Governmental Activities:			
Non-Depreciable Assets:			
Land and improvements	\$ 3,500,690	\$ 200,000	\$ -
Construction in progress	<u>7,642,404</u>	<u>127,162</u>	<u>(4,763,305)</u>
Total non-depreciable capital assets	<u>11,143,094</u>	<u>327,162</u>	<u>(4,763,305)</u>
Depreciable Assets:			
Buildings and improvements	26,205,632	5,206,680	(85,033)
Vehicles	3,647,281	468,186	(43,860)
Equipment	<u>4,908,655</u>	<u>171,674</u>	<u>-</u>
Total depreciable capital assets	<u>34,761,568</u>	<u>5,846,540</u>	<u>(128,893)</u>
Total capital assets	<u>45,904,662</u>	<u>6,173,702</u>	<u>(4,892,198)</u>
Less Accumulated Depreciation:			
Buildings and improvements	(14,184,806)	(876,034)	51,601
Vehicles	(2,977,713)	(335,171)	5,848
Equipment	<u>(4,863,417)</u>	<u>(211,320)</u>	<u>-</u>
Total accumulated depreciation	<u>(22,025,936)</u>	<u>\$ (1,422,525)</u>	<u>\$ 57,449</u>
Governmental activity capital assets, net	<u>\$ 23,878,726</u>		<u>\$ 23,795,154</u>

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

Governmental Activities:	
General government	\$ 369,852
Public safety	666,318
Economic and physical development	79,642
Human services	301,562
Cultural and recreational	<u>5,151</u>
Total	<u>\$ 1,422,525</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Capital assets for proprietary funds of the County at June 30, 2014, are as follows:

	Balance			Balance
	<u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2014</u>
Business-Type Activities:				
Solid Waste:				
Non-Depreciable Assets:				
Land	\$ 312,250	\$ -	\$ -	\$ 312,250
Construction in progress	<u>1,257,251</u>	<u>306,176</u>	<u>(1,538,190)</u>	<u>25,237</u>
Total non-depreciable assets	<u>1,569,501</u>	<u>306,176</u>	<u>(1,538,190)</u>	<u>337,487</u>
Depreciable Assets:				
Other improvements	27,123	-	-	27,123
Buildings	276,051	1,577,688	-	1,853,739
Vehicles	691,030	7,900	-	698,930
Equipment	<u>1,705,664</u>	<u>11,687</u>	<u>-</u>	<u>1,717,351</u>
Total depreciable capital assets	<u>2,699,868</u>	<u>1,597,275</u>	<u>-</u>	<u>4,297,143</u>
Less Accumulated Depreciation:				
Other improvements	(18,113)	(1,614)	-	(19,727)
Buildings	(38,462)	(10,533)	-	(48,995)
Vehicles	(473,063)	(43,427)	-	(516,490)
Equipment	<u>(1,039,309)</u>	<u>(171,084)</u>	<u>-</u>	<u>(1,210,393)</u>
Total accumulated depreciation	<u>(1,568,947)</u>	<u>\$ (226,658)</u>	<u>\$ -</u>	<u>(1,795,605)</u>
Total solid waste capital assets, net	<u>\$ 2,700,422</u>			<u>\$ 2,839,025</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
Water Fund:				
Non-Depreciable Assets:				
Land	\$ 124,477	\$ -	\$ -	\$ 124,477
Construction in progress	<u>1,158,971</u>	<u>3,949,758</u>	<u>(1,376,904)</u>	<u>3,731,825</u>
Total non-depreciable capital assets	<u>1,283,448</u>	<u>3,949,758</u>	<u>(1,376,904)</u>	<u>3,856,302</u>
Depreciable Assets:				
Plant and distribution centers	48,357,243	1,376,904	-	49,734,147
Vehicles	301,299	35,623	-	336,922
Equipment and furniture	<u>1,930,605</u>	<u>-</u>	<u>-</u>	<u>1,930,605</u>
Total depreciable capital assets	<u>50,589,147</u>	<u>1,412,527</u>	<u>-</u>	<u>52,001,674</u>
Less Accumulated Depreciation:				
Plant and distribution centers	(17,248,378)	(1,332,941)	-	(18,581,319)
Vehicles	(314,548)	(11,267)	-	(325,815)
Equipment and furniture	<u>(1,841,874)</u>	<u>(28,267)</u>	<u>-</u>	<u>(1,870,141)</u>
Total accumulated depreciation	<u>(19,404,800)</u>	<u>\$ (1,372,475)</u>	<u>\$ -</u>	<u>(20,777,275)</u>
Total water capital assets, net	<u>32,467,795</u>			<u>35,080,701</u>
Business-type activities capital assets, net	<u>\$ 35,168,217</u>			<u>\$ 37,919,726</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2014, is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets	<u>\$ 23,795,154</u>	<u>\$ 37,919,726</u>
Total debt, gross	19,388,516	26,124,697
Long-term debt for assets not owned by the County	14,323,592	-
Unexpended proceeds	<u>63,938</u>	<u>191,729</u>
Total capital debt	<u>5,000,986</u>	<u>25,932,968</u>
Net investment in capital assets	<u>\$ 18,794,168</u>	<u>\$ 11,986,758</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

B. Liabilities

Construction Commitments

The County has three active construction projects as of June 30, 2014. Two of the projects are reported in enterprise funds. The remaining balance for each of these contracts are: Insituform for the Weldon Sanitary Sewer Upgrade in the amount of \$807,715 and Ralph Hodge Construction Company for Water Phase XI and XI-A in the amount of \$488,027. The third project is economic development related for the Klausner Lumber Two site preparation work. At year-end, the government's remaining commitment was to Haymes Brothers Construction for \$698,505.

Payables

Payables at Exhibit A for June 30, 2014, were as follows:

	<u>Vendors</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,311,725	\$ 573,225	\$ 64,100	\$ 1,949,050
Other governmental	<u>427,283</u>	<u>-</u>	<u>-</u>	<u>427,283</u>
Total governmental activities	<u>\$ 1,739,008</u>	<u>\$ 573,225</u>	<u>\$ 64,100</u>	<u>\$ 2,376,333</u>
Business-Type Activities:				
Solid waste	\$ 57,782	\$ -	\$ -	\$ 57,782
Water	<u>44,643</u>	<u>-</u>	<u>4,025</u>	<u>48,668</u>
Total business-type activities	<u>\$ 102,425</u>	<u>\$ -</u>	<u>\$ 4,025</u>	<u>\$ 106,450</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. The current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07% and 7.28%, 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, 2014, 2013, and 2012 were \$2,655,513, \$2,268,928, and \$2,589,382, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers' Special Separation Allowance

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

All full-time Halifax County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated employees entitled to, but not yet receiving, benefits	-
Active plan members	<u>59</u>
Total	<u>62</u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial values. For the current year, the County contributed \$25,000 or 1.14% 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, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.25 to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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, 2012 was 18 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 122,301
Interest on net pension obligation	31,296
Adjustment to annual required contribution	<u>(50,996)</u>
Annual pension cost	102,601
Contributions made	<u>(25,000)</u>
Increase (decrease) in net pension obligation	77,601
Net pension obligation:	
Beginning of year - July 1	<u>625,926</u>
End of year - June 30	<u>\$ 703,527</u>

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual</u>	<u>Percentage</u>	<u>Net</u>
<u>June 30</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2012	\$ 93,437	13.13%	\$ 554,466
2013	96,460	25.92%	625,926
2014	102,601	24.37%	703,527

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 8.10% funded. The Actuarial Accrued Liability for benefits was \$1,050,270 and the Actuarial Value of Assets was \$85,117, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$965,153. The covered payroll (annual payroll of active employees covered by the plan) was \$2,191,159 and the ratio of the UAAL to the covered payroll was 44.05%. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liability for benefits.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014, were \$312,837, which consisted of \$118,301 from the County, \$29,665 from the law enforcement officers, and \$164,871 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 "Fund0148), 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, 2014

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to 1.5% of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides 93% of the amount in the fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining 7% of the fund's assets may be used by the State Treasurer in administering the fund. For the year ended June 30, 2014, the County's required and actual contributions were \$3,500.

Other Post-Employment Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. The plan provides healthcare benefits to retirees of the County who retire with at least 30 years of service with the North Carolina Local Governmental Employees' Retirement System (NCLGERS), of which the last twenty years of service must be with the County. The County pays the full cost of coverage for these benefits until the retiree reaches age 65 or is eligible for Medicare. Retirees with at least twenty years of service with the County are eligible to continue coverage at the full premium cost until the retiree reaches age 65 or is eligible for Medicare. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, twenty-five 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, 2013, the date of the latest actuarial valuation:

	General	Law
	<u>Employees</u>	<u>Enforcement</u>
		<u>Officers</u>
Retirees and dependents receiving benefits	25	N/A
Terminated plan members entitled to, but not yet receiving, benefits	-	-
Active plan members	<u>457</u>	<u>61</u>
Total	<u>482</u>	<u>61</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Funding Policy. The County pays the full cost of coverage for these benefits under a County resolution that can be amended by the Board of Commissioners. 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 2.21% of annual covered payroll. For the current year, the County contributed \$250,547, or 1.29% of annual covered payroll. The County obtains healthcare coverage through private insurers. There were no contributions made by employees. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

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

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

	Governmental	Business -Type	Total
	Activities	Activities	Total
Annual required contribution	\$ 412,112	\$ 17,148	\$ 429,260
Interest on net OPEB obligation	51,625	2,148	53,773
Adjustments to annual required contribution	(49,318)	(2,052)	(51,370)
Annual OPEB cost (expense)	414,419	17,244	431,663
Contributions made	(240,538)	(10,009)	(250,547)
Increase (decrease) in net OPEB obligation	173,881	7,235	181,116
Net OPEB obligation:			
Beginning of year - July 1	1,291,708	52,619	1,344,327
End of year - June 30	\$ 1,465,589	\$ 59,854	\$ 1,525,443

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2012	\$ 372,842	50.9%	\$ 1,093,871
2013	373,852	33.0%	1,344,327
2014	431,663	58.0%	1,525,443

Fund Status and Funding Progress. As of December 31, 2013, 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 \$5,157,736. The covered payroll (annual payroll of active employees covered by the Plan) was \$19,451,815, and the ratio of the UAAL to the covered payroll was 26.5%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing, over time, relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75% to 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

As of June 30, 2014, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Board.

Other Employee Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2014, the County made no contributions to the State for death benefits. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established. The County will have a two-year reprieve; contributions will resume in the fiscal year beginning July 1, 2014.

Landfill Closure and Post-Closure Costs

Federal and State laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County's only municipal solid waste landfill stopped accepting waste as of January 1, 1998. The County subsequently incurred costs of approximately \$350,000 to close the landfill. The \$7,016,671 reported as landfill post-closure care liability at June 30, 2014, 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 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. As per NCGS 130A 295.2(h), the estimated closure expenses have been increased by the minimum \$3,000,000 for potential and corrective action. The County has entered into a contract with Westmoreland-Hadison

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Partners as of March 4, 1991 for the reimbursement of all actual and reasonable expenses related to the Ash Monofill. A receivable in the amount of \$3,921,729 has been recorded on the balance sheet for the Monofill portion of the landfill post-closure care liability.

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 \$77,818 (market value – \$77,818) at year-end. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Deferred Inflows of Resources

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

	Unavailable	Unearned
	<u>Revenues</u>	<u>Revenues</u>
General Fund taxes receivable, net	\$ 1,463,874	\$ -
Special Revenue Fund taxes receivable, net	254,054	-
General Fund:		
Prepaid taxes not yet earned	-	87,771
Other receivables	<u>33,510</u>	<u>-</u>
Total	<u>\$ 1,751,438</u>	<u>\$ 87,771</u>

Risk Management

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The County obtained blanket property insurance coverage of \$51,891,453 with a limit of 100% of the applicable building or personal property limit in any one occurrence. Replacement cost, subject to limitations, applies to all types of covered property excluding buildings and business personal property which have actual cash values. The County has a \$4,000,000 general aggregate limit for commercial general liability coverage. There have been no significant reductions in insurance coverage in the prior years.

The County does not carry flood insurance.

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

Changes in the fund's claims liability amounts for fiscal year 2013-2014 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>
2011	\$ 691,838	\$ 3,568,948	\$ (3,654,731)	\$ 606,055
2012	606,055	3,420,314	(3,343,558)	682,811
2013	682,811	3,221,787	(3,272,338)	632,260
2014	632,260	3,439,278	(3,498,313)	573,225

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, 2014

Contingent Liabilities

At June 30, 2014, 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 \$121,043 and book value is \$385,649.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending	Amount
<u>June 30</u>	<u>Amount</u>
2015	\$ 22,199
2016	21,365
2017	21,364
2018	21,364
2019	21,364
2020-2024	106,821
2025-2028	<u>20,657</u>
Total minimum lease payments	235,134
Less: amount representing interest	<u>(60,498)</u>
Present value of minimum lease payments	<u>\$ 174,636</u>

HALIFAX COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Notes Payable:

Serviced by the General Fund:

4.27%, \$17,000,000 Certificate of Participation Schools Series 2006, payable in annual installments ranging from \$869,125 through \$1,535,312; secured by school, to be transferred to the Board of Education	\$ 10,200,000
\$1,642,400 Qualified Zone Academy Bond installment purchase contract, payable in annual sinking fund payments of \$89,500. Scheduled payments to be made by the County assume projected investment earnings at a fixed rate of 1.791%.	1,642,400
4.26%, \$3,223,458 bank note, payable in annual installments ranging from \$359,405 to \$280,065, including interest beginning April 2005 through April 2015; secured by real estate transferred to Halifax County Board of Education	268,621
4.45%, \$7,554,770 note, payable in annual installments ranging from \$713,926 to \$394,548, including interest beginning December 2006 through December 2025: secured by DSS building	4,532,862
\$2,552,967 Qualified School Construction Bond installments purchase contract payable in annual sinking fund payments of \$170,198. Scheduled payments to be made by the County assume project investment earnings at a fixed rate of 1.791%.	2,212,571
1.43%, \$450,000 note, payable in annual installments of \$92,574 including interest beginning December 2013 through 2017; secured by EMS building	<u>357,426</u>
Total notes payable	<u>\$ 19,213,880</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

As of June 30, 2014, funds totaling \$881,551 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 serviced by the General Fund, including interest, are as follows:

Year Ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,754,020	\$ 784,728	\$ 2,538,748
2016	1,486,650	712,724	2,199,374
2017	1,487,918	661,107	2,149,025
2018	1,489,205	608,550	2,097,755
2019	1,397,936	556,436	1,954,372
2020-2024	8,632,081	1,999,065	10,631,146
2025-2028	<u>2,966,070</u>	<u>484,391</u>	<u>3,450,461</u>
Total	<u>\$ 19,213,880</u>	<u>\$ 5,807,001</u>	<u>\$ 25,020,881</u>

Serviced by the Solid Waste Fund:

1.63%, \$150,284.34 bank note, payable in annual installments of \$31,037, including interest beginning January 2013 through January 2017;

secured by equipment \$ 90,155

2.15%, \$1,700,000 bank note, payable in semi-annual installments of \$94,919, including interest, beginning February 2013 through August 2022; secured by Transfer Station structure and equipment 1,467,587

Total Notes Payable - Solid Waste 1,557,742

Serviced by the Water and Sewer Fund:

2013 DENR Drinking Water Revolving Loan; \$1,376,823 due in annual installments of \$72,464, interest-free, beginning May 2014 through 2032 1,304,359

Total Notes Payable - Water and Sewer 1,304,359

Total Notes Payable - Enterprise Funds \$ 2,862,101

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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

Year Ending				
June 30	Principal	Interest	Total	
2015	\$ 261,167	\$ 32,172	\$ 293,339	
2016	265,089	28,250	293,339	
2017	269,093	24,246	293,339	
2018	242,144	20,158	262,302	
2019	245,812	16,491	262,303	
2020-2024	999,081	27,673	1,026,754	
2025-2029	362,322	-	362,322	
2030-2032	<u>217,393</u>	<u>-</u>	<u>217,393</u>	
Total	<u>\$ 2,862,101</u>	<u>\$ 148,990</u>	<u>\$ 3,011,091</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, 2014

Bonds payable at June 30, 2014, are comprised of the following individual issues:

Serviced by Enterprise Fund - Water Fund:

\$5,835,000 - 2004 water bonds due in annual installments through June 2028; annual installments ranging from \$166,288 to \$326,800, including interest at 3.0% per annum	\$ 3,930,000
\$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	6,555,000
\$1,916,000 - water bonds due in annual installments through June 2050; annual installments ranging from \$62,270 to \$89,495 including interest at 4.125% per annum	1,860,000
\$8,674,314.29 - GO refunding bond, Series 2012 due in annual installments through September 2028; semi-annual installments ranging from \$347,030.79 to \$694,061.59 include interest at 2.79% per annum	<u>8,230,596</u>
Total bonds payable	<u>\$ 20,575,596</u>

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

Year Ending	Principal	Interest	Total
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 819,667	\$ 711,205	\$ 1,530,872
2016	846,806	686,092	1,532,898
2017	875,314	659,760	1,535,074
2018	898,203	632,013	1,530,216
2019	923,479	2,705,703	3,629,182
2020-2024	5,026,005	1,841,665	6,867,670
2025-2029	5,092,122	1,161,444	6,253,566
2030-2034	1,123,000	926,694	2,049,694
2035-2039	1,363,000	647,150	2,010,150
2040-2044	1,653,000	307,856	1,960,856
2045-2049	1,910,000	17,031	1,927,031
2050	<u>45,000</u>	<u>17,031</u>	<u>62,031</u>
Total	<u>\$ 20,575,596</u>	<u>\$ 10,313,644</u>	<u>\$ 30,889,240</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Revenue Bonds:

Serviced by the Water and Sewer Fund:

On June 23, 2014, the County issued \$2,687,000 revenue bonds bearing interest at 2% for water line construction. Net revenues of the water system are pledged to secure the payment of the principal and interest on the bonds. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income receipts, or revenues. Neither the faith and credit nor the taxing power of the County is pledged to the payment of the bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

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

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 47,000	\$ 50,501	\$ 97,501
2016	45,000	52,800	97,800
2017	46,000	51,900	97,900
2018	47,000	50,980	97,980
2019	48,000	50,040	98,040
2020-2024	255,000	235,400	490,400
2025-2029	282,000	208,880	490,880
2030-2034	312,000	179,480	491,480
2035-2039	344,000	147,040	491,040
2040-2044	379,000	111,240	490,240
2045-2049	420,000	71,720	491,720
2050-2054	<u>462,000</u>	<u>28,020</u>	<u>490,020</u>
Total	<u>\$ 2,687,000</u>	<u>\$ 1,238,001</u>	<u>\$ 3,925,001</u>

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The County was not in compliance with revenue bond covenants for the year ended June 30, 2014. The County has pledged future water and sewer customer revenues net of operating expense to repay the revenue bonds. The bond order requires the net revenues for each fiscal year be no less than 110% of the revenue bond debt service requirements and no less than 100% of the debt service requirements of any general obligation bonds, installment financing obligations, and notes payable of the Water and Sewer Fund. The debt service coverage ratios for the year ended June 30, 2014, is as follows:

Revenues	\$ 4,987,948
Operating expense*	<u>(3,517,489)</u>
Net revenues	<u>\$ 1,470,459</u>
Debt service, revenue bonds	\$ <u> -</u>
Debt service coverage ratio	<u> NA</u>
Debt service, GO bonds, revenue bonds, and notes payable	<u>1,607,954</u>
Debt service coverage ratio	<u>91.45%</u>

*Excludes depreciation of \$1,372,475

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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, 2014:

	Restated			Balance	Current
	Balance	Additions	Retirements	June 30, 2014	Portion of
	July 1, 2013				Balance
Governmental Activities:					
Notes payable	\$ 20,635,181	\$ 450,000	\$ (1,871,301)	\$ 19,213,880	\$ 1,754,020
Capital leases	223,080	-	(48,444)	174,636	12,500
Compensated absences	1,533,885	757,058	(746,797)	1,544,146	571,334
Other post-employment benefits	1,291,708	414,419	(240,538)	1,465,589	-
Unfunded Special Separation Allowance	<u>625,926</u>	<u>102,601</u>	<u>(25,000)</u>	<u>703,527</u>	<u>-</u>
Total governmental activities	<u>\$ 24,309,780</u>	<u>\$ 1,724,078</u>	<u>\$ (2,932,080)</u>	<u>\$ 23,101,778</u>	<u>\$ 2,337,854</u>
Business-Type Activities:					
Solid Waste:					
Note payable	\$ 1,742,603	\$ -	\$ (184,861)	\$ 1,557,742	\$ 188,703
Accrued landfill closure and post-closure care costs	6,790,743	225,928	-	7,016,671	228,128
Other post-employment benefits	23,931	8,704	(5,052)	27,583	-
Compensated absences	<u>25,570</u>	<u>11,097</u>	<u>(5,962)</u>	<u>30,705</u>	<u>11,668</u>
Total solid waste activities	<u>8,582,847</u>	<u>245,729</u>	<u>(195,875)</u>	<u>8,632,701</u>	<u>428,499</u>
Water:					
General obligation debt	21,362,314	-	(786,718)	20,575,596	819,667
Bond anticipation note	2,687,000	-	(2,687,000)	-	-
Revenue bonds	-	2,687,000	-	2,687,000	47,000
Notes payable	766,515	610,308	(72,464)	1,304,359	72,464
Other post-employment benefits	28,688	8,540	(4,957)	32,271	-
Compensated absences	<u>46,684</u>	<u>16,376</u>	<u>(23,618)</u>	<u>39,442</u>	<u>14,988</u>
Total water activities	<u>24,891,201</u>	<u>3,322,224</u>	<u>(3,574,757)</u>	<u>24,638,668</u>	<u>954,119</u>
Total business-type activities	<u>\$ 33,474,048</u>	<u>\$ 3,567,953</u>	<u>\$ (3,770,632)</u>	<u>\$ 33,271,369</u>	<u>\$ 1,382,618</u>

At June 30, 2014, the County had a legal debt margin of \$256,001,014.

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

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Conduit Debt Obligations

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

Debt Related to Capital Activities

Of the total Governmental Activities debt listed only \$5,064,924 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to 63,938.

C. Interfund Balances and Activity

Transfers from/to other funds at June 30, 2014, consist of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Klausner Lumber Project	\$ 4,474,827	Project funding
Industrial Building Project	General Fund	991,911	Return of prior year transfer
Internal Service Fund	General Fund	225,000	Fund internal service program
Sewer Upgrade Project	General Fund	<u>75,311</u>	Close project
Total		<u>\$ 5,767,049</u>	

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

The composition of interfund balances as of June 30, 2014, is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Capital Project Funds	\$ 2,432,965

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

4. Related Organizations

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

5. Joint Ventures

The County, in conjunction with the State of North Carolina and the Halifax County Board of Education, participates in a joint venture to operate Halifax Community College (the "Community College"). Each of the three participants appoints four members of the thirteen-member Board of Trustees of the Community College. The President of the Community College's student government association serves as a non-voting, ex-officio member of the Board of Trustees. The Community College is included as a component of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,377,840 to the Community College for operating purposes and capital outlay during the fiscal year ended June 30, 2014. 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, 2014. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Highway 158, Weldon, North Carolina 27890.

The County, in conjunction with the Counties of Bertie, Hertford, and Northampton, participates in a joint venture to operate the Choanoke Public Transportation Authority (the "Transportation Authority"). The County appoints three members to the Transportation Authority Board. Bertie, Hertford, and Northampton counties appoint two members each. The Transportation Authority is a joint venture established to aid citizens of the County that do not have other means of transportation. The County has an ongoing financial responsibility for the Transportation Authority

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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 \$354,899 to the Transportation Authority during the fiscal year ended June 30, 2014. 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, 2014. Complete financial statements of the Transportation Authority can be obtained from the Transportation Authority's administrative offices at Choanoke Public Transportation Authority, 106 North Main Street, Rich Square, North Carolina 27869.

6. Jointly Governed Organization

The County, in conjunction with three other counties and thirty-two municipalities, established the Region L Council of Governments (the "Council"). The participating governments established the Council to coordinate funding received from various federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees and professional service fees of \$22,126 to the Council during the fiscal year ended June 30, 2014.

7. Benefits Payments Issued by the State

Certain benefit payments were made 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. This additional aid to County recipients does not appear in the financial statements because they are not revenues and expenditures of the County.

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.

HALIFAX COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

9. Prior Period Adjustments

During the year ended June 30, 2014, the County restated beginning fund balance of the Halifax County Sewer Upgrade Project, a nonmajor governmental fund, by \$213,331. Reimbursement-based grant funding in this amount was anticipated and recognized in fiscal year 2013 based on expenditures-to-date and available grant funds, however, the actual amount received was less than expected.

The County also restated beginning net position of the Water Fund by \$766,515. In 2013, the County began drawing down funding from the North Carolina Department of Environment and Natural Resources' water quality grant and loan program. The draw down was recognized as revenue in the Phase XI and XI-A Water Capital Project Fund; however, the loan proceeds were not recognized as long-term debt in the Water Fund in fiscal year 2013. The loan was finalized on July 15, 2013, at which time the full amount of the loan of \$1,376,823 was recorded as a long-term liability of the Water Fund, consisting of \$766,515 received in 2013 and \$610,308 received in 2014.

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, 2014

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
12/31/2013	\$ 85,117	\$ 1,050,270	\$ 965,153	8.10%	\$ 2,191,159	44.05%
12/31/2012	118,345	976,573	858,228	12.12%	2,306,726	37.21%
12/31/2011	88,033	895,226	807,193	9.83%	2,331,134	34.63%
12/31/2010	69,576	849,990	780,414	8.19%	2,342,396	33.32%
12/31/2009	82,634	886,767	804,133	9.32%	2,089,433	38.49%
12/31/2008	71,512	563,257	491,745	12.70%	2,128,279	23.11%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution (ARC)	Amount Contributed By Employer	Percentage of ARC Contributed
2014	\$ 122,301	\$ 25,000	20.44%
2013	103,242	25,000	24.21%
2012	98,006	12,265	12.51%
2011	97,868	12,265	12.53%
2010	68,492	12,265	17.91%
2009	59,483	14,780	24.85%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return *	5.00%
Projected salary increases *	4.25 - 7.85%
Cost of living adjustments	N/A

* Includes inflation at 3.00%

HALIFAX COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS - RETIREE HEALTH PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)			Covered Payroll (C)	UAAL as a % of Covered Payroll (B-A)/C
		Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)		
12/31/2006	\$ -	\$ 5,675,908	\$ 5,675,908	0.00%	\$ 17,464,576	32.50%
12/31/2009	-	4,221,342	4,221,342	0.00%	19,065,825	22.10%
12/31/2011	-	4,202,926	4,202,926	0.00%	19,805,748	21.20%
12/31/2013	-	5,157,736	5,157,736	0.00%	19,451,815	26.50%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage of ARC Contributed
2009	\$ 520,212	20.40%
2010	354,547	30.32%
2011	354,547	30.68%
2012	367,843	51.58%
2013	367,846	33.55%
2014	429,260	58.37%

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, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	7.75% - 5.00%
Year of Ultimate trend rate	2019

* Includes inflation of 3.00% 3%

THE GENERAL FUND

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

HALIFAX COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-ACTUAL-GENERAL FUND CONSOLIDATED FOR THE YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>Social Services Fund</u>	<u>Management Services Fund</u>
Revenues:				
Ad valorem taxes	\$ 25,467,769	\$ -	\$ -	\$ -
Other taxes and licenses	6,857,236	-	-	559
Unrestricted intergovernmental revenues	347,751	-	-	-
Restricted intergovernmental revenues	2,217,478	4,304,429	9,573,520	355,033
Permits and fees	1,393,511	-	4,106	-
Sales and services	1,454,658	16,558	-	2,572,260
Investment earnings	55,908	-	-	-
Miscellaneous	<u>308,331</u>	<u>15,841</u>	<u>-</u>	<u>5,139</u>
Total revenues	<u>38,102,642</u>	<u>4,336,828</u>	<u>9,577,626</u>	<u>2,932,991</u>
Expenditures:				
General government	8,032,471	-	-	-
Public safety	8,092,642	-	-	5,053,990
Economic and physical development	866,364	-	-	-
Human services	1,500,585	5,762,022	14,222,779	-
Cultural and recreational	711,853	-	-	-
Education	7,837,920	-	-	-
Debt service:				
Principal	1,715,003	-	-	204,742
Interest	<u>849,500</u>	<u>-</u>	<u>-</u>	<u>4,722</u>
Total expenditures	<u>29,606,338</u>	<u>5,762,022</u>	<u>14,222,779</u>	<u>5,263,454</u>
Revenues over (under) expenditures	<u>8,496,304</u>	<u>(1,425,194)</u>	<u>(4,645,153)</u>	<u>(2,330,463)</u>
Other Financing Sources (Uses):				
Intrafund transfers	(8,670,630)	1,828,046	4,749,617	2,268,953
Transfers in:				
Internal Service Fund	225,000	-	-	-
Capital projects funds	1,067,222	-	-	-
Transfers out:				
Capital projects funds	(4,474,827)	-	-	-
Installment purchase obligations issued	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(11,403,235)</u>	<u>1,828,046</u>	<u>4,749,617</u>	<u>2,268,953</u>
Net change in fund balances	(2,906,931)	402,852	104,464	(61,510)
Fund Balance:				
Beginning of year - July 1	<u>22,546,913</u>	<u>3,690,341</u>	<u>1,282,474</u>	<u>1,164,522</u>
End of year - June 30	<u>\$ 19,639,982</u>	<u>\$ 4,093,193</u>	<u>\$ 1,386,938</u>	<u>\$ 1,103,012</u>

<u>General Fund</u>	<u>Reassessment Fund</u>	<u>Eliminations</u>	<u>Total Consolidated General Fund</u>
\$ 25,467,769	\$ -	\$ -	\$ 25,467,769
6,857,795	-	-	6,857,795
347,751	-	-	347,751
16,450,460	-	-	16,450,460
1,397,617	-	-	1,397,617
4,043,476	-	-	4,043,476
55,908	561	-	56,469
<u>329,311</u>	<u>-</u>	<u>-</u>	<u>329,311</u>
<u>54,950,087</u>	<u>561</u>	<u>-</u>	<u>54,950,648</u>
8,032,471	-	-	8,032,471
13,146,632	-	-	13,146,632
866,364	-	-	866,364
21,485,386	-	-	21,485,386
711,853	-	-	711,853
7,837,920	-	-	7,837,920
1,919,745	-	-	1,919,745
<u>854,222</u>	<u>-</u>	<u>-</u>	<u>854,222</u>
<u>54,854,593</u>	<u>-</u>	<u>-</u>	<u>54,854,593</u>
<u>95,494</u>	<u>561</u>	<u>-</u>	<u>96,055</u>
175,986	(175,986)	-	-
225,000	-	-	225,000
1,067,222	-	-	1,067,222
(4,474,827)	-	-	(4,474,827)
<u>450,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
<u>(2,556,619)</u>	<u>(175,986)</u>	<u>-</u>	<u>(2,732,605)</u>
(2,461,125)	(175,425)	-	(2,636,550)
<u>28,684,250</u>	<u>1,063,800</u>	<u>-</u>	<u>29,748,050</u>
<u>\$ 26,223,125</u>	<u>\$ 888,375</u>	<u>\$ -</u>	<u>\$ 27,111,500</u>

HALIFAX COUNTY, NORTH CAROLINA

**GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL DEPARTMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	Public Health Fund	Social Services Fund	Emergency Management Services Fund	Total
Revenues:					
Ad valorem taxes	\$ 25,467,769	\$ -	\$ -	\$ -	\$ 25,467,769
Other taxes and licenses	6,857,236	-	-	559	6,857,795
Unrestricted intergovernmental revenues	347,751	-	-	-	347,751
Restricted intergovernmental revenues	2,217,478	4,304,429	9,573,520	355,033	16,450,460
Permits and fees	1,393,511	-	4,106	-	1,397,617
Sales and services	1,454,658	16,558	-	2,572,260	4,043,476
Investment earnings	55,908	-	-	-	55,908
Miscellaneous	<u>308,331</u>	<u>15,841</u>	<u>-</u>	<u>5,139</u>	<u>329,311</u>
Total revenues	<u>38,102,642</u>	<u>4,336,828</u>	<u>9,577,626</u>	<u>2,932,991</u>	<u>54,950,087</u>
Expenditures:					
General government	8,032,471	-	-	-	8,032,471
Public safety	8,092,642	-	-	5,053,990	13,146,632
Economic and physical development	866,364	-	-	-	866,364
Human services	1,500,585	5,762,022	14,222,779	-	21,485,386
Cultural and recreational	711,853	-	-	-	711,853
Education	7,837,920	-	-	-	7,837,920
Debt service:					
Principal	1,715,003	-	-	204,742	1,919,745
Interest	<u>849,500</u>	<u>-</u>	<u>-</u>	<u>4,722</u>	<u>854,222</u>
Total expenditures	<u>29,606,338</u>	<u>5,762,022</u>	<u>14,222,779</u>	<u>5,263,454</u>	<u>54,854,593</u>
Revenues over (under) expenditures	<u>8,496,304</u>	<u>(1,425,194)</u>	<u>(4,645,153)</u>	<u>(2,330,463)</u>	<u>95,494</u>
Other Financing Sources (Uses):					
Intrafund transfers in (out)	(8,670,630)	1,828,046	4,749,617	2,268,953	175,986
Transfers in:					
Internal Service Fund	225,000	-	-	-	225,000
Capital projects funds	1,067,222	-	-	-	1,067,222
Transfers out:					
Capital projects funds	(4,474,827)	-	-	-	(4,474,827)
Installment purchase obligations issued	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Total other financing sources (uses)	<u>(11,403,235)</u>	<u>1,828,046</u>	<u>4,749,617</u>	<u>2,268,953</u>	<u>(2,556,619)</u>
Net change in fund balances	(2,906,931)	402,852	104,464	(61,510)	(2,461,125)
Fund Balance:					
Beginning of year - July 1	<u>22,546,913</u>	<u>3,690,341</u>	<u>1,282,474</u>	<u>1,164,522</u>	<u>28,684,250</u>
End of year - June 30	<u>\$ 19,639,982</u>	<u>\$ 4,093,193</u>	<u>\$ 1,386,938</u>	<u>\$ 1,103,012</u>	<u>\$ 26,223,125</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 24,204,655	\$ 25,276,976	\$ 1,072,321	\$ 24,291,983
Penalties and interest	<u>179,388</u>	<u>190,793</u>	<u>11,405</u>	<u>216,480</u>
Total	<u>24,384,043</u>	<u>25,467,769</u>	<u>1,083,726</u>	<u>24,508,463</u>
Other Taxes and Licenses:				
Local option sales taxes	7,180,998	6,738,806	(442,192)	6,951,183
Cable franchise tax	<u>119,892</u>	<u>118,430</u>	<u>(1,462)</u>	<u>143,403</u>
Total	<u>7,300,890</u>	<u>6,857,236</u>	<u>(443,654)</u>	<u>7,094,586</u>
Unrestricted Intergovernmental:				
Fines and forfeitures	243,000	211,408	(31,592)	264,140
Beer and wine	<u>-</u>	<u>136,343</u>	<u>136,343</u>	<u>126,175</u>
Total	<u>243,000</u>	<u>347,751</u>	<u>104,751</u>	<u>390,315</u>
Restricted Intergovernmental:				
Federal and State grants	2,214,767	1,439,331	(775,436)	1,571,416
Lottery proceeds	473,990	316,601	(157,389)	1,257,897
Halifax ABC revenue	168,667	139,999	(28,668)	178,645
USDA commodity food	<u>321,547</u>	<u>321,547</u>	<u>-</u>	<u>306,182</u>
Total	<u>3,178,971</u>	<u>2,217,478</u>	<u>(961,493)</u>	<u>3,314,140</u>
Permits and Fees:				
Facility fees	66,523	69,425	2,902	67,706
Building inspection fees	114,593	130,761	16,168	103,402
Register of Deeds' fees	275,430	256,093	(19,337)	294,019
Other fees and rents	<u>902,400</u>	<u>937,232</u>	<u>34,832</u>	<u>878,862</u>
Total	<u>1,358,946</u>	<u>1,393,511</u>	<u>34,565</u>	<u>1,343,989</u>
Sales and Services:				
Occupancy tax administration	710,211	710,527	316	701,500
Jail fees	15,225	33,678	18,453	18,191
Central communications	195,833	189,833	(6,000)	137,250
Other sales and services	<u>540,922</u>	<u>520,620</u>	<u>(20,302)</u>	<u>640,286</u>
Total	<u>1,462,191</u>	<u>1,454,658</u>	<u>(7,533)</u>	<u>1,497,227</u>
Investment Earnings				
	<u>1,506</u>	<u>55,908</u>	<u>54,402</u>	<u>21,022</u>
Miscellaneous				
	<u>297,628</u>	<u>308,331</u>	<u>10,703</u>	<u>263,905</u>
Total revenues	<u>38,227,175</u>	<u>38,102,642</u>	<u>(124,533)</u>	<u>38,433,647</u>
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	94,694	88,695		86,976
Operating expenditures	<u>79,027</u>	<u>72,314</u>		<u>79,567</u>
Total	<u>173,721</u>	<u>161,009</u>	<u>12,712</u>	<u>166,543</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014		Variance Over/Under	2013
	Budget	Actual		Actual
Administration:				
Salaries and employee benefits	524,497	497,063		507,847
Operating expenditures	<u>47,791</u>	<u>33,609</u>		<u>27,553</u>
Total	<u>572,288</u>	<u>530,672</u>	<u>41,616</u>	<u>535,400</u>
Human resources:				
Salaries and employee benefits	289,049	266,474		272,143
Operating expenditures	<u>20,409</u>	<u>14,249</u>		<u>12,831</u>
Total	<u>309,458</u>	<u>280,723</u>	<u>28,735</u>	<u>284,974</u>
Non-departmental expenditures:				
Operating expenditures	1,943,211	1,732,460		3,280,995
Capital outlay	<u>717,574</u>	<u>619,762</u>		<u>-</u>
Total	<u>2,660,785</u>	<u>2,352,222</u>	<u>308,563</u>	<u>3,280,995</u>
Finance:				
Salaries and employee benefits	396,292	395,781		383,264
Operating expenditures	<u>27,591</u>	<u>26,263</u>		<u>25,002</u>
Total	<u>423,883</u>	<u>422,044</u>	<u>1,839</u>	<u>408,266</u>
Tax administration:				
Salaries and employee benefits	912,851	908,809		915,363
Operating expenditures	241,697	166,360		190,955
Capital outlay	<u>4,152</u>	<u>4,152</u>		<u>-</u>
Total	<u>1,158,700</u>	<u>1,079,321</u>	<u>79,379</u>	<u>1,106,318</u>
Revaluation:				
Salaries and employee benefits	265,511	217,632		58,409
Operating expenditures	62,108	40,236		9,800
Capital outlay	<u>36,802</u>	<u>36,802</u>		<u>15,440</u>
Total	<u>364,421</u>	<u>294,670</u>	<u>69,751</u>	<u>83,649</u>
Legal:				
Salaries and employee benefits	195,858	194,590		180,875
Operating expenditures	<u>87,112</u>	<u>78,605</u>		<u>54,891</u>
Total	<u>282,970</u>	<u>273,195</u>	<u>9,775</u>	<u>235,766</u>
Elections:				
Salaries and employee benefits	127,484	124,386		143,709
Operating expenditures	<u>72,697</u>	<u>70,161</u>		<u>72,440</u>
Total	<u>200,181</u>	<u>194,547</u>	<u>5,634</u>	<u>216,149</u>
Register of Deeds:				
Salaries and employee benefits	321,356	319,592		311,047
Operating expenditures	69,297	67,615		68,759
Capital outlay	<u>20,814</u>	<u>8,902</u>		<u>14,564</u>
Total	<u>411,467</u>	<u>396,109</u>	<u>15,358</u>	<u>394,370</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Information technology services:				
Salaries and employee benefits	245,015	144,358		197,055
Operating expenditures	168,358	134,128		144,307
Capital outlay	<u>23,570</u>	<u>10,032</u>		<u>22,862</u>
Total	<u>436,943</u>	<u>288,518</u>	<u>148,425</u>	<u>364,224</u>
Maintenance and repairs - public buildings:				
Operating expenditures	432,190	398,366		494,563
Capital outlay	<u>97,675</u>	<u>97,420</u>		<u>5,122</u>
Total	<u>529,865</u>	<u>495,786</u>	<u>34,079</u>	<u>499,685</u>
Operations:				
Salaries and employee benefits	789,430	789,430		755,291
Operating expenditures	<u>88,201</u>	<u>85,271</u>		<u>82,165</u>
Total	<u>877,631</u>	<u>874,701</u>	<u>2,930</u>	<u>854,591</u>
Other general government:				
Fuel center	2,593	2,379	214	1,607
Judicial services	17,219	11,070	6,149	11,777
Magistrates	7,940	7,940	-	9,740
Public buildings	9,411	9,411	-	10,910
Historic courthouse	134,540	121,290	13,250	120,529
Building C	28	28	-	3,739
Criminal justice building	10,169	8,765	1,404	9,834
Permits and inspections	11,491	11,184	307	7,775
Community corrections building	17,806	17,806	-	15,273
Littleton building	540	477	63	506
Court service	91,446	89,452	1,994	97,580
Rural Life complex	20,538	19,255	1,283	13,587
Agriculture complex	38,025	38,025	-	32,506
Public intern program	5,000	3,722	1,278	-
CADA	<u>67,150</u>	<u>48,150</u>	<u>19,000</u>	<u>21,150</u>
Total	<u>433,896</u>	<u>388,954</u>	<u>44,942</u>	<u>356,513</u>
Total general government	<u>8,836,209</u>	<u>8,032,471</u>	<u>803,738</u>	<u>8,787,443</u>
Public Safety:				
Sheriff's department:				
Salaries and employee benefits	3,410,813	3,410,002		3,402,011
Operating expenditures	786,364	778,715		826,422
Capital outlay	<u>114,326</u>	<u>114,325</u>		<u>136,580</u>
Total	<u>4,311,503</u>	<u>4,303,042</u>	<u>8,461</u>	<u>4,365,013</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014		Variance Over/Under	2013
	Budget	Actual		Actual
Jail:				
Salaries and employee benefits	1,076,655	1,076,654		1,048,724
Operating expenditures	<u>974,587</u>	<u>973,886</u>		<u>798,289</u>
Total	<u>2,051,242</u>	<u>2,050,540</u>	<u>702</u>	<u>1,847,013</u>
Emergency management:				
Salaries and employee benefits	56,047	56,047		42,039
Operating expenditures	<u>18,262</u>	<u>15,472</u>		<u>23,076</u>
Total	<u>74,309</u>	<u>71,519</u>	<u>2,790</u>	<u>65,115</u>
Central communications:				
Salaries and employee benefits	1,034,435	1,034,435		970,960
Operating expenditures	<u>2,061</u>	<u>2,061</u>		<u>3,952</u>
Total	<u>1,036,496</u>	<u>1,036,496</u>	<u>-</u>	<u>974,912</u>
Donations:				
Fire departments and rescue squads	<u>79,000</u>	<u>79,000</u>		<u>79,000</u>
Total	<u>79,000</u>	<u>79,000</u>	<u>-</u>	<u>79,000</u>
Planning and inspections:				
Salaries and employee benefits	360,594	345,792		341,917
Operating expenditures	57,206	26,502		27,145
Capital outlay	<u>-</u>	<u>-</u>		<u>15,440</u>
Total	<u>417,800</u>	<u>372,294</u>	<u>45,506</u>	<u>384,502</u>
Other public safety:				
Coroner	31,100	31,100	-	14,600
Other donations	10,000	10,000	-	10,000
Controlled substance tax expenditures	168,000	101,838	66,162	65,264
Drug task force expenditures	18,300	5,000	13,300	-
DTF - federal asset forfeiture	38,500	-	38,500	-
Governor's one-on-one	-	-	-	4,505
Emergency Management supplement	74,724	15,217	59,507	10,226
Sheriff Bulletproof Vest Grant	6,670	4,496	2,174	1,130
Justice Assistant Grant	<u>12,427</u>	<u>12,100</u>	<u>327</u>	<u>13,509</u>
Total	<u>359,721</u>	<u>179,751</u>	<u>179,970</u>	<u>119,234</u>
Total public safety	<u>8,330,071</u>	<u>8,092,642</u>	<u>237,429</u>	<u>7,834,789</u>
Economic and Physical Development:				
Halifax Developmental Commission:				
Salaries and employee benefits	161,143	161,140		152,056
Operating expenditures	<u>94,135</u>	<u>67,624</u>		<u>64,248</u>
Total	<u>255,278</u>	<u>228,764</u>	<u>26,514</u>	<u>216,304</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Tourism:				
Salaries and employee benefits	4,434	4,434		4,881
Total	4,434	4,434	-	4,881
Cooperative extension office:				
Salaries and employee benefits	238,666	192,325		172,836
Operating expenditures	55,901	35,169		46,285
Total	294,567	227,494	67,073	219,121
Rural life education:				
Salaries and employee benefits	40,546	40,546		36,863
Operating expenditures	18,486	18,486		15,729
Total	59,032	59,032	-	52,592
Natural resource conservation:				
Salaries and employee benefits	144,360	144,360		121,702
Operating expenditures	17,033	9,165		7,833
Total	161,393	153,525	7,868	129,535
Other economic and physical development:				
4-H clubs	30,133	16,639	13,494	13,821
County Extension	16,308	2,168	14,140	6,106
Extension agent program	30,295	7,905	22,390	9,066
Boards and Commissions	2,398	1,671	727	2,354
Forestry protection	92,213	91,009	1,204	78,417
Other donations	25,685	25,620	65	29,000
No-Till Drill Program	4,040	-	4,040	-
CREP	21,028	1,950	19,078	8,965
Halifax Helps Grant	1,325	-	1,325	181
Soil Health Program	3,500	-	3,500	-
Market-Based Conservation Initiative Program	12,725	-	12,725	-
Co-op Monsanto Grant	2,250	-	2,250	-
Economic development incentive	1,670,565	42,345	1,628,220	359,666
Farmers Market	3,809	3,808	1	5,579
Natural Resource Equipment Grant	59,219	-	59,219	-
Farm in Ranchland management	12,000	-	12,000	-
Total	1,987,493	193,115	1,794,378	513,155
Total economic and physical development	2,762,197	866,364	1,895,833	1,135,588
Human Services:				
Elderly transportation:				
Operating expenses	172,324	172,288		159,240
Total	172,324	172,288	36	159,240

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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Supplemental foods:				
Salaries and employee benefits	172,237	157,585		142,787
Operating expenditures	37,412	27,508		27,213
USDA commodity foods	<u>323,317</u>	<u>323,317</u>		<u>306,450</u>
Total	<u>532,966</u>	<u>508,410</u>	<u>24,556</u>	<u>476,450</u>
Other human services:				
Family Caregiver Grant	-	-	-	500
Mental Health Admin	31,200	27,966	3,234	33,341
Operation Restart	164,960	163,529	1,431	139,920
JCPC Advisory Board	6,008	2,829	3,179	1,085
JCPC Grant	39,634	39,634	-	71,370
SHIIP-MIPPA Grant	1,739	931	808	-
SHIIP Grant	2,484	2,470	14	-
Other donations	1,500	1,500	-	1,500
MHRC Rural Hope Grant	172,171	117,389	54,782	-
Pesticide recycling	6,709	-	6,709	-
Home and Community Block Grant	329,668	329,668	-	326,715
Council On Aging	21,743	21,743	-	17,732
Teen court	50,685	41,101	9,584	14,916
Co-op student incentive	<u>72,288</u>	<u>71,127</u>	<u>1,161</u>	<u>71,107</u>
Total	<u>900,789</u>	<u>819,887</u>	<u>80,902</u>	<u>678,186</u>
Total human services	<u>1,606,079</u>	<u>1,500,585</u>	<u>105,494</u>	<u>1,313,876</u>
Cultural and Recreational:				
Library:				
Salaries and employee benefits	502,740	500,128		484,802
Operating expenditures	<u>124,670</u>	<u>118,161</u>		<u>94,504</u>
Total	<u>627,410</u>	<u>618,289</u>	<u>9,121</u>	<u>579,306</u>
Other cultural and recreational:				
Other donations	1,000	-		-
Gates Foundation Grant	-	-		892
Rec Network Master Plan	50,850	43,564		-
Weed control	<u>50,000</u>	<u>50,000</u>		<u>100,000</u>
Total	<u>101,850</u>	<u>93,564</u>	<u>8,286</u>	<u>100,892</u>
Total cultural and recreational	<u>729,260</u>	<u>711,853</u>	<u>17,407</u>	<u>680,198</u>
Education:				
Public schools - current expenses	5,540,230	5,486,725		5,524,942
Public schools - capital outlay	1,992,971	664,556		1,247,203
Community colleges - current expenses	943,522	943,522		963,522
Community colleges - capital outlay	434,318	434,318		308,696
ADM - Public School Building Fund	<u>832,365</u>	<u>308,799</u>		<u>1,228,370</u>
Total education	<u>9,743,406</u>	<u>7,837,920</u>	<u>1,905,486</u>	<u>9,272,733</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Debt Service:				
Principal	1,812,744	1,715,003		1,714,760
Interest	849,501	849,500		911,846
Total debt service	2,662,245	2,564,503	97,742	2,626,606
Total expenditures	34,669,467	29,606,338	5,063,129	31,651,233
Revenues over (under) expenditures	3,557,708	8,496,304	4,938,596	6,782,414
Other Financing Sources (Uses):				
Intrafund transfers in (out)	(8,812,322)	(8,670,630)	141,692	(9,317,385)
Transfers in:				
Internal Service Fund	225,000	225,000	-	225,000
Capital Projects Fund	1,067,222	1,067,222	-	51,965
Transfers out:				
Capital Projects Fund	(4,474,827)	(4,474,827)	-	(1,443,600)
Enterprise Fund	-	-	-	(18,296)
Installment purchase obligations issued	450,000	450,000	-	-
Appropriated fund balance	7,987,219	-	(7,987,219)	-
Total other financing sources (uses)	(3,557,708)	(11,403,235)	(7,845,527)	(10,482,875)
Net change in fund balance	\$ -	(2,906,931)	\$ (2,906,931)	(3,700,461)
Fund Balance:				
Beginning of year - July 1		22,546,913		26,247,374
End of year - June 30		\$ 19,639,982		\$ 22,546,913

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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 4,239,129	\$ 4,304,429	\$ 65,300	\$ 4,214,292
Sales and services	14,413	16,558	2,145	12,746
Miscellaneous revenue	11,227	15,841	4,614	41,481
Investment earnings	500	-	(500)	-
Total revenues	<u>4,265,269</u>	<u>4,336,828</u>	<u>71,559</u>	<u>4,268,519</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	531,779	199,452		153,404
Operating expenditures	<u>203,220</u>	<u>115,821</u>		<u>106,324</u>
Total	<u>734,999</u>	<u>315,273</u>	<u>419,726</u>	<u>259,728</u>
Animal control:				
Salaries and employee benefits	161,812	160,604		156,120
Operating expenditures	78,423	47,566		56,141
Capital outlay	<u>4,300</u>	<u>700</u>		<u>108,178</u>
Total	<u>244,535</u>	<u>208,870</u>	<u>35,665</u>	<u>320,439</u>
AIDS control:				
Salaries and employee benefits	254,757	235,631		253,332
Operating expenditures	<u>497</u>	<u>497</u>		<u>791</u>
Total	<u>255,254</u>	<u>236,128</u>	<u>19,126</u>	<u>254,123</u>
Tuberculosis control:				
Salaries and employee benefits	81,082	71,962		90,889
Operating expenditures	90,071	15,825		10,921
Capital outlay	<u>2,000</u>	<u>2,000</u>		<u>-</u>
Total	<u>173,153</u>	<u>89,787</u>	<u>83,366</u>	<u>101,810</u>
CDC Tuberculosis:				
Salaries and employee benefits	<u>32,778</u>	<u>32,778</u>		<u>34,572</u>
Total	<u>32,778</u>	<u>32,778</u>	<u>-</u>	<u>34,572</u>
Communicable disease:				
Salaries and employee benefits	33,202	26,303		11,311
Operating expenditures	68,745	5,198		4,916
Capital outlay	<u>2,000</u>	<u>2,000</u>		<u>-</u>
Total	<u>103,947</u>	<u>33,501</u>	<u>70,446</u>	<u>16,227</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014		Variance Over/(Under)	2013
	Budget	Actual		Actual
Council On Aging:				
Salaries and employee benefits	-	-		44,270
Operating expenditures	-	-		27,675
Total	-	-	-	71,945
Home health:				
Salaries and employee benefits	792,938	637,083		682,448
Operating expenditures	694,423	466,483		607,286
Total	1,487,361	1,103,566	383,795	1,289,734
Hospice:				
Salaries and employee benefits	367,875	328,138		258,029
Operating expenditures	124,012	120,076		94,837
Capital outlay	12,500	10,029		500
Total	504,387	458,243	46,144	353,366
Adult health/diabetes:				
Salaries and employee benefits	131,388	76,367		74,119
Operating expenditures	111,195	61,956		47,866
Total	242,583	138,323	104,260	121,985
Maternity:				
Salaries and employee benefits	286,955	284,310		293,111
Operating expenditures	843,284	67,693		75,084
Total	1,130,239	352,003	778,236	368,195
Family planning:				
Salaries and employee benefits	570,757	459,969		464,870
Operating expenditures	760,389	124,452		105,068
Total	1,331,146	584,421	746,725	569,938
Child services coordinator:				
Salaries and employee benefits	140,633	140,232		138,130
Operating expenditures	257,351	8,101		3,793
Total	397,984	148,333	249,651	141,923
Child health:				
Salaries and employee benefits	593,443	381,326		385,662
Operating expenditures	87,122	72,296		87,103
Total	680,565	453,622	226,943	472,765

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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/(Under)	Actual
Environmental health:				
Salaries and employee benefits	460,739	460,010		456,644
Operating expenditures	<u>26,365</u>	<u>16,337</u>		<u>26,011</u>
Total	<u>487,104</u>	<u>476,347</u>	<u>10,757</u>	<u>482,655</u>
Other human services:				
Bioterrorism	43,809	43,809	-	59,626
Carolina behavioral	226,602	11,770	214,832	255,920
Triple P	191,777	168,930	22,847	-
Health promotion expenditures	1,000	-	1,000	1,120
Diabetes	37,146	37,146	-	11,344
BCCCP	32,489	16,518	15,971	19,971
CVD/Breast cancer	11,751	3,051	8,700	2,305
Folic Acid Grant	210,433	201,437	8,996	206,179
Immunization action plan	94,956	91,160	3,796	87,304
Baby Love Plus	94,307	93,905	402	96,230
Health working and wellness	38,286	28,090	10,196	37,731
Jail health	-	-	-	270,996
Transformation Grant	35,040	24,628	10,412	33,086
Transformation Grant	15,000	15,000	-	1,501
Health-mosquito control	8,000	8,000	-	2,795
QI/QA program	-	-	-	1,136
Weldon SNFI school nurse	100,000	100,000	-	100,000
RR SNFI school nurse	150,000	150,000	-	146,633
PREPARE Grant	110,610	110,610	-	100,001
Susan Komen Grant	696	696	-	2,805
Healthy community program	20,797	20,621	176	18,685
Community health assessment	24,200	238	23,962	-
NC cancer program	5,218	5,218	-	-
Diabetes Capacity Grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Total	<u>1,452,117</u>	<u>1,130,827</u>	<u>321,290</u>	<u>1,457,868</u>
Total human services	<u>9,258,152</u>	<u>5,762,022</u>	<u>3,496,130</u>	<u>6,317,273</u>
Revenues over (under) expenditures	<u>(4,992,883)</u>	<u>(1,425,194)</u>	<u>3,567,689</u>	<u>(2,048,754)</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/(Under)	Actual
Other Financing Sources (Uses):				
Intrafund transfers in (out)	1,828,046	1,828,046	-	2,576,953
Appropriated fund balance	<u>3,164,837</u>	<u>-</u>	<u>(3,164,837)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,992,883</u>	<u>1,828,046</u>	<u>(3,164,837)</u>	<u>2,576,953</u>
Net change in fund balance	<u>\$ -</u>	402,852	<u>\$ 402,852</u>	528,199
Fund Balance:				
Beginning of year - July 1		<u>3,690,341</u>		<u>3,162,142</u>
End of year - June 30		<u>\$ 4,093,193</u>		<u>\$ 3,690,341</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, 2014**

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

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 10,660,523	\$ 9,573,520	\$ (1,087,003)	\$ 9,691,618
Permits and fees	1,266	4,106	2,840	2,302
Miscellaneous revenue	-	-	-	600
Total revenues	<u>10,661,789</u>	<u>9,577,626</u>	<u>(1,084,163)</u>	<u>9,694,520</u>
Expenditures:				
Human Services:				
General:				
Salaries and employee benefits	8,321,319	8,018,693		7,908,634
Operating expenditures	1,311,355	661,903		679,721
Capital outlay	<u>20,600</u>	<u>20,595</u>		<u>-</u>
Total	<u>9,653,274</u>	<u>8,701,191</u>	<u>952,083</u>	<u>8,588,355</u>
Other human services:				
Fees and refunds	40,090	14,280	25,810	16,409
Family planning	10,000	8,334	1,666	7,766
Chore services	287,936	274,463	13,473	184,800
Daycare	2,391,417	2,228,393	163,024	2,376,029
Work First	315,895	209,733	106,162	221,217
Purchased services	72,000	44,660	27,340	69,193
4D-Purchase	-	-	-	2,864
Medicaid	787,055	468,125	318,930	518,883
Social services to the aged	911,443	829,913	81,530	780,883
CBA foster care	437,019	436,181	838	546,934
Adoptive assistance	108,834	89,618	19,216	88,396
LEIAP program	555,801	546,300	9,501	262,500
Crisis intervention	367,173	351,258	15,915	594,339
CP&L energy	3,880	1,143	2,737	1,819
Special foster care	25,000	12,218	12,782	8,137
Aid to the blind	<u>7,980</u>	<u>6,969</u>	<u>1,011</u>	<u>6,970</u>
Total	<u>6,321,523</u>	<u>5,521,588</u>	<u>799,935</u>	<u>5,687,139</u>
Total human services	<u>15,974,797</u>	<u>14,222,779</u>	<u>1,752,018</u>	<u>14,275,494</u>
Revenues over (under) expenditures	<u>(5,313,008)</u>	<u>(4,645,153)</u>	<u>667,855</u>	<u>(4,580,974)</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	4,749,617	4,749,617	-	5,189,821
Appropriated fund balance	<u>563,391</u>	<u>-</u>	<u>(563,391)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,313,008</u>	<u>4,749,617</u>	<u>(563,391)</u>	<u>5,189,821</u>
Net change in fund balance	<u>\$ -</u>	104,464	<u>\$ 104,464</u>	608,847
Fund Balance:				
Beginning of year - July 1		<u>1,282,474</u>		<u>673,627</u>
End of year - June 30		<u>\$ 1,386,938</u>		<u>\$ 1,282,474</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, 2014
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013**

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other taxes and licenses	\$ 1,200	\$ 559	\$ (641)	\$ 1,021
Restricted intergovernmental revenues	210,651	355,033	144,382	327,722
Sales and services	2,373,338	2,572,260	198,922	2,369,918
Miscellaneous revenue	<u>5,031</u>	<u>5,139</u>	<u>108</u>	<u>4,473</u>
Total revenues	<u>2,590,220</u>	<u>2,932,991</u>	<u>342,771</u>	<u>2,703,134</u>
Expenditures:				
Public Safety:				
Salaries and employee benefits	3,982,582	3,950,174		3,813,546
Operating expenditures	926,586	830,735		832,264
Capital outlay	<u>273,130</u>	<u>273,081</u>		<u>472,139</u>
Total	<u>5,182,298</u>	<u>5,053,990</u>	<u>128,308</u>	<u>5,117,949</u>
Debt Service:				
Principal	204,743	204,742		107,637
Interest	<u>4,723</u>	<u>4,722</u>		<u>9,254</u>
Total debt service	<u>209,466</u>	<u>209,464</u>	<u>2</u>	<u>116,891</u>
Total expenditures	<u>5,391,764</u>	<u>5,263,454</u>	<u>128,310</u>	<u>5,234,840</u>
Revenues over (under) expenditures	<u>(2,801,544)</u>	<u>(2,330,463)</u>	<u>(471,081)</u>	<u>(2,531,706)</u>
Other Financing Sources (Uses):				
Intrafund transfers in (out)	2,268,953	2,268,953	-	1,498,563
Appropriated fund balance	<u>532,591</u>	<u>-</u>	<u>(532,591)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,801,544</u>	<u>2,268,953</u>	<u>(532,591)</u>	<u>1,498,563</u>
Net change in fund balance	<u>\$ -</u>	<u>(61,510)</u>	<u>\$ (61,510)</u>	<u>(1,033,143)</u>
Fund Balance:				
Beginning of year - July 1		<u>1,164,522</u>		<u>2,197,665</u>
End of year - June 30		<u>\$ 1,103,012</u>		<u>\$ 1,164,522</u>

COMBINING STATEMENTS FOR NONMAJOR FUNDS



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HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	<u>Nonmajor</u>		
	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 497,339	\$ 2,295,827	\$ 2,793,166
Accounts receivable	150,773	225,814	376,587
Due from other governments	16,189	31,956	48,145
Taxes receivable, net	254,054	-	254,054
Restricted cash	<u>-</u>	<u>63,938</u>	<u>63,938</u>
Total assets	<u>\$ 918,355</u>	<u>\$ 2,617,535</u>	<u>\$ 3,535,890</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 162,579	\$ 264,704	\$ 427,283
Due to other funds	<u>-</u>	<u>2,432,965</u>	<u>2,432,965</u>
Total liabilities	<u>162,579</u>	<u>2,697,669</u>	<u>2,860,248</u>
Deferred Inflows of Resources:			
Taxes receivable	<u>254,054</u>	<u>-</u>	<u>254,054</u>
Total deferred inflows of resources	<u>254,054</u>	<u>-</u>	<u>254,054</u>
Fund Balances:			
Restricted:			
Stabilization by State statute	166,962	257,770	424,732
Public safety	451,114	-	451,114
Economic development	-	11,445	11,445
Education	-	130,826	130,826
Committed		629,102	629,102
Unassigned	<u>(116,354)</u>	<u>(1,109,277)</u>	<u>(1,225,631)</u>
Total fund balances	<u>501,722</u>	<u>(80,134)</u>	<u>421,588</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 918,355</u>	<u>\$ 2,617,535</u>	<u>\$ 3,535,890</u>

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Nonmajor		
	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,918,681	\$ -	\$ 4,918,681
Other taxes and licenses	472,325	-	472,325
Restricted intergovernmental revenues	425,683	1,111,199	1,536,882
Miscellaneous	-	1,238,095	1,238,095
Investment earnings	<u>10,120</u>	<u>80</u>	<u>10,200</u>
Total revenues	<u>5,826,809</u>	<u>2,349,374</u>	<u>8,176,183</u>
Expenditures:			
Current:			
Public safety	1,872,799	105,362	1,978,161
Education	3,416,265	3,705	3,419,970
Economic and physical development	7,609	6,434,577	6,442,186
Human services	<u>461,126</u>	<u>-</u>	<u>461,126</u>
Total expenditures	<u>5,757,799</u>	<u>6,543,644</u>	<u>12,301,443</u>
Revenues over (under) expenditures	<u>69,010</u>	<u>(4,194,270)</u>	<u>(4,125,260)</u>
Other Financing Sources (Uses):			
Transfers in	-	4,474,827	4,474,827
Transfers out	<u>-</u>	<u>(1,067,222)</u>	<u>(1,067,222)</u>
Total other financing sources (uses)	<u>-</u>	<u>3,407,605</u>	<u>3,407,605</u>
Net change in fund balances	<u>69,010</u>	<u>(786,665)</u>	<u>(717,655)</u>
Fund Balances:			
Beginning of year - July 1	432,712	919,862	1,352,574
Prior period adjustment	<u>-</u>	<u>(213,331)</u>	<u>(213,331)</u>
Beginning of year - July 1 - restated	<u>432,712</u>	<u>706,531</u>	<u>1,139,243</u>
End of year - June 30	<u>\$ 501,722</u>	<u>\$ (80,134)</u>	<u>\$ 421,588</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

Project Budget CDBG Scattered Site Housing 2011 – This fund is used to account for the Community Development Block Grant that is funding assistance to citizens for housing rehabilitation.

Project Budget 2014 CDBG Infrastructure Project – This fund is used to account for the 2014 Community Development Block Grant funding.

HALIFAX COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Assets:				
Cash and cash equivalents	\$ 460,539	\$ 3,786	\$ 12,324	\$ 9,843
Accounts receivable	34,878	12,601	39,091	43,982
Due from other governments	16,189	-	-	-
Taxes receivable, net	<u>-</u>	<u>34,409</u>	<u>82,035</u>	<u>88,424</u>
Total assets	<u>\$ 511,606</u>	<u>\$ 50,796</u>	<u>\$ 133,450</u>	<u>\$ 142,249</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ 9,425</u>	<u>\$ 16,387</u>	<u>\$ 51,415</u>	<u>\$ 53,825</u>
Total liabilities	<u>9,425</u>	<u>16,387</u>	<u>51,415</u>	<u>53,825</u>
Deferred Inflows of Resources:				
Taxes receivable	<u>-</u>	<u>34,409</u>	<u>82,035</u>	<u>88,424</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	51,067	12,601	39,091	43,982
Public safety	451,114	-	-	-
Unassigned	<u>-</u>	<u>(12,601)</u>	<u>(39,091)</u>	<u>(43,982)</u>
Total fund balances	<u>502,181</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 511,606</u>	<u>\$ 50,796</u>	<u>\$ 133,450</u>	<u>\$ 142,249</u>

Schedule D-1

Roanoke Rapids School Graded District Fund	Project Budget		Total
	CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
\$ 8,847	\$ 2,000	\$ -	\$ 497,339
20,221	-	-	150,773
-	-	-	16,189
<u>49,186</u>	<u>-</u>	<u>-</u>	<u>254,054</u>
<u>\$ 78,254</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 918,355</u>
\$ 29,068	\$ 2,000	\$ 459	\$ 162,579
<u>29,068</u>	<u>2,000</u>	<u>459</u>	<u>162,579</u>
<u>49,186</u>	<u>-</u>	<u>-</u>	<u>254,054</u>
20,221	-	-	166,962
-	-	-	451,114
<u>(20,221)</u>	<u>-</u>	<u>(459)</u>	<u>(116,354)</u>
<u>-</u>	<u>-</u>	<u>(459)</u>	<u>501,722</u>
<u>\$ 78,254</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 918,355</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, 2014

	Emergency Telephone System Fund	Our Community Hospital Center Fund	Weldon School District Fund	Fire District Fund
Revenues:				
Ad valorem taxes	\$ -	\$ 399,794	\$ 1,292,145	\$ 1,318,941
Other taxes and licenses	-	61,332	206,442	204,551
Restricted intergovernmental	418,533	-	-	-
Investment earnings	<u>243</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>418,776</u>	<u>461,126</u>	<u>1,498,587</u>	<u>1,523,492</u>
Expenditures:				
Public safety	349,307	-	-	1,523,492
Economic and physical development	-	-	-	-
Human services	-	461,126	-	-
Education	<u>-</u>	<u>-</u>	<u>1,498,587</u>	<u>-</u>
Total expenditures	<u>349,307</u>	<u>461,126</u>	<u>1,498,587</u>	<u>1,523,492</u>
Net change in fund balances	69,469	-	-	-
Fund Balances:				
Beginning of year - July 1	<u>432,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 502,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule D-2

Roanoke Rapids School Graded District Fund	Project Budget		Total
	CDBG Scattered Site Housing 2011	2014 CDBG Infrastructure Project	
\$ 1,907,801	\$ -	\$ -	\$ 4,918,681
-	-	-	472,325
-	7,150	-	425,683
<u>9,877</u>	<u>-</u>	<u>-</u>	<u>10,120</u>
<u>1,917,678</u>	<u>7,150</u>	<u>-</u>	<u>5,826,809</u>
-	-	-	1,872,799
-	7,150	459	7,609
-	-	-	461,126
<u>1,917,678</u>	<u>-</u>	<u>-</u>	<u>3,416,265</u>
<u>1,917,678</u>	<u>7,150</u>	<u>459</u>	<u>5,757,799</u>
-	-	(459)	69,010
<u>-</u>	<u>-</u>	<u>-</u>	<u>432,712</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (459)</u>	<u>\$ 501,722</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, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Wireless funding	\$ 415,000	\$ 418,533	\$ 3,533	\$ 385,331
Miscellaneous	-	-	-	96
Investment earnings	-	243	243	311
Total revenues	<u>415,000</u>	<u>418,776</u>	<u>3,776</u>	<u>385,738</u>
Expenditures:				
Public safety:				
Telephone and furniture		145,087		129,020
Software maintenance		26,773		48,270
Hardware maintenance		167,613		99,164
Training		<u>9,834</u>		<u>94,322</u>
Total expenditures	<u>415,000</u>	<u>349,307</u>	<u>65,693</u>	<u>370,776</u>
Net change in fund balance	<u>\$ -</u>	69,469	<u>\$ 69,469</u>	14,962
Fund Balance:				
Beginning of year - July 1		<u>432,712</u>		<u>417,750</u>
End of year - June 30		<u>\$ 502,181</u>		<u>\$ 432,712</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, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 517,500	\$ 399,794	\$ (117,706)	\$ 377,878
Local option sales tax	<u>61,332</u>	<u>61,332</u>	<u>-</u>	<u>64,664</u>
Total revenues	<u>578,832</u>	<u>461,126</u>	<u>(117,706)</u>	<u>442,542</u>
Expenditures:				
Human services:				
Our Community Hospital	<u>578,832</u>	<u>461,126</u>	<u>117,706</u>	<u>442,542</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, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 1,814,253	\$ 1,292,145	\$ (522,108)	\$ 1,271,009
Local option sales tax	<u>220,000</u>	<u>206,442</u>	<u>(13,558)</u>	<u>228,625</u>
Total revenues	<u>2,034,253</u>	<u>1,498,587</u>	<u>(535,666)</u>	<u>1,499,634</u>
Expenditures:				
Education:				
Payments to school district	<u>2,034,253</u>	<u>1,498,587</u>	<u>535,666</u>	<u>1,499,634</u>
Total expenditures	<u>2,034,253</u>	<u>1,498,587</u>	<u>535,666</u>	<u>1,499,634</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, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 1,866,920	\$ 1,318,941	\$ (547,979)	\$ 1,258,193
Local option sales tax	<u>207,663</u>	<u>204,551</u>	<u>(3,112)</u>	<u>218,411</u>
Total revenues	<u>2,074,583</u>	<u>1,523,492</u>	<u>(551,091)</u>	<u>1,476,604</u>
Expenditures:				
Current:				
Public safety:				
Payments to fire districts	<u>2,074,583</u>	<u>1,523,492</u>	<u>551,091</u>	<u>1,476,604</u>
Total expenditures	<u>2,074,583</u>	<u>1,523,492</u>	<u>551,091</u>	<u>1,476,604</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

ROANOKE RAPIDS SCHOOL GRADED DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem tax	\$ 2,614,150	\$ 1,907,801	\$ (706,349)	\$ 1,825,800
Interest	15,000	9,877	(5,123)	16,403
Total revenues	<u>2,629,150</u>	<u>1,917,678</u>	<u>(711,472)</u>	<u>1,842,203</u>
Expenditures:				
Education:				
Payments to school district	<u>2,629,150</u>	<u>1,917,678</u>	<u>711,472</u>	<u>1,842,203</u>
Total expenditures	<u>2,629,150</u>	<u>1,917,678</u>	<u>711,472</u>	<u>1,842,203</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year- June 30		<u>\$ -</u>		<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

CDBG SCATTERED SITE HOUSING 2011 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
NC Division of Community Assistance	\$ 400,000	\$ 13,231	\$ 7,150	\$ 20,381	\$ (379,619)
Total revenues	<u>400,000</u>	<u>13,231</u>	<u>7,150</u>	<u>20,381</u>	<u>(379,619)</u>
Expenditures:					
Economic and physical development:					
Administration	40,000	13,231	4,500	17,731	22,269
Rehabilitation	265,500	-	2,650	2,650	262,850
Relocation	<u>94,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,500</u>
Total expenditures	<u>400,000</u>	<u>13,231</u>	<u>7,150</u>	<u>20,381</u>	<u>379,619</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HALIFAX COUNTY, NORTH CAROLINA

2014 CDBG INFRASTRUCTURE PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<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	\$ 459	\$ -	\$ -	\$ -	\$ (459)
Total revenues	<u>459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(459)</u>
Expenditures:					
Economic and physical development:					
Advertising	459	-	459	459	-
Total expenditures	<u>459</u>	<u>-</u>	<u>459</u>	<u>459</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ (459)	\$ (459)	\$ (459)

NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

Klausner Lumber Two Project – This fund is used to account for a project supporting economic development efforts in the area.

HALIFAX COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	<u>Annual Budget</u>			
	RPO			QCSB
	Peanut Belt	Piezotronics	Industrial	Roanoke
	Capital		Building	Rapids
	Project	Project	Building	Rapids
	Project	Project	Building	Rapids
Assets:				
Cash and cash equivalents	\$ 45,884	\$ -	\$ -	\$ 66,888
Accounts receivable	60,799	-	-	-
Due from other governments	-	-	-	-
Restricted cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,938</u>
Total assets	<u>\$ 106,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,826</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 34,439	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>600,001</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>34,439</u>	<u>600,001</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	60,799	-	-	-
Economic development	11,445	-	-	-
Education	-	-	-	130,826
Committed:				
Economic development	-	-	-	-
Unassigned	<u>-</u>	<u>(600,001)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>72,244</u>	<u>(600,001)</u>	<u>-</u>	<u>130,826</u>
Total liabilities and fund balances	<u>\$ 106,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,826</u>

Schedule E-1

Jail Construction	Halifax County Sewer Upgrade Project	Klausner Lumber Two Project	Total
\$ 437,819	\$ -	\$ 1,745,236	\$ 2,295,827
-	-	165,015	225,814
-	-	31,956	31,956
<u>-</u>	<u>-</u>	<u>-</u>	<u>63,938</u>
<u>\$ 437,819</u>	<u>\$ -</u>	<u>\$ 1,942,207</u>	<u>\$ 2,617,535</u>
\$ 64,000	\$ -	\$ 166,265	\$ 264,704
<u>883,095</u>	<u>-</u>	<u>949,869</u>	<u>2,432,965</u>
<u>947,095</u>	<u>-</u>	<u>1,116,134</u>	<u>2,697,669</u>
-	-	196,971	257,770
-	-	-	11,445
-	-	-	130,826
-	-	629,102	629,102
<u>(509,276)</u>	<u>-</u>	<u>-</u>	<u>(1,109,277)</u>
<u>(509,276)</u>	<u>-</u>	<u>826,073</u>	<u>(80,134)</u>
<u>\$ 437,819</u>	<u>\$ -</u>	<u>\$ 1,942,207</u>	<u>\$ 2,617,535</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, 2014

	<u>Annual Budget</u>		
	RPO		
	Peanut Belt Capital Project	Piezotronics Project	Industrial Building
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Restricted intergovernmental Contributions	\$ 115,185	\$ 825,000	\$ -
Investment earnings	-	-	-
Total revenues	<u>115,185</u>	<u>825,000</u>	<u>-</u>
Expenditures:			
Public safety	-	-	-
Education	-	-	-
Economic and physical development	<u>110,616</u>	<u>-</u>	<u>21,800</u>
Total expenditures	<u>110,616</u>	<u>-</u>	<u>21,800</u>
Revenues over (under) expenditures	<u>4,569</u>	<u>825,000</u>	<u>(21,800)</u>
Other Financing Sources (Uses):			
Transfers in:			
General Fund	-	-	-
Transfers out:			
General Fund	<u>-</u>	<u>-</u>	<u>(991,911)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(991,911)</u>
Net change in fund balances	<u>4,569</u>	<u>825,000</u>	<u>(1,013,711)</u>
Fund Balances:			
Beginning of year - July 1	67,675	(1,425,001)	1,013,711
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year - July 1 - restated	<u>67,675</u>	<u>(1,425,001)</u>	<u>1,013,711</u>
End of year - June 30	<u>\$ 72,244</u>	<u>\$ (600,001)</u>	<u>\$ -</u>

Schedule E-2

<u>QCSB Roanoke Rapids</u>	<u>Jail Construction</u>	<u>Halifax County Sewer Upgrade Project</u>	<u>Klausner Lumber Two Project</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 171,014	\$ 1,111,199
-	-	-	1,238,095	1,238,095
<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80</u>
<u>80</u>	<u>-</u>	<u>-</u>	<u>1,409,109</u>	<u>2,349,374</u>
-	105,362	-	-	105,362
3,705	-	-	-	3,705
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,302,161</u>	<u>6,434,577</u>
<u>3,705</u>	<u>105,362</u>	<u>-</u>	<u>6,302,161</u>	<u>6,543,644</u>
<u>(3,625)</u>	<u>(105,362)</u>	<u>-</u>	<u>(4,893,052)</u>	<u>(4,194,270)</u>
-	-	-	4,474,827	4,474,827
<u>-</u>	<u>-</u>	<u>(75,311)</u>	<u>-</u>	<u>(1,067,222)</u>
<u>-</u>	<u>-</u>	<u>(75,311)</u>	<u>4,474,827</u>	<u>3,407,605</u>
<u>(3,625)</u>	<u>(105,362)</u>	<u>(75,311)</u>	<u>(418,225)</u>	<u>(786,665)</u>
134,451	(403,914)	288,642	1,244,298	919,862
<u>-</u>	<u>-</u>	<u>(213,331)</u>	<u>-</u>	<u>(213,331)</u>
<u>134,451</u>	<u>(403,914)</u>	<u>75,311</u>	<u>1,244,298</u>	<u>706,531</u>
<u>\$ 130,826</u>	<u>\$ (509,276)</u>	<u>\$ -</u>	<u>\$ 826,073</u>	<u>\$ (80,134)</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, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/(Under)	Actual
Revenues:				
Restricted intergovernmental	\$ 115,625	\$ 115,185	\$ (440)	\$ 104,626
Expenditures:				
Economic development	115,625	110,616	5,009	99,625
Total expenditures	115,625	110,616	5,009	99,625
Net change in fund balance	\$ -	4,569	\$ 4,569	5,001
Fund Balance:				
Beginning of year - July 1		67,675		62,674
End of year - June 30		\$ 72,244		\$ 67,675

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, 2014

	<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	\$ 825,000	\$ 1,252,000	\$ (600,000)
Miscellaneous	<u>198,119</u>	<u>116,262</u>	<u>-</u>	<u>116,262</u>	<u>(81,857)</u>
Total revenues	<u>2,050,119</u>	<u>543,262</u>	<u>825,000</u>	<u>1,368,262</u>	<u>(681,857)</u>
Expenditures:					
Education:					
Administration	11,863	11,480	-	11,480	383
Architect	143,627	143,405	-	143,405	222
Construction	<u>2,423,352</u>	<u>2,342,101</u>	<u>-</u>	<u>2,342,101</u>	<u>81,251</u>
Total expenditures	<u>2,578,842</u>	<u>2,496,986</u>	<u>-</u>	<u>2,496,986</u>	<u>81,856</u>
Revenues over (under) expenditures	<u>(528,723)</u>	<u>(1,953,724)</u>	<u>825,000</u>	<u>(1,128,724)</u>	<u>(600,001)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	580,688	580,688	-	580,688	-
Transfer to other fund	<u>(51,965)</u>	<u>(51,965)</u>	<u>-</u>	<u>(51,965)</u>	<u>-</u>
Total other financing sources (uses)	<u>528,723</u>	<u>528,723</u>	<u>-</u>	<u>528,723</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,425,001)</u>	<u>\$ 825,000</u>	<u>\$ (600,001)</u>	<u>\$ (600,001)</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, 2014**

	<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	\$ 600,000	\$ -	\$ -	\$ -	\$ (600,000)
Total revenues	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Expenditures:					
Education:					
Administration	40,818	40,818	-	40,818	-
Professional services	90,000	68,200	21,800	90,000	-
Equipment	600,000	-	-	-	600,000
Construction	<u>467,271</u>	<u>467,271</u>	<u>-</u>	<u>467,271</u>	<u>-</u>
Total expenditures	<u>1,198,089</u>	<u>576,289</u>	<u>21,800</u>	<u>598,089</u>	<u>600,000</u>
Revenues over (under) expenditures	<u>(598,089)</u>	<u>(576,289)</u>	<u>(21,800)</u>	<u>(598,089)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers out	(991,911)	-	(991,911)	(991,911)	-
Transfers in	<u>1,590,000</u>	<u>1,590,000</u>	<u>-</u>	<u>1,590,000</u>	<u>-</u>
Total other financing sources (uses)	<u>598,089</u>	<u>1,590,000</u>	<u>(991,911)</u>	<u>598,089</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,013,711</u>	<u>\$ (1,013,711)</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 161,223	\$ 159,204	\$ -	\$ 159,204	\$ (2,019)
Investment earnings	-	1,848	80	1,928	1,928
Total revenues	<u>161,223</u>	<u>161,052</u>	<u>80</u>	<u>161,132</u>	<u>(91)</u>
Expenditures:					
Education:					
Construction	2,404,073	2,370,605	-	2,370,605	33,468
Professional services	40,000	40,000	-	40,000	-
Administration	18,171	8,517	3,705	12,222	5,949
Engineering	196,617	160,446	-	160,446	36,171
Contingency	<u>55,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,329</u>
Total expenditures	<u>2,714,190</u>	<u>2,579,568</u>	<u>3,705</u>	<u>2,583,273</u>	<u>130,917</u>
Revenues over (under) expenditures	<u>(2,552,967)</u>	<u>(2,418,516)</u>	<u>(3,625)</u>	<u>(2,422,141)</u>	<u>130,826</u>
Other Financing Sources (Uses):					
Long-term debt issued	<u>2,552,967</u>	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>
Total other financing sources (uses)	<u>2,552,967</u>	<u>2,552,967</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 134,451</u>	<u>\$ (3,625)</u>	<u>\$ 130,826</u>	<u>\$ 130,826</u>

HALIFAX COUNTY, NORTH CAROLINA

**JAIL CONSTRUCTION PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 913,276	\$ -	\$ -	\$ -	\$ (913,276)
Total revenues	<u>913,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(913,276)</u>
Expenditures:					
Education:					
Administration	1,209	-	1,209	1,209	-
Professional services	888,737	380,584	104,153	484,737	404,000
Construction	<u>23,330</u>	<u>23,330</u>	<u>-</u>	<u>23,330</u>	<u>-</u>
Total expenditures	<u>913,276</u>	<u>403,914</u>	<u>105,362</u>	<u>509,276</u>	<u>404,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (403,914)</u>	<u>\$ (105,362)</u>	<u>\$ (509,276)</u>	<u>\$ (509,276)</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, 2014**

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
<i>Phase I</i>					
Restricted intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
NC Department of Commerce	1,429,141	1,371,673	-	1,371,673	(57,468)
NC Rural Education	<u>814,530</u>	<u>814,530</u>	<u>-</u>	<u>814,530</u>	<u>-</u>
Total	<u>2,293,671</u>	<u>2,236,203</u>	<u>-</u>	<u>2,236,203</u>	<u>(57,468)</u>
<i>Phase II</i>					
NC Department of Commerce	779,203	779,203	-	779,203	-
NC Rural Economic Development Center	<u>1,000,000</u>	<u>786,669</u>	<u>-</u>	<u>786,669</u>	<u>(213,331)</u>
Total	<u>1,779,203</u>	<u>1,565,872</u>	<u>-</u>	<u>1,565,872</u>	<u>(213,331)</u>
<i>Phase III</i>					
Golden Leaf	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total revenues	<u>4,472,874</u>	<u>4,202,075</u>	<u>-</u>	<u>4,202,075</u>	<u>(270,799)</u>
Expenditures:					
Economic and physical development:					
<i>Phase I</i>					
Professional	197,500	197,500	-	197,500	-
Engineering	55,000	55,000	-	55,000	-
Land	2,500	2,000	-	2,000	500
Construction	1,527,076	1,425,036	-	1,425,036	102,040
Administration	<u>7,038</u>	<u>7,038</u>	<u>-</u>	<u>7,038</u>	<u>-</u>
Total	<u>1,789,114</u>	<u>1,686,574</u>	<u>-</u>	<u>1,686,574</u>	<u>102,540</u>
<i>Phase II</i>					
Professional	100,300	100,300	-	100,300	-
Engineering	142,970	142,970	-	142,970	-
Construction	1,857,422	1,820,190	-	1,820,190	37,232
Administration	15,468	15,180	-	15,180	288
Contingency	<u>135,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,659</u>
Total	<u>2,251,819</u>	<u>2,078,640</u>	<u>-</u>	<u>2,078,640</u>	<u>173,179</u>
<i>Phase III</i>					
Construction	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total expenditures	<u>4,440,933</u>	<u>4,165,214</u>	<u>-</u>	<u>4,165,214</u>	<u>275,719</u>
Revenues over (under) expenditures	<u>31,941</u>	<u>36,861</u>	<u>-</u>	<u>36,861</u>	<u>4,920</u>
Other Financing Sources (Uses):					
Transfer to General Fund	(124,811)	(54,420)	(75,311)	(129,731)	(4,920)
Transfer from Water Fund	<u>92,870</u>	<u>92,870</u>	<u>-</u>	<u>92,870</u>	<u>-</u>
Total other financing sources (uses)	<u>(31,941)</u>	<u>38,450</u>	<u>(75,311)</u>	<u>(36,861)</u>	<u>(4,920)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 75,311</u>	<u>(75,311)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			288,642		
Prior period adjustment			<u>(213,331)</u>		
Beginning of year - July 1 - restated			<u>75,311</u>		
End of year - June 30			<u>\$ -</u>		

HALIFAX COUNTY, NORTH CAROLINA

KLAUSNER LUMBER TWO PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
NC Department of Commerce	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
NC Department of Transportation	950,000	-	171,014	171,014	(778,986)
US Department of Commerce	1,400,000	-	-	-	(1,400,000)
Contributions	<u>1,524,470</u>	<u>-</u>	<u>1,238,095</u>	<u>1,238,095</u>	<u>(286,375)</u>
Total revenues	<u>4,874,470</u>	<u>-</u>	<u>1,409,109</u>	<u>1,409,109</u>	<u>(3,465,361)</u>
Expenditures:					
Economic Development:					
Site preparation	6,950,829	183,431	5,783,826	5,967,257	983,572
Road construction	911,569	-	265,807	265,807	645,762
Administration	411,350	15,871	252,528	268,399	142,951
Sewer line	18,600	-	-	-	18,600
Rail spur	2,291,255	-	-	-	2,291,255
Contingency	<u>209,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,294</u>
Total expenditures	<u>10,792,897</u>	<u>199,302</u>	<u>6,302,161</u>	<u>6,501,463</u>	<u>4,291,434</u>
Revenues over (under) expenditures	<u>(5,918,427)</u>	<u>(199,302)</u>	<u>(4,893,052)</u>	<u>(5,092,354)</u>	<u>826,073</u>
Other Financing Sources (Uses):					
Transfer in	<u>5,918,427</u>	<u>1,443,600</u>	<u>4,474,827</u>	<u>5,918,427</u>	<u>-</u>
Total other financing sources (uses)	<u>5,918,427</u>	<u>1,443,600</u>	<u>4,474,827</u>	<u>5,918,427</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,244,298</u>	<u>\$ (418,225)</u>	<u>\$ 826,073</u>	<u>\$ 826,073</u>

ENTERPRISE FUNDS

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



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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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014		Variance Over/Under	2013
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Solid waste fees	\$ 4,357,852	\$ 3,811,400	\$ (546,452)	\$ 3,725,817
Electronics management	3,000	3,591	591	3,122
Other taxes and licenses	<u>82,000</u>	<u>74,366</u>	<u>(7,634)</u>	<u>83,280</u>
Total operating revenues	<u>4,442,852</u>	<u>3,889,357</u>	<u>(553,495)</u>	<u>3,812,219</u>
Non-operating revenues:				
Interest earned on investments	<u>1,000</u>	<u>3,023</u>	<u>2,023</u>	<u>4,139</u>
Total revenues	<u>4,443,852</u>	<u>3,892,380</u>	<u>(551,472)</u>	<u>3,816,358</u>
Expenditures:				
Landfill operations:				
Salaries and benefits	493,374	464,999		417,710
Operating expenses	869,836	416,707		3,170,249
Repairs and maintenance	173,000	121,073		150,990
Capital outlay	<u>79,919</u>	<u>59,085</u>		<u>454,513</u>
Total landfill operations	<u>1,616,129</u>	<u>1,061,864</u>	<u>554,265</u>	<u>4,193,462</u>
Ash monofill cell:				
Salaries and benefits	88,792	73,278		87,556
Operating expenses	159,830	128,709		144,209
Repairs and maintenance	<u>5,000</u>	<u>3,465</u>		<u>5,200</u>
Total ash monofill cell	<u>253,622</u>	<u>205,452</u>	<u>48,170</u>	<u>236,965</u>
Landfill closure:				
Landfill closure expenditures	<u>75,000</u>	<u>16,790</u>		<u>20,356</u>
Total landfill closure	<u>75,000</u>	<u>16,790</u>	<u>58,210</u>	<u>20,356</u>
Electronics management:				
Operating expenses	<u>7,000</u>	<u>3,898</u>		<u>1,951</u>
Total electronics management	<u>7,000</u>	<u>3,898</u>	<u>3,102</u>	<u>1,951</u>
Transfer station:				
Salaries and benefits	42,519	39,182		-
Operating expenses	<u>2,522,707</u>	<u>2,203,818</u>		-
Total transfer station	<u>2,565,226</u>	<u>2,243,000</u>	<u>322,226</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, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Debt service expenditures:				
Principal	184,862	184,861		107,681
Interest	<u>36,013</u>	<u>36,013</u>		<u>18,275</u>
Total debt service	<u>220,875</u>	<u>220,874</u>	<u>1</u>	<u>125,956</u>
Total expenditures	<u>4,737,852</u>	<u>3,751,878</u>	<u>985,974</u>	<u>4,578,690</u>
Revenues over (under) expenditures	<u>(294,000)</u>	<u>140,502</u>	<u>434,502</u>	<u>(762,332)</u>
Other Financing Sources (Uses):				
General Fund - transfer in	-	-	-	10,230
Intrafund transfers	(124,000)	(124,000)	-	-
Long-term debt issued	-	-	-	150,284
Appropriated retained earnings	<u>418,000</u>	<u>-</u>	<u>(418,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>294,000</u>	<u>(124,000)</u>	<u>(418,000)</u>	<u>160,514</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 16,502</u>	<u>\$ 16,502</u>	<u>\$ (601,818)</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 16,502		\$ (601,818)
Depreciation		(226,658)		(179,399)
Capital outlay		59,085		454,513
Debt service expenditures		184,861		107,681
Debt proceeds		-		(150,284)
Change in accrued interest payable		(13,148)		-
Change in compensated absences		(5,135)		-
Change in OPEB		(3,652)		-
Interest from projects		275		1,541
Intrafund transfer to capital project		124,000		-
Change in post-closure liability estimate		<u>(225,928)</u>		<u>492,123</u>
Change in net position		<u>\$ (89,798)</u>		<u>\$ 124,357</u>

HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 4,692,573	\$ 4,526,861	\$ (165,712)	\$ 4,514,125
Sewer sales	191,623	174,628	(16,995)	183,829
Tap fees	68,400	53,825	(14,575)	48,050
Penalties and other charges	247,760	223,006	(24,754)	215,619
Miscellaneous	<u>-</u>	<u>9,628</u>	<u>9,628</u>	<u>18,536</u>
Total operating revenues	<u>5,200,356</u>	<u>4,987,948</u>	<u>(212,408)</u>	<u>4,980,159</u>
Non-operating revenues:				
Interest earned on investments	<u>3,000</u>	<u>853</u>	<u>(2,147)</u>	<u>1,312</u>
Total non-operating revenues	<u>3,000</u>	<u>853</u>	<u>(2,147)</u>	<u>1,312</u>
Total revenues	<u>5,203,356</u>	<u>4,988,801</u>	<u>(214,555)</u>	<u>4,981,471</u>
Expenditures:				
Water Department:				
Salaries and employee benefits	687,611	586,936		633,546
Water purchases	1,744,118	1,719,104		1,697,521
Repairs and maintenance	180,500	114,509		127,468
Other operating expenditures	1,362,824	1,075,082		1,098,357
Capital outlay	<u>71,191</u>	<u>35,623</u>		<u>29,980</u>
Total water department	<u>4,046,244</u>	<u>3,531,254</u>	<u>514,990</u>	<u>3,586,872</u>
Debt service:				
Debt service principal	859,183	3,546,182		702,686
Debt service interest and fees	<u>748,771</u>	<u>748,772</u>		<u>866,098</u>
Total debt service	<u>1,607,954</u>	<u>4,294,954</u>	<u>(2,687,000)</u>	<u>1,568,784</u>
Total expenditures	<u>5,654,198</u>	<u>7,826,208</u>	<u>(2,172,010)</u>	<u>5,155,656</u>
Revenues over (under) expenditures	<u>(450,842)</u>	<u>(2,837,407)</u>	<u>(2,386,565)</u>	<u>(174,185)</u>

HALIFAX COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2014
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
General Fund - transfer in	-	-	-	8,066
Intrafund transfers	6,601	6,601	-	(526,800)
Revenue bonds issued	-	2,687,000	2,687,000	-
Appropriated retained earnings	<u>444,241</u>	<u>-</u>	<u>(444,241)</u>	<u>-</u>
Total other financing sources (uses)	<u>450,842</u>	<u>2,693,601</u>	<u>2,242,759</u>	<u>(518,734)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (143,806)</u>	<u>\$ (143,806)</u>	<u>\$ (692,919)</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (143,806)		\$ (692,919)
Debt principal		3,546,182		702,686
Capital outlay		35,623		29,980
Revenue bonds issued		(2,687,000)		-
Change in accrued interest payable		(121,154)		-
Change in compensated absences		7,242		-
Change in OPEB		(3,583)		-
Intrafund transfer		(6,601)		526,800
Interest income from water capital projects		1,405		44
Project expense not capitalized		(25,517)		(8,231)
Capital contributions from water capital projects		642,755		766,515
Depreciation		<u>(1,372,475)</u>		<u>(1,298,818)</u>
Change in net position		<u>\$ (126,929)</u>		<u>\$ 26,057</u>

HALIFAX COUNTY, NORTH CAROLINA

MEADOWS WASTE WATER SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental	\$ 61,425	\$ 21,425	\$ 14,501	\$ 35,926
Total revenues	<u>61,425</u>	<u>21,425</u>	<u>14,501</u>	<u>35,926</u>
Expenditures:				
Economic and physical development:				
Administration	2,925	62	-	62
Engineering	<u>58,500</u>	<u>18,433</u>	<u>25,517</u>	<u>43,950</u>
Total expenditures	<u>61,425</u>	<u>18,495</u>	<u>25,517</u>	<u>44,012</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 2,930</u>	<u>\$ (11,016)</u>	<u>\$ (8,086)</u>

HALIFAX COUNTY, NORTH CAROLINA

PHASE XI AND XI-A SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Phase XI				
Restricted intergovernmental	\$ 1,513,000	\$ -	\$ 628,254	\$ 628,254
Investment earnings	-	44	1,405	1,449
Total Revenues	<u>1,513,000</u>	<u>44</u>	<u>629,659</u>	<u>629,703</u>
Expenditures:				
Phase XI				
Economic and physical development:				
Administration	47,000	-	34,368	34,368
Contingency	199,626	-	-	-
Construction	3,886,822	-	3,227,884	3,227,884
Interest	75,000	-	27,407	27,407
Engineering	<u>518,352</u>	<u>186,682</u>	<u>277,941</u>	<u>464,623</u>
Total Phase XI expenditures	<u>4,726,800</u>	<u>186,682</u>	<u>3,567,600</u>	<u>3,754,282</u>
Phase XI-A				
Economic and physical development:				
Administration	185,900	96,475	55,553	152,028
Professional services	30,904	30,904	-	30,904
Contingency	101,640	-	-	-
Construction	1,096,013	768,763	294,448	1,063,211
Engineering	<u>130,761</u>	<u>76,147</u>	<u>24,614</u>	<u>100,761</u>
Total Phase XI-A expenditures	<u>1,545,218</u>	<u>972,289</u>	<u>374,615</u>	<u>1,346,904</u>
Total Expenditures	<u>6,272,018</u>	<u>1,158,971</u>	<u>3,942,215</u>	<u>5,101,186</u>
Revenues over (under) expenditures	<u>(4,759,018)</u>	<u>(1,158,927)</u>	<u>(3,312,556)</u>	<u>(4,471,483)</u>
Other Financing Sources (Uses):				
Intrafund transfer - water Ph XI	526,800	526,800	(30,000)	496,800
Proceeds from long-term debt Ph XI	2,687,000	2,687,000	-	2,687,000
Proceeds from long-term debt Ph XI-A	<u>1,545,218</u>	<u>766,515</u>	<u>610,308</u>	<u>1,376,823</u>
Total other financing sources (uses)	<u>4,759,018</u>	<u>3,980,315</u>	<u>580,308</u>	<u>4,560,623</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,821,388</u>	<u>\$ (2,732,248)</u>	<u>\$ 89,140</u>

HALIFAX COUNTY, NORTH CAROLINA

WELDON SANITATION SEWER PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project</u> <u>Authorization</u>	<u>Actual</u>		
		<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>
Expenditures:				
Economic and physical development:				
Construction	\$ 884,166	\$ -	\$ -	\$ -
Administration	147,339	-	7,543	7,543
Closing costs	23,399	-	-	-
Contingency	<u>138,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,193,373</u>	<u>-</u>	<u>7,543</u>	<u>7,543</u>
Other Financing Sources (Uses):				
Transfer from Water Fund	23,399	-	23,399	23,399
Proceeds from long-term debt	<u>1,169,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,193,373</u>	<u>-</u>	<u>23,399</u>	<u>23,399</u>
Revenues and other financing sources over				
(under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,856</u>	<u>\$ 15,856</u>

HALIFAX COUNTY, NORTH CAROLINA

TRANSFER STATION PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Investment earnings	\$ -	\$ 1,541	\$ 275	\$ 1,816
Total revenues	<u>-</u>	<u>1,541</u>	<u>275</u>	<u>1,816</u>
Expenditures:				
Economic and physical development:				
Construction	1,510,336	1,117,049	286,127	1,403,176
Administration	27,812	9,487	15,600	25,087
Engineering	115,411	109,046	881	109,927
Contingency	<u>46,441</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,700,000</u>	<u>1,235,582</u>	<u>302,608</u>	<u>1,538,190</u>
Revenues over (under) expenditures	<u>(1,700,000)</u>	<u>(1,234,041)</u>	<u>(302,333)</u>	<u>(1,536,374)</u>
Other Financing Sources (Uses):				
Proceeds from long-term debt	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>
Total other financing sources (uses)	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>1,700,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 465,959</u>	<u>\$ (302,333)</u>	<u>\$ 163,626</u>

HALIFAX COUNTY, NORTH CAROLINA

C&D LANDFILL PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures:				
Economic and physical development:				
Engineering	<u>\$ 115,000</u>	<u>\$ 21,669</u>	<u>\$ 3,568</u>	<u>\$ 25,237</u>
Total expenditures	<u>115,000</u>	<u>21,669</u>	<u>3,568</u>	<u>25,237</u>
Other Financing Sources (Uses):				
Intrafund transfer - Solid Waste Disposal	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total other financing sources (uses)	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 93,331</u>	<u>\$ (3,568)</u>	<u>\$ 89,763</u>

HALIFAX COUNTY, NORTH CAROLINA

WHITE GOODS HANDLING FACILITY PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Expenditures:				
Economic and physical development:				
Construction	\$ 100,000	\$ -	\$ -	\$ -
Engineering	14,000	-	-	-
Contingency	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>124,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Intrafund transfer - Solid Waste Disposal	<u>124,000</u>	<u>-</u>	<u>124,000</u>	<u>124,000</u>
Total other financing sources (uses)	<u>124,000</u>	<u>-</u>	<u>124,000</u>	<u>124,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,000</u>	<u>\$ 124,000</u>

INTERNAL SERVICE FUNDS

Internal Service Funds:

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

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



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HALIFAX COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,430,998	\$ 166,069	\$ 1,597,067
Accounts receivable, net	<u>479</u>	<u>-</u>	<u>479</u>
Total assets	<u>1,431,477</u>	<u>166,069</u>	<u>1,597,546</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	<u>642,184</u>	<u>50,784</u>	<u>692,968</u>
Net Position:			
Unrestricted	<u>\$ 789,293</u>	<u>\$ 115,285</u>	<u>\$ 904,578</u>

HALIFAX COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>2014</u>			<u>2013</u>
	<u>Health Insurance Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Total</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 3,656,770	\$ 285,837	\$ 3,942,607	\$ 3,783,957
Operating Expenses:				
Unemployment claims	-	268,432	268,432	76,097
Health insurance premiums and administration	3,498,313	-	3,498,313	3,272,338
Total operating expenses	3,498,313	268,432	3,766,745	3,348,435
Operating income (loss)	158,457	17,405	175,862	435,522
Non-Operating Revenues:				
Investment earnings	766	226	992	1,126
Income (loss) before operating transfers	159,223	17,631	176,854	436,648
Transfer in (out) - General Fund	-	(225,000)	(225,000)	(225,000)
Change in net position	159,223	(207,369)	(48,146)	211,648
Net Position:				
Beginning of year - July 1	630,070	322,654	952,724	741,076
End of year - June 30	\$ 789,293	\$ 115,285	\$ 904,578	\$ 952,724

HALIFAX COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013

	2014			2013
	Health Insurance Fund	Unemployment Insurance Fund	Total	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,656,378	\$ 285,837	\$ 3,942,215	\$ 3,786,008
Cash paid for goods and services	<u>(3,488,389)</u>	<u>(217,648)</u>	<u>(3,706,037)</u>	<u>(3,398,986)</u>
Net cash provided (used) by operating activities	<u>167,989</u>	<u>68,189</u>	<u>236,178</u>	<u>387,022</u>
Cash Flows from Non-Capital Financing Activities:				
Transfer out - General Fund	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>766</u>	<u>226</u>	<u>992</u>	<u>1,126</u>
Net cash provided (used) by investing activities	<u>766</u>	<u>226</u>	<u>992</u>	<u>1,126</u>
Net increase (decrease) in cash, cash equivalents, and investments	168,755	(156,585)	12,170	163,148
Cash, Cash Equivalents, and Investments:				
Beginning of year - July 1	<u>1,262,243</u>	<u>322,654</u>	<u>1,584,897</u>	<u>1,421,749</u>
End of year - June 30	<u>\$ 1,430,998</u>	<u>\$ 166,069</u>	<u>\$ 1,597,067</u>	<u>\$ 1,584,897</u>
Reconciliation Of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:				
Operating income (loss)	\$ 158,457	\$ 17,405	\$ 175,862	\$ 435,522
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(392)	-	(392)	2,051
Increase (decrease) in accounts payable	<u>9,924</u>	<u>50,784</u>	<u>60,708</u>	<u>(50,551)</u>
Net cash provided (used) by operating activities	<u>\$ 167,989</u>	<u>\$ 68,189</u>	<u>\$ 236,178</u>	<u>\$ 387,022</u>

HALIFAX COUNTY, NORTH CAROLINA

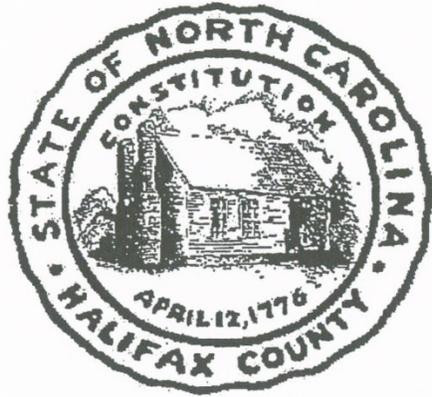
**INTERNAL SERVICE FUND - HEALTH INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 3,600,000	\$ 3,656,770	\$ 56,770
Operating Expenses:			
Health insurance premiums and administration	<u>3,600,000</u>	<u>3,498,313</u>	<u>101,687</u>
Total operating expenses	<u>3,600,000</u>	<u>3,498,313</u>	<u>101,687</u>
Operating income (loss)	-	158,457	158,457
Non-Operating Revenues:			
Investment earnings	<u>-</u>	<u>766</u>	<u>766</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 159,223</u>	<u>\$ 159,223</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ 159,223</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, 2014

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 582,621	\$ 285,837	\$ (296,784)
Operating Expenses:			
Unemployment claims	<u>357,621</u>	<u>268,432</u>	<u>89,189</u>
Total operating expenses	<u>357,621</u>	<u>268,432</u>	<u>89,189</u>
Operating income (loss)	225,000	17,405	(207,595)
Non-Operating Revenues:			
Investment earnings	<u>-</u>	<u>226</u>	<u>226</u>
Income (loss) before operating transfers	225,000	17,631	(207,369)
Transfer (in) out - General Fund	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (207,369)</u>	<u>\$ (207,369)</u>
Reconciliation from Financial Plan Basis to Full Accrual:			
Change in net position		<u>\$ (207,369)</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, 2014**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 39,943	\$ 39,667	\$ 39,943	\$ 39,667
Liabilities:				
Miscellaneous liabilities	\$ 39,943	\$ 39,667	\$ 39,943	\$ 39,667
Tax Collection Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 152,372	\$ 11,720,662	\$ 11,758,107	\$ 114,927
Taxes receivable, net	872,991	11,287,248	11,302,980	857,259
Total assets	<u>\$ 1,025,363</u>	<u>\$ 23,007,910</u>	<u>\$ 23,061,087</u>	<u>\$ 972,186</u>
Liabilities:				
Miscellaneous liabilities	\$ 152,372	\$ 11,718,996	\$ 11,667,953	\$ 203,415
Intergovernmental payable	872,991	11,212,742	11,316,962	768,771
Total liabilities	<u>\$ 1,025,363</u>	<u>\$ 22,931,738</u>	<u>\$ 22,984,915</u>	<u>\$ 972,186</u>
DMV Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 2,362	\$ 2,362	\$ -
Total assets	<u>\$ -</u>	<u>\$ 2,362</u>	<u>\$ 2,362</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ -	\$ 2,362	\$ 2,362	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 2,362</u>	<u>\$ 2,362</u>	<u>\$ -</u>
ROD Trust Fund Fee:				
Assets:				
Cash and cash equivalents	\$ 2,102	\$ 23,318	\$ 23,839	\$ 1,581
Total assets	<u>\$ 2,102</u>	<u>\$ 23,318</u>	<u>\$ 23,839</u>	<u>\$ 1,581</u>
Liabilities:				
Intergovernmental payable - State of North Carolina	\$ 2,102	\$ 23,318	\$ 23,839	\$ 1,581
Total liabilities	<u>\$ 2,102</u>	<u>\$ 23,318</u>	<u>\$ 23,839</u>	<u>\$ 1,581</u>
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 194,417	\$ 11,786,009	\$ 11,824,251	\$ 156,175
Taxes receivable, net	872,991	11,287,248	11,302,980	857,259
Total assets	<u>\$ 1,067,408</u>	<u>\$ 23,073,257</u>	<u>\$ 23,127,231</u>	<u>\$ 1,013,434</u>
Liabilities and Fund Balance:				
Liabilities:				
Miscellaneous liabilities	\$ 192,315	\$ 11,758,663	\$ 11,707,896	\$ 243,082
Intergovernmental payable	875,093	11,238,422	11,343,163	770,352
Total liabilities	<u>\$ 1,067,408</u>	<u>\$ 22,997,085</u>	<u>\$ 23,051,059</u>	<u>\$ 1,013,434</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, 2014

Fiscal Year	Uncollected Balance July 1, 2013	Additions	Collections and Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 25,423,338	\$ 24,890,205	\$ 533,133
2012-2013	763,563	-	429,773	333,790
2011-2012	295,535	-	63,320	232,215
2010-2011	238,661	-	38,843	199,818
2009-2010	195,039	-	30,496	164,543
2008-2009	138,344	-	9,803	128,541
2007-2008	131,353	-	6,830	124,523
2006-2007	140,976	-	4,928	136,048
2005-2006	134,640	-	3,495	131,145
2004-2005	119,704	-	3,538	116,166
2003-2004	<u>127,715</u>	<u>-</u>	<u>127,715</u>	<u>-</u>
Total	<u>\$ 2,285,530</u>	<u>\$ 25,423,338</u>	<u>\$ 25,608,946</u>	2,099,922
Motor vehicle taxes receivable for 2014				373
Less: allowance for uncollectible ad valorem taxes receivable				<u>(636,421)</u>
Ad valorem taxes receivable, net				<u>\$ 1,463,874</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 25,467,769
Reconciling items:				
Gross receipts tax				(21,245)
Penalties collected on ad valorem taxes - Agency Fund				(190,793)
Amounts written off for tax years per Statute of Limitations				127,715
Abatements and releases				44,292
Refunds				(97,541)
Writeoffs/discounts				211,230
Tax bill adjustments				(1,040)
Discoveries and rollback				22,825
Miscellaneous adjustments				<u>45,734</u>
Total collections and credits				<u>\$ 25,608,946</u>

HALIFAX COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2014

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy:					
Property taxed at current year's rate	\$ 3,293,757,850	\$ 0.68	\$ 22,397,553	\$ 22,397,553	\$ -
Motor vehicles taxed at current year's rate	446,078,531	0.68	3,033,334	-	3,033,334
Penalties	-		23,025	23,025	-
Total original levy	<u>3,739,836,381</u>		<u>25,453,912</u>	<u>22,420,578</u>	<u>3,033,334</u>
Discoveries	<u>2,017,706</u>	0.68	<u>13,720</u>	<u>13,720</u>	<u>-</u>
Abatements	<u>(6,513,754)</u>	0.68	<u>(44,294)</u>	<u>(7,675)</u>	<u>(36,619)</u>
Total property valuation	<u>\$ 3,735,340,333</u>				
Net Levy			25,423,338	22,426,623	2,996,715
Uncollected taxes at June 30, 2014			<u>533,133</u>	<u>481,289</u>	<u>51,844</u>
Current Year's Taxes Collected			<u>\$ 24,890,205</u>	<u>\$ 21,945,334</u>	<u>\$ 2,944,871</u>
Current Levy Collection Percentage			<u>97.90%</u>	<u>97.85%</u>	<u>98.27%</u>

HALIFAX COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2014****Secondary Market Disclosure:****Assessed Valuation:**

Assessment ratio	100%
Real property	\$ 2,688,632,955
Personal property	865,175,325
Public service companies	<u>181,532,053</u>
Total assessed valuation	<u>\$ 3,735,340,333</u>
Tax rate per \$100	0.68
Levy (included discoveries, releases and abatements)	<u>\$ 25,423,338</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	\$ 3,034,362
Fire protection districts	1,221,317
Community hospital	<u>369,235</u>
Total	<u>\$ 4,624,914</u>



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STATISTICAL SECTION

(unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	132
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	142
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	146
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	149
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	151

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 18,794,168	\$ 18,632,877	\$ 18,477,076	\$ 15,509,024
Restricted	13,604,008	16,312,505	16,423,142	11,130,798
Unrestricted	<u>(1,703,907)</u>	<u>(1,029,184)</u>	<u>(21,964)</u>	<u>6,009,922</u>
Total governmental activities net position	<u>\$ 30,694,269</u>	<u>\$ 33,916,198</u>	<u>\$ 34,878,254</u>	<u>\$ 32,649,744</u>
Business-type activities				
Net investment in capital assets	\$ 11,986,758	\$ 11,368,747	\$ 11,893,823	\$ 13,581,258
Restricted	-	-	-	-
Unrestricted	<u>5,230,243</u>	<u>6,831,496</u>	<u>6,156,006</u>	<u>7,257,654</u>
Total business-type activities net position	<u>\$ 17,217,001</u>	<u>\$ 18,200,243</u>	<u>\$ 18,049,829</u>	<u>\$ 20,838,912</u>
Primary government				
Net investment in capital assets	\$ 30,780,926	\$ 30,001,624	\$ 30,370,899	\$ 29,090,282
Restricted	13,604,008	16,312,505	16,423,142	11,130,798
Unrestricted	<u>3,526,336</u>	<u>5,802,312</u>	<u>6,134,042</u>	<u>13,267,576</u>
Total primary government net position	<u>\$ 47,911,270</u>	<u>\$ 52,116,441</u>	<u>\$ 52,928,083</u>	<u>\$ 53,488,656</u>

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 15,987,959	\$ 16,324,481	\$ 15,903,882	\$ 16,542,906	\$ 12,700,784	\$ 12,337,967
58,992	58,192	89,618	89,618	57,658	1,195,232
<u>14,562,807</u>	<u>10,725,835</u>	<u>11,984,749</u>	<u>12,708,171</u>	<u>24,037,834</u>	<u>17,409,976</u>
<u>\$ 30,609,758</u>	<u>\$ 27,108,508</u>	<u>\$ 27,978,249</u>	<u>\$ 29,340,695</u>	<u>\$ 36,796,276</u>	<u>\$ 30,943,175</u>
\$ 13,947,296	\$ 12,725,129	\$ 13,264,059	\$ 14,421,955	\$ 14,537,104	\$ 14,805,053
-	-	-	-	-	-
<u>7,598,212</u>	<u>8,209,572</u>	<u>7,633,787</u>	<u>5,758,236</u>	<u>3,648,978</u>	<u>2,516,250</u>
<u>\$ 21,545,508</u>	<u>\$ 20,934,701</u>	<u>\$ 20,897,846</u>	<u>\$ 20,180,191</u>	<u>\$ 18,186,082</u>	<u>\$ 17,321,303</u>
\$ 29,935,255	\$ 29,049,610	\$ 29,167,941	\$ 30,964,861	\$ 27,237,888	\$ 27,143,020
58,992	58,192	89,618	89,618	57,658	1,195,232
<u>22,161,019</u>	<u>18,935,407</u>	<u>19,618,536</u>	<u>18,466,407</u>	<u>27,686,812</u>	<u>19,926,226</u>
<u>\$ 52,155,266</u>	<u>\$ 48,043,209</u>	<u>\$ 48,876,095</u>	<u>\$ 49,520,886</u>	<u>\$ 54,982,358</u>	<u>\$ 48,264,478</u>

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

	Fiscal			
	2014	2013	2012	2011
Expenses				
Governmental activities:				
General government	\$ 11,521,305	\$ 11,421,727	\$ 11,155,986	\$ 10,435,130
Public safety	13,761,938	14,124,871	12,844,194	12,274,234
Economic and physical development	7,185,719	1,418,100	1,711,426	1,757,528
Human services	20,392,320	20,918,807	21,780,366	22,082,009
Cultural and recreational	651,086	617,701	683,275	539,435
Education	11,257,890	12,758,774	14,579,569	11,696,274
Interest and fees	<u>1,042,433</u>	<u>921,100</u>	<u>938,783</u>	<u>396,649</u>
Total governmental activities expenses	<u>65,812,691</u>	<u>62,181,080</u>	<u>63,693,599</u>	<u>59,181,259</u>
Business-type activities:				
Water and sewer	5,759,890	5,730,039	6,961,383	5,071,355
Landfill/solid waste	<u>3,982,453</u>	<u>3,703,772</u>	<u>8,871,212</u>	<u>3,906,530</u>
Total business-type activities	<u>9,742,343</u>	<u>9,433,811</u>	<u>15,832,595</u>	<u>8,977,885</u>
Total primary governmental expenses	<u>\$ 75,555,034</u>	<u>\$ 71,614,891</u>	<u>\$ 79,526,194</u>	<u>\$ 68,159,144</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 2,400,963	\$ 2,754,422	\$ 2,149,215	\$ 2,787,711
Public safety	3,271,235	2,528,535	3,436,113	3,584,112
Economic and physical development	-	-	-	-
Human services	148,547	102,747	158,807	143,102
Cultural and recreation	25,439	21,822	19,223	26,895
Operating grants and contributions	16,704,854	17,435,430	21,669,387	17,744,622
Capital grants and contributions	<u>1,349,798</u>	<u>1,257,897</u>	<u>1,369,143</u>	<u>1,018,199</u>
Total governmental activities program revenues	<u>23,900,836</u>	<u>24,100,853</u>	<u>28,801,888</u>	<u>25,304,641</u>
Business-type activities:				
Charges of services:				
Water and sewer	4,987,948	4,980,159	4,616,130	4,664,667
Solid waste	3,814,991	3,728,939	8,356,624	3,372,705
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>642,755</u>	<u>766,515</u>	<u>2,511</u>	<u>224,763</u>
Total business-type activities program revenues	<u>9,445,694</u>	<u>9,475,613</u>	<u>12,975,265</u>	<u>8,262,135</u>
Total primary governmental program revenues	<u>\$ 33,346,530</u>	<u>\$ 33,576,466</u>	<u>\$ 41,777,153</u>	<u>\$ 33,566,776</u>
Net (Expense)/Revenue				
Governmental activities	\$ (41,911,855)	\$ (38,080,227)	\$ (34,891,710)	\$ (33,876,618)
Business-type activities	<u>(296,649)</u>	<u>41,802</u>	<u>(2,857,330)</u>	<u>(715,750)</u>
Total primary government net expense	<u>\$ (42,208,504)</u>	<u>\$ (38,038,425)</u>	<u>\$ (37,749,040)</u>	<u>\$ (34,592,368)</u>

Year					
2010	2009	2008	2007	2006	2005
\$ 9,781,235	\$ 11,094,199	\$ 8,844,192	\$ 9,365,516	\$ 10,211,044	\$ 7,698,532
11,872,036	12,291,389	12,153,355	9,859,448	10,052,711	8,890,593
1,648,548	1,156,054	780,355	1,671,471	1,147,987	453,428
21,431,637	25,268,365	25,764,084	26,121,156	25,931,106	31,319,162
528,298	578,152	554,833	442,423	401,453	466,682
11,920,920	12,159,112	16,571,006	23,973,376	14,876,729	10,210,577
<u>460,169</u>	<u>532,773</u>	<u>579,473</u>	<u>637,840</u>	<u>338,167</u>	<u>371,056</u>
<u>57,642,843</u>	<u>63,080,044</u>	<u>65,247,298</u>	<u>72,071,230</u>	<u>62,959,197</u>	<u>59,410,030</u>
5,064,811	5,787,146	6,486,493	4,990,957	5,322,080	6,428,356
<u>3,465,856</u>	<u>3,210,966</u>	<u>2,445,520</u>	<u>2,248,862</u>	<u>1,940,213</u>	<u>2,248,419</u>
<u>8,530,667</u>	<u>8,998,112</u>	<u>8,932,013</u>	<u>7,239,819</u>	<u>7,262,293</u>	<u>8,676,775</u>
<u>\$ 66,173,510</u>	<u>\$ 72,078,156</u>	<u>\$ 74,179,311</u>	<u>\$ 79,311,049</u>	<u>\$ 70,221,490</u>	<u>\$ 68,086,805</u>
\$ 2,695,952	\$ 2,301,996	\$ 2,412,155	\$ 2,991,008	\$ 1,549,543	\$ 964,228
2,413,056	3,152,842	2,407,032	2,480,344	2,429,014	2,044,812
-	-	7,144	14,992	463,496	128,997
40,693	19,664	116,303	20,841	6,129	355,558
5,992	4,514	-	-	36,043	37,480
18,458,663	19,390,471	18,592,406	18,407,546	16,108,612	21,147,425
<u>1,371,293</u>	<u>640,654</u>	<u>930,192</u>	<u>-</u>	<u>1,388,553</u>	<u>250,321</u>
<u>24,985,649</u>	<u>25,510,141</u>	<u>24,465,232</u>	<u>23,914,731</u>	<u>21,981,390</u>	<u>24,928,821</u>
4,825,979	5,389,856	5,868,898	5,230,740	4,944,059	4,937,390
3,194,215	3,129,176	3,059,677	2,865,798	2,686,642	2,459,691
-	-	-	18,502	18,502	18,502
<u>1,021,862</u>	<u>252,287</u>	<u>358,948</u>	<u>545,569</u>	<u>231,401</u>	<u>171,509</u>
<u>9,042,056</u>	<u>8,771,319</u>	<u>9,287,523</u>	<u>8,660,609</u>	<u>7,880,604</u>	<u>7,587,092</u>
<u>\$ 34,027,705</u>	<u>\$ 34,281,460</u>	<u>\$ 33,752,755</u>	<u>\$ 32,575,340</u>	<u>\$ 29,861,994</u>	<u>\$ 32,515,913</u>
\$ (32,657,194)	\$ (37,569,903)	\$ (40,782,066)	\$ (48,156,499)	\$ (40,977,807)	\$ (34,481,209)
<u>511,389</u>	<u>(226,793)</u>	<u>355,510</u>	<u>1,420,790</u>	<u>618,311</u>	<u>(1,089,683)</u>
<u>\$ (32,145,805)</u>	<u>\$ (37,796,696)</u>	<u>\$ (40,426,556)</u>	<u>\$ (46,735,709)</u>	<u>\$ (40,359,496)</u>	<u>\$ (35,570,892)</u>

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

	Fiscal			
	2014	2013	2012	2011
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Ad valorem taxes	\$ 29,938,070	\$ 29,176,862	\$ 29,060,545	\$ 28,853,192
Local option sales tax	7,211,131	7,462,883	7,441,555	6,544,483
Other taxes	118,989	144,424	121,816	124,282
Interest earned on investments	67,661	39,775	39,565	99,372
Miscellaneous	1,567,406	312,523	432,380	206,482
Transfers	<u>-</u>	<u>(18,296)</u>	<u>24,359</u>	<u>88,793</u>
Total governmental activities	<u>38,903,257</u>	<u>37,118,171</u>	<u>37,120,220</u>	<u>35,916,604</u>
Business-type activities:				
Other taxes	-	-	-	-
Privilege tax	74,366	83,280	84,179	81,674
Interest	5,556	7,036	8,427	16,273
Miscellaneous	-	-	-	-
Transfers	<u>-</u>	<u>18,296</u>	<u>(24,359)</u>	<u>(88,793)</u>
Total business-type activities	<u>79,922</u>	<u>108,612</u>	<u>68,247</u>	<u>9,154</u>
Total primary government	<u>\$ 38,983,179</u>	<u>\$ 37,226,783</u>	<u>\$ 37,188,467</u>	<u>\$ 35,925,758</u>
Change in Net Position				
Governmental activities	\$ (3,008,598)	\$ (962,056)	\$ 2,228,510	\$ 2,039,986
Business-type activities	<u>(216,727)</u>	<u>150,414</u>	<u>(2,789,083)</u>	<u>(706,596)</u>
Total primary government	<u>\$ (3,225,325)</u>	<u>\$ (811,642)</u>	<u>\$ (560,573)</u>	<u>\$ 1,333,390</u>

Year					
2010	2009	2008	2007	2006	2005
\$ 29,073,973	\$ 27,031,921	\$ 26,283,349	\$ 26,892,818	\$ 33,794,125	\$ 24,190,324
6,765,382	9,017,316	11,147,940	11,224,258	10,358,468	9,779,111
131,484	138,512	489,499	162,525	168,945	148,923
109,491	436,090	1,350,134	2,424,199	1,619,907	515,500
72,410	107,007	-	-	773,508	91,582
<u>5,704</u>	<u>(30,684)</u>	<u>148,698</u>	<u>(2,882)</u>	<u>115,955</u>	<u>177,498</u>
<u>36,158,444</u>	<u>36,700,162</u>	<u>39,419,620</u>	<u>40,700,918</u>	<u>46,830,908</u>	<u>34,902,938</u>
-	-	83,899	84,494	80,029	77,403
78,893	76,003	-	-	-	-
26,229	156,961	426,944	485,943	282,394	151,366
-	-	-	-	-	-
<u>(5,704)</u>	<u>30,684</u>	<u>(148,698)</u>	<u>2,882</u>	<u>(115,955)</u>	<u>(177,498)</u>
<u>99,418</u>	<u>263,648</u>	<u>362,145</u>	<u>573,319</u>	<u>246,468</u>	<u>51,271</u>
<u>\$ 36,257,862</u>	<u>\$ 36,963,810</u>	<u>\$ 39,781,765</u>	<u>\$ 41,274,237</u>	<u>\$ 47,077,376</u>	<u>\$ 34,954,209</u>
\$ 3,501,250	\$ (869,741)	\$ (1,362,446)	\$ (7,455,581)	\$ 5,853,101	\$ 421,729
<u>610,807</u>	<u>36,855</u>	<u>717,655</u>	<u>1,994,109</u>	<u>864,779</u>	<u>(1,038,412)</u>
<u>\$ 4,112,057</u>	<u>\$ (832,886)</u>	<u>\$ (644,791)</u>	<u>\$ (5,461,472)</u>	<u>\$ 6,717,880</u>	<u>\$ (616,683)</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund				
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Non-spendable	\$ 47,097	\$ 67,992	\$ 787,417	\$ 118,618
Restricted	12,649,829	14,590,085	13,736,617	9,937,529
Committed	888,375	1,063,800	1,010,972	987,513
Assigned	1,882,934	3,497,218	4,530,361	3,941,401
Unassigned	<u>11,643,265</u>	<u>10,528,955</u>	<u>13,226,413</u>	<u>17,589,602</u>
Total General Fund	<u>\$ 27,111,500</u>	<u>\$ 29,748,050</u>	<u>\$ 33,291,780</u>	<u>\$ 32,574,663</u>
All other governmental funds				
Reserved	N/A	N/A	N/A	N/A
Unreserved, reported in:				
Undesignated	N/A	N/A	N/A	N/A
Special revenue funds	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A
Restricted	\$ 951,229	\$ 1,722,420	\$ 2,686,525	\$ 1,193,269
Committed	629,102	2,255,244	1,182,015	-
Assigned	-	-	-	1,534,350
Unassigned	<u>(1,158,743)</u>	<u>(2,625,090)</u>	<u>(3,344,767)</u>	<u>(2,692,045)</u>
Total all other governmental funds	<u>\$ 421,588</u>	<u>\$ 1,352,574</u>	<u>\$ 523,773</u>	<u>\$ 35,574</u>

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 7,830,230	\$ 7,092,581	\$ 6,680,731	\$ 6,724,983	\$ 5,974,150	\$ 6,243,358
24,021,981	22,939,596	24,385,840	25,854,498	26,288,682	17,161,395
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 31,852,211	\$ 30,032,177	\$ 31,066,571	\$ 32,579,481	\$ 32,262,832	\$ 23,404,753
\$ 73,743	\$ 88,104	\$ 248,233	\$ 217,178	\$ 141,383	\$ 1,237,302
-	-	-	-	-	-
1,281,807	1,136,906	1,102,165	1,253,991	889,988	747,510
(2,081,881)	(2,514,505)	(1,731,444)	281,507	17,303,300	(2,046,725)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (726,331)	\$ (1,289,495)	\$ (381,046)	\$ 1,752,676	\$ 18,334,671	\$ (61,913)

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

Revenues	2014	2013	2012	2011
Ad valorem taxes	\$ 25,467,769	\$ 24,508,463	\$ 24,322,857	\$ 28,787,663
Other taxes and licenses	6,857,795	7,095,607	6,712,220	6,668,765
Unrestricted intergovernmental revenues	347,751	390,315	408,382	727,980
Restricted intergovernmental revenues	16,450,460	17,545,805	18,649,613	18,977,893
Permits and fees	1,397,617	1,346,291	1,300,247	1,148,751
Sales and services	4,043,476	3,879,891	4,098,301	4,328,128
Investment earnings	56,469	21,802	29,070	96,610
Miscellaneous	<u>329,311</u>	<u>312,426</u>	<u>412,940</u>	<u>206,482</u>
Total revenues	<u>54,950,648</u>	<u>55,100,600</u>	<u>55,933,630</u>	<u>60,942,272</u>
Expenditures				
General government	8,032,471	8,787,443	7,262,849	6,603,840
Public safety	13,146,632	12,983,238	13,479,012	12,713,337
Economic and physical development	866,364	1,097,442	5,351,019	2,455,450
Human services	21,485,386	21,914,289	22,931,926	22,849,271
Cultural and recreational	711,853	680,198	735,805	596,275
Education	7,837,920	9,272,733	14,579,569	11,696,274
Capital outlay	-	-	-	-
Debt service				
Principal	1,919,745	1,822,398	2,094,073	2,460,612
Interest	<u>854,222</u>	<u>921,099</u>	<u>936,291</u>	<u>396,649</u>
Total expenditures	<u>54,854,593</u>	<u>57,478,840</u>	<u>67,370,544</u>	<u>59,771,708</u>
Excess of revenues over (under) expenditures	<u>96,055</u>	<u>(2,378,240)</u>	<u>(11,436,914)</u>	<u>1,170,564</u>
Other financing sources (uses)				
Intrafund transfers in (out)				
Transfers in	1,292,222	296,406	1,076,323	2,069,142
Transfers out	(4,474,827)	(1,461,896)	(826,964)	(1,755,349)
Sale of capital assets	-	-	-	-
Installment purchase obligations issued	<u>450,000</u>	<u>-</u>	<u>2,552,967</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,732,605)</u>	<u>(1,165,490)</u>	<u>2,802,326</u>	<u>313,793</u>
Net change in fund balances	<u>\$ (2,636,550)</u>	<u>\$ (3,543,730)</u>	<u>\$ (8,634,588)</u>	<u>\$ 1,484,357</u>
Debt services as a percentage of non-capital expenditures	<u>5.05%</u>	<u>4.80%</u>	<u>4.50%</u>	<u>4.78%</u>

Fiscal Year

2010	2009	2008	2007	2006	2005
\$ 29,025,295	\$ 26,929,709	\$ 26,645,328	\$ 26,716,334	\$ 36,241,776	\$ 24,620,028
6,896,866	9,155,828	11,637,439	11,386,783	10,527,413	9,928,034
483,341	567,941	561,175	630,484	601,198	599,277
19,473,535	18,847,756	19,029,117	18,336,126	17,118,271	20,933,170
1,239,839	1,089,818	1,132,806	1,416,031	1,135,397	978,380
3,063,410	3,968,594	3,043,037	3,060,770	2,653,994	2,088,402
104,371	407,156	1,284,516	2,339,579	1,539,551	473,766
<u>799,583</u>	<u>742,245</u>	<u>649,621</u>	<u>457,060</u>	<u>1,152,402</u>	<u>280,069</u>
<u>61,086,240</u>	<u>61,709,047</u>	<u>63,983,039</u>	<u>64,343,167</u>	<u>70,970,002</u>	<u>59,901,126</u>
6,400,525	7,749,605	6,571,683	6,619,523	10,390,233	5,563,541
12,175,394	13,164,754	12,574,099	10,710,355	10,749,615	9,503,518
1,711,764	1,435,942	853,024	4,636,172	2,445,266	2,700,184
23,011,327	25,982,318	27,133,595	31,258,022	28,144,753	31,390,826
584,198	612,437	595,436	543,258	492,024	537,581
11,920,920	11,744,244	16,571,006	23,973,376	14,876,729	10,210,577
-	-	1,822,427	-	-	-
2,669,450	2,624,133	2,689,537	2,522,662	1,413,080	1,309,238
<u>460,168</u>	<u>532,773</u>	<u>579,473</u>	<u>637,841</u>	<u>338,167</u>	<u>370,845</u>
<u>58,933,746</u>	<u>63,846,206</u>	<u>69,390,280</u>	<u>80,901,209</u>	<u>68,849,867</u>	<u>61,586,310</u>
<u>2,152,494</u>	<u>(2,137,159)</u>	<u>(5,407,241)</u>	<u>(16,558,042)</u>	<u>2,120,135</u>	<u>(1,685,184)</u>
660,665	887,783	1,016,154	1,029,132	986,216	1,324,865
(429,961)	(693,467)	(642,456)	(807,014)	(645,261)	(1,047,367)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>950,796</u>	<u>506,692</u>	<u>24,793,574</u>	<u>2,220,622</u>
<u>230,704</u>	<u>194,316</u>	<u>1,324,494</u>	<u>728,810</u>	<u>25,134,529</u>	<u>2,498,120</u>
<u>\$ 2,383,198</u>	<u>\$ (1,942,843)</u>	<u>\$ (4,082,747)</u>	<u>\$ (15,829,232)</u>	<u>\$ 27,254,664</u>	<u>\$ 812,936</u>
<u>5.31%</u>	<u>4.91%</u>	<u>4.71%</u>	<u>3.91%</u>	<u>2.54%</u>	<u>2.73%</u>

Schedule 5

Halifax County, North Carolina

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property			Total	Total Direct Tax Rate
	Residential Property	Public Service	Personal Property		
2014	\$ 2,688,632,955	\$ 181,532,053	\$ 865,175,325	\$ 3,735,340,333	0.6800
2013	2,688,009,515	181,213,573	741,238,469	3,610,461,557	0.6800
2012	2,679,669,691	172,366,132	741,199,448	3,593,235,271	0.6800
2011	2,659,342,572	166,430,768	729,288,429	3,555,061,769	0.6800
2010	2,599,443,151	142,435,241	819,002,637	3,560,881,029	0.6800
2009	2,603,714,835	157,174,358	755,127,735	3,516,016,928	0.6800
2008	2,565,732,240	152,640,937	797,774,936	3,516,148,113	0.6800
2007	1,881,563,995	127,542,574	812,461,530	2,821,568,099	0.8650
2006	1,855,471,722	113,599,077	765,434,571	2,734,505,370	0.8650
2005	1,813,198,512	107,412,690	777,559,326	2,698,170,528	0.8650

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
Halifax	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800	\$ 0.6800
Components of Direct Rates										
Public safety	0.125392	0.12539								
Education	0.199512	0.19951								
Operational services	0.355096	0.3551								
City Rates										
Roanoke Rapids	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240	0.6240
Enfield	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
Halifax	0.6000	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Scotland Neck	0.7000	0.7000	0.6800	0.6400	0.6400	0.6400	0.6400	0.6000	0.6000	0.6000
Hobgood	0.5700	0.5700	0.5700	0.5700	0.5700	0.5700	0.5700	0.4500	0.4500	0.4500
Littleton	0.7000	0.6500	0.6500	0.6500	0.6100	0.6500	0.6500	0.6500	0.6500	0.6500
Weldon	0.6600	0.6600	0.6600	0.6600	0.7500	0.6800	0.7500	0.7500	0.7500	0.7500
School District										
Weldon	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Roanoke Rapids	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100
Fire Districts										
Rheasville	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Davie	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Darlington	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Thelma	-	-	-	-	-	-	-	-	-	-
Littleton	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.0460	0.3300	0.0600	0.0600
Brinkleyville	-	-	-	-	-	-	-	-	-	-
Arcola	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.5520	0.0700	0.0700
Enfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Halifax	0.0726	0.0726	0.0726	0.0726	0.0726	0.0726	0.0726	0.0626	0.0600	0.0600
Hobgood	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0719	0.0700	0.0700
Scotland Neck	0.0700	0.0700	0.0700	0.0700	0.0649	0.0649	0.0649	0.0649	0.0600	0.0600
Weldon	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0845	0.0900	0.0900
Tillery	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0488	0.0500	0.0500
Hospital District										
Our Community Hospital	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200

Source: State Department of Revenue, Bureau of Property Tax

Schedule 7

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed
Kapstone Kraft Paper Corporation	6,488,810	1		28.97%Westmoreland	1	35.98%
Westmoreland LG&E Partners	5,505,421	2		22.10%International Paper	2	24.96%
Dominion-Virginia Power	105,256,252	3		21.25%Dominion-Virginia Power	3	11.04%
Reser's Fine Foods, Inc.	32,487,319	4		6.56%Panda Rosemary Company	4	8.49%
CSX Transportation Inc.	24,220,678	5		4.89%Carolina Tel & Tel Company	5	3.84%
Halifax EMC	19,082,568	6		3.85%Safelite Glass Corp.	6	3.72%
Kennametal Inc.	18,809,956	7		3.80%Reser's Fine Foods	7	3.39%
Carolina Tel & Tel Company	6,243,372	8	3.28%	Halifax EMC	8	3.23%
RAE-ME North Carolina LLC	3,462,313	9	2.72%	Kennametal Inc.	9	2.72%
BRE Select Hotels, NC, LP	12,815,494	10	2.59%	Patch Rubber Co.	10	2.62%
Totals	\$ 495,421,980		100.00%	\$ 482,698,307		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		Adjustments		Total		Collected within the		Total Collections	
	Original Levy	Adjusted Levy	Amount	Percentage of	Original Levy	Subsequent Years Amount	Percentage of	Subsequent Years Amount	Adjusted Levy	Percentage of
2014	\$ 25,453,912	\$ (30,574)	\$ 25,423,338	\$ 24,890,205	97.79%	\$ -	\$ 24,890,205	97.90%		
2013	24,605,980	(54,841)	24,551,139	23,787,576	96.67%	429,773	24,217,349	98.64%		
2012	24,462,488	(3,436)	24,459,052	23,736,795	97.03%	63,320	23,800,115	97.31%		
2011	24,229,651	(31,165)	24,198,486	23,425,324	96.68%	38,843	23,464,167	96.97%		
2010	24,477,419	(295,880)	24,181,539	23,263,860	95.04%	30,496	23,294,356	96.33%		
2009	24,149,388	(104,523)	24,044,865	23,218,278	96.14%	9,803	23,228,081	96.60%		
2008	23,375,303	562,670	23,937,973	23,209,724	99.29%	6,830	23,216,554	96.99%		
2007	23,941,561	465,003	24,406,564	23,650,788	98.79%	4,928	23,655,716	96.92%		
2006	23,956,573	212,615	24,169,188	23,429,508	97.80%	3,495	23,433,003	96.95%		
2005	23,498,215	(159,040)	23,339,175	21,943,282	93.38%	3,538	21,946,820	94.03%		

Schedule 9

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net			
2014	\$ 20,575,596	\$ (20,575,596)		2.1%	0.55%	376.55
2013	21,362,314	(21,362,314)	-	2.4%	0.59%	395.55
2012	22,065,000	(22,065,000)		2.4%	0.61%	403.45
2011	22,629,000	(22,629,000)		2.3%	0.64%	416.85
2010	21,061,500	(21,061,500)		2.2%	0.59%	381.74
2009	14,595,000	(14,595,000)		1.5%	0.42%	266.90
2008	14,918,000	(14,918,000)		1.2%	0.42%	269.51
2007	15,230,500	(15,230,500)		1.2%	0.54%	264.76
2006	15,532,000	(15,532,000)	-	N/A	0.57%	N/A
2005	15,824,000	(15,824,000)	-	1.4%	0.59%	280.85

Note: Details regarding the County's outstanding debt ca

Schedule 10

Halifax County, North Carolina
Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

	<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:				
Halifax County	\$ 20,575,596	100%	\$ -	-
Underlying:				
Enfield	2,078,000	100%	-	-
Halifax	-	100%	-	-
Littleton	245,500	100%	-	-
Roanoke Rapids	-	100%	-	-
Scotland Neck	299,000	100%	-	-
Weldon	-	100%	-	-
Total	\$ 23,198,096		\$ -	-

Sources: Assessed val

outstanding data provided by the County.

Note: Overlapping govern
the portion of the outstanding debt of
Government. This process rec
burden borne by the residen
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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Assessed value of property	\$ 8,735,340	\$ 3,606,918	\$ 3,593,205	\$ 3,554,895	\$ 3,541,345	\$ 3,516,016	\$ 3,516,148	\$ 2,821,568	\$ 2,794,125	\$ 2,698,170
Debt limit, 8% of assessed value (statutory limitation)	<u>288,553</u>	<u>288,553</u>	<u>287,456</u>	<u>284,392</u>	<u>283,308</u>	<u>281,281</u>	<u>281,292</u>	<u>225,725</u>	<u>223,530</u>	<u>215,854</u>
Amount of debt applicable to limit	<u>288,553</u>	<u>288,553</u>	<u>287,456</u>	<u>284,392</u>	<u>283,308</u>	<u>281,281</u>	<u>281,292</u>	<u>225,725</u>	<u>223,530</u>	<u>215,854</u>
General Obligation Bonds	20,576	21,362	22,065	22,629	21,062	14,595	14,918	15,230	15,532	15,824
Less: resources restricted to paying principal	(20,576)	(21,362)	(22,065)	(22,629)	(21,062)	(14,595)	(14,918)	(15,230)	(15,532)	(15,824)
Installment purchase contracts*	22,378	22,378	22,409	21,906	24,324	26,943	29,683	31,558	34,244	11,034
Promissory notes	174	223	272							
Revenue bonds	-	2,687								
Total net debt applicable to limit	<u>46,650</u>	<u>46,650</u>	<u>44,746</u>	<u>43,971</u>	<u>45,386</u>	<u>26,943</u>	<u>29,683</u>	<u>31,558</u>	<u>34,244</u>	<u>11,034</u>
Legal debt margin	<u>\$ 256,001</u>	<u>\$ 241,903</u>	<u>\$ 242,710</u>	<u>\$ 240,421</u>	<u>\$ 237,922</u>	<u>\$ 254,338</u>	<u>\$ 251,609</u>	<u>\$ 194,167</u>	<u>\$ 189,286</u>	<u>\$ 204,820</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>16.17%</u>	<u>16.17%</u>	<u>15.57%</u>	<u>15.46%</u>	<u>16.02%</u>	<u>9.58%</u>	<u>10.55%</u>	<u>13.98%</u>	<u>15.32%</u>	<u>5.11%</u>

**Installment Debt includes COPS,
 QZAB, and installment purchases

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

Schedule 12

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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2014	54,643	\$ 981,989	\$ 17,971	7,396	9.8%
2013	54,006	905,033	16,758	7,396	13.4%
2012	54,691	941,943	17,223	7,742	13.2%
2011	54,286	970,959	17,886	8,455	13.7%
2010	55,173	969,555	17,573	7,807	12.6%
2009	54,684	977,641	17,878	8,161	14.6%
2008	55,352	1,290,477	23,314	10,800	8.6%
2007	57,523	1,341,091	23,314	8,476	7.3%
2006	56,172	N/A	N/A	8,718	7.0%
2005	56,344	1,144,515	20,313	9,585	8.4%

Note: Population, median age, and unemployment rate are based on the census at the start of the school year. Personal income information 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	2014			2005		
	<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	812	1	13.28%	880	2	15.54%
Halifax County Schools	675	2	11.04%	900	1	15.89%
County of Halifax	626	3	10.24%	776	3	13.70%
KapStone	469	4	7.67%	554	4	9.78%
Reser's Fine Foods, Inc.	398	5	6.51%	110	17	1.94%
Roanoke Rapids City Schools	377	6	6.17%	453	5	8.00%
Halifax Community College	334	7	5.46%	160	11	2.83%
Wal-mart, Inc.	292	8	4.78%	198	9	3.50%
AAA Carolinas	290	9	4.74%	120	16	2.12%
New Dixie Oil	250	10	4.09%	150	13	2.65%
Safelite (Belron USA)	208	11	3.40%	300	6	5.30%
Weldon City Schools	200	12	3.27%	200	8	3.53%
PCB Piezotronics	168	13	2.75%	-	18	0.00%
Kennametal, Inc.	163	14	2.67%	150	14	2.65%
Patch Rubber	154	15	2.52%	185	10	3.27%
Flambeau Airmold	150	16	2.45%	250	7	4.41%
Don Pancho	145	17	2.37%	-	19	0.00%
City of Roanoke Rapids	143	18	2.34%	157	12	2.77%
Halifax Linen Service	114	19	1.86%	120	15	2.12%
Rural Health Group (Halifax only)	105	20	1.72%	-	20	0.00%
Meherrin River Forest Products	<u>41</u>	21	<u>0.67%</u>	<u>-</u>	21	<u>0.00%</u>
Total	<u>6,114</u>		<u>100.00%</u>	<u>5,663</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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Justice and law enforcement	95	91	91	91	88	88	73	75	74	72
Health and human services	248	262	263	263	263	283	288	300	287	300
Environment, parks, and education	7	7	7	5	6	12	3	5	5	4
Public works	24	17	17	20	20	24	24	26	24	24
General government	185	168	168	152	162	163	168	174	167	150
Total	559	545	546	531	539	570	556	580	557	550

Source: County Budget Office.

Schedule 15

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sheriff										
Volume of calls	35,028	32,749	35,010	38,620	38,257	28,006	38,489	37,442	37,196	37,425
Incident reports filed	2,750	2,630	2,229	2,835	3,188	2,069	2,706	2,431	2,257	2,515
EMS										
Volume of calls	10,086	10,262	11,041	11,290	12,076	12,339	12,553	12,859	13,483	12,925
Response time (in minutes)	8.39	8.40	8.31	8.63	8.43	8	2.1	8.75	8.89	9.06
Transports	9,428	10,224	8,006	8,422	8,917	9,030	9,100	9,154	10,176	9,436
Water										
New connections	158	171	168	233	191	85	111	75	82	130
Water mains breaks	N/A	N/A	10	9	10	21	2	14	11	12
Average daily consumption (thousands of gallons)	2,500,000	2,500,000	2,223,725	2,034,000	1,938,500	2,565,640	2,136,173	2,610,060	2,265,000	2,185,878

Sources: Various government departments

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

N/A - Not available

Schedule 16

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

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety										
Sheriff										
Stations	2	1	1	1	1	1	1	1	1	1
Patrol units	86	40	40	40	40	40	40	40	40	40
EMS										
Stations	6	6	6	6	6	6	6	6	6	6
Ambulances/QRV'S	21	21	20	20	20	19	19	19	19	19
Water										
Water mains (miles)	613.87	568.29	568.29	565.60	540.50	520.50	506.54	449.84	443.84	N/A
Fire hydrants	1,820	1,622	1,622	1,615	1,550	1,502	1,452	1,338	1,332	N/A
Maximum daily capacity (thousands of gallons)	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	2,825,000	2,825,000	N/A
Sewer										
Sanitary sewers (miles)	11.5	11.5	11.5	10	10	10	10	10	10	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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COMPLIANCE SECTION



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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

Independent Auditor's Report

To the Board of Commissioners
Halifax County
Halifax, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Halifax County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Halifax County's basic financial statements, and have issued our report thereon dated November 13, 2014. The financial statements of the Halifax County ABC Board and the Halifax Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Halifax County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Halifax County's internal control. Accordingly, we do not express an opinion on the effectiveness of Halifax County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. And therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies 2014-002 and 2014-003 in the accompanying Schedule of Findings and Responses to be material weaknesses.

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 instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2014-001 and 2014-004.

Halifax County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 13, 2014

HALIFAX COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Non-compliance material to financial statements noted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Financial Statement Findings

Finding 2014-001 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 balanced budget; however, two projects are currently at a deficit balance until revenue sources and transfers make up the deficit.

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

Contact Person: Mary W. Duncan, Finance Director

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 2015 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.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Financial Statement Findings (Continued)

Finding 2014-002 Prior Period Adjustments

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: Accounting standards require errors in prior periods that are detected in a subsequent year be reported as prior period adjustments, resulting in a restatement of net position and/or fund balance. The prior period adjustment indicates that the systems of internal control are not operating as intended. A material error was not detected by the County's system of internal controls. In the current year, a restatement was required to record prior year loan proceeds as a liability of the Water Fund.

Effect: Net position in the Water Fund was overstated at June 30, 2013, by \$766,515.

Cause: Lack of management oversight in the recording of project funding sources in the accounting system and in subsidiary records relating to debt management led to loan proceeds being recorded as revenues in the prior year.

Recommendation: As part of the internal control structure, management should evaluate the nature of project funding and develop a system of recording the various funding sources which clearly distinguishes between revenues (which are not paid back) and loans (which are paid back).

Contact Person: Mary W. Duncan, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management concurs and will more closely examine project funding sources to determine that loans are properly accounted for as other financing sources instead of revenues.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Financial Statement Findings (Continued)

Finding 2014-003 Cash Collections

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: Daily cash count procedures require balancing drawers in total but do not include reconciliation by type of collection. Also, detailed cash balance reports are not submitted to the Finance Department, to accompany bank deposit and summary drawer reports.

Effect: Failure to perform drawer counts which reconcile back to register reports in detail, as well as failure to provide those detailed records to finance, lead to increased risk of fraudulent activity and errors in financial reporting.

Cause: Lack of management oversight to provide control procedures over cash requiring more detailed cash balancing and reconciliation procedures.

Recommendation: Cash collections procedures should be reviewed and revised to include additional strengthening controls to ensure that duties are segregated, each cashier is accountable, each drawer is reconciled in detail, and finance personnel obtain and review detailed drawer counts as part of recording and reconciling the County's cash activities.

Contact Person: Mary W. Duncan, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management concurs and has already taken steps to strengthen controls over cash collections including additional drawer count, bank deposit, and reconciling and reporting procedures.

HALIFAX COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2014

2. Financial Statement Findings (Continued)

Finding 2014-004 Bond Rate Covenant

Criteria: Management should have a system in place to monitor compliance with rate covenants associated with revenue bonds issued by the County.

Condition: Revenue bonds were issued during the fiscal year ended June 30, 2014, which require certain ratios be met as a means of ensuring that the Water Fund will continue to produce adequate revenues to service the debt. These ratios were not met in the current year.

Effect: The Water Fund has not demonstrated net revenues sufficient to meet bond rate covenants. When covenants are not met, the County is required to seek consultations with specialists to determine if rate increases or other measures are needed in order to ensure future compliance. The County is also required to notify certain parties of the non-compliance.

Cause: The revenue bonds were issued the last week of the fiscal year, at which point the operations of the Water Fund for the year were substantially completed.

Recommendation: In order to comply with the covenants, the County must seek consultations to make necessary changes in the Water Fund to ensure that net revenues are sufficient in the future, either through rate increases or expense reductions, and make all necessary notifications of failure to meet the covenants in the current year.

Contact Person: Mary W. Duncan, Finance Director

Views of Responsible Officials and Planned Corrective Actions: Management concurs and will take the required steps to address and resolve the non-compliance in the current year and prevent future non-compliance.

HALIFAX COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Financial Statement Finding

2013-001 repeated as 2014-001